Brighton Mining Group Limited

ABN 83 140 818 686

Annual Financial Report

For the year ended 30 June 2011

CORPORATE DIRECTORY

Directors

Jonathan Remta	–	Managing Director
Peter Remta	–	Non-Executive Director
Kim Thomas	–	Non-Executive Director

Company Secretary

Kim Hogg

Registered Office

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Share Registry

Advanced Share Registry Limited
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Nedlands, Western Australia 6009

Investor enquiries: (61-8) 9389 8033
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Auditors

Stantons International
Level 1,
1 Havelock Street
West Perth, Western Australia, 6005

Bankers

National Australia Bank Limited
Perth East Business Banking Centre
51-53 Kewdale Road
Kewdale, Western Australia, 6105

Stock Exchange

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
Perth, Western Australia, 6000

ASX Code: BTN

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DIRECTORS' REPORT

The directors present their report together with the financial report of Brighton Mining Group Limited (the "Company") and its controlled entity (the "Group"), for the year ended 30 June 2011 and the auditor's report thereon.

DIRECTORS

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

Mr Peter Remta

Non-Executive Chairman - Appointed 27 November 2009

Peter Remta (age 69) was a corporate lawyer before entering the mining and corporate investment industries as a director and legal consultant. In the past 30 years he has been a director of some ten stock exchange listed companies and was the federal president of Taxpayers Australia and Honorary Consul-General for the Philippines in Western Australia.

He has been involved with several successful stock exchange listings and corporate restructuring in Australia and the United States of America including arranging the first dual listing of an Australian company on NASDAQ.

In addition he is a visiting professor at Guizhou University in China.

Peter will be seeking re-election by shareholders at the 2011 Annual General Meeting.

Mr Jonathan Remta

Managing Director - Appointed 27 November 2009

Jonathan Remta (age 34) has gained his corporate and commercial expertise from his back ground as a stockbroker and corporate adviser, with several years of experience in working directly for and with mining exploration companies. This included tenement management, arranging and implementing exploration programs with field work, and overall company and corporate administration.

He has vast knowledge of Cambodia and his personal and mining industry connections in that country can only assist the Company in any future development of the concessions. He will be responsible primarily for the engagement of all technical personnel and consultants for carrying out the Company's activities and for the overall management and implementation of all exploration and development work in Cambodia.

Jonathan Remta is a graduate in Commerce from Curtin University WA, with a major in financial institutions law.

Mr Kim Thomas

Non-Executive Director – Appointed 14 July 2010

Kim Thomas (age 63) has been involved in the securities industry for more than 40 years. He was a member of the Stock Exchange from 1974, initially of the Stock Exchange of Perth and then ASX Limited.

During that time, he has been a partner and director of a number of stockbroking firms and is currently a Director, Private Clients at Patersons Securities Limited.

Kim is chairman of the Audit, Nomination, Remuneration and Risk Management Committees.

As Kim was appointed during the year, he will be seeking re-election by shareholders at the 2011 Annual General Meeting.

Mr Brian John

Non-Executive Director - Appointed 14 July 2010; resigned 23 August 2011.

Brian John (age 65) was employed by National Australia Bank for over 40 years with experience in international commercial and corporate banking. He was District Commercial Manager at Kewdale Commercial Office in Western Australia for over 10 years dealing with the mining sector. Since his retirement some five years ago, he has been engaged as a consultant to business and a number of private companies.

Brian was chairman of the Remuneration and Risk Management Committees until his resignation.

DIRECTORS (continued)

Mr Marcus Remta

Non-Executive Director - Resigned 15 July 2010

Marcus Remta (age 39) has over 15 years experience in marketing and company administration. Marcus has worked closely in the corporate administration of several listed ASX companies along with shareholder liaison and marketing.

COMPANY SECRETARY

***Mr Kim Hogg** - Appointed 18 April 2011*

Mr Hogg (age 52) is a principal of a public practice providing specialist services to clients seeking to raise capital and list on the ASX. Mr Hogg completed a Bachelor of Commerce degree in 1984 at the University of Western Australia. He is currently the company secretary of a number of companies listed on ASX.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by directors of the Company during the 3 years immediately before the end of the year are as follows:

Director	Company	Period of directorship	
		From	To
Peter Remta	Gulf Mines Limited	30 August 2010	Present
	Padbury Mining Limited	24 September 2008	26 June 2009
	Aurium Resources Limited	22 September 2008	24 June 2009
	Yellow Rock Resources Limited	24 September 2008	23 June 2009
Jonathan Remta	-		
Kim Thomas	-		

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Held while Director	Attended	Held while Director	Attended	Held while Director	Attended	Held while Director	Attended
Peter Remta	18	18	2	2	1	1	1	1
Jonathan Remta	18	18	2	2	1	1	1	1
Kim Thomas	15	14	1	1	1	1	1	1
Brian John	15	15	1	1	1	1	1	1

DIRECTORS' INTERESTS

The relevant interest of each director in the shares and options in the Company at the date of this report is as follows:

Director	Shares	30 June 2014 Options (ex. at $0.20 each)
Peter Remta	5,000,001	-
Jonathan Remta	29,250,701	20,000,000
Kim Thomas	20,000	-

PRINCIPAL ACTIVITY

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

OPERATING AND FINANCIAL REVIEW

Operating review

The year to 30 June 2011 has been a very positive one for Brighton Mining Group Limited as apart from the Company being admitted to the official list of Australian Securities Exchange (ASX) on 3 November 2010, it has made significant inroads to its geological explorations programmes on its Antrong project area in Cambodia. The project area comprises three concessions which are located adjoining the Okvau project of Oz Minerals Ltd (with a reported JORC resource of 8.3 million tonnes at 2.3g/t gold) in the mineral rich province of Mondulkiri in Cambodia.

As the wet season was finishing and prior to being listed on ASX, the Company started a number of geological programmes towards the start of drilling. During this time a number of geochemical soil samples grids were completed, together with some trenching, mapping and overlay interpretation of the Company's recently purchased high resolution of satellite imagery (TM, PALSAR and ASTAR). Work during this time included rebuilding the campsite, the construction of the drill and core sheds and major upgrades and earthworks to the roads in and around the concessions to allow for easier and efficient access.

This work together with further extension of the soil samples grids, infill soil sampling, trenching and mapping, and data collected from old workings by artisanal miners lead to the identification of the drill hole targets and locations.

The drill program was started in the early part of the calendar year 2011 and with a few breaks to ascertain drilling assay data, deployment of clearance teams, undertaking further earth and road works and relocation of rigs, saw the drilling extend past 30 June 2011.

Most of the drilling commenced on the areas known as O'thmey and O'thmey South, which are located on the Antrong concession. At the same time additional geological studies were conducted in conjunction with the drilling on other areas of interest on both the Antrong and Ropoah concessions.

Results so far have been highly promising from all facets of the drilling and soils rock and trench sampling. The encouraging and significant results give the Company great confidence in bringing the projects towards the ultimate aim of proving an economically viable resource.

Other areas were identified within the Antrong concession to contain strong mineralisation, being the prospects referred to as Poltok and Tev, while several target areas within the Ropoah concession, namely Ropos, were also identified. These areas together with previously explored settings will be the focus of the Company's next drilling program starting immediately after the wet season has finished to give complete access.

The Company has continued since 30 June 2011 to work on the areas of interest that have been identified, which again included further geochemical soil sampling, trenching and rock chip sampling for the generation of additional targets to be drilled in the last quarter of 2011. Further assay and analysis from this work will be available over the coming weeks.

Brighton Mining Group Limited made two announcements regarding the acquisition of Brighton Mining Limited (BML). Upon completion and shareholder approval of this acquisition, it will greatly enhance the company's concession holding around the current project area and again will form a large additional part of the company's exploration commitments over the next 12 months and beyond.

Financial review

The Group incurred a loss of $1,265,318 for the year. This loss included the write-off of $823,342 in exploration expenditure in accordance with the Company's accounting policies, and corporate and administrative costs of $1,036,471 (including non-cash share-based payment expenses of $464,860).

Environmental regulation

The Group's exploration activities in the Kingdom of Cambodia are subject to various environmental regulations under the governmental authorities of that country, and have been undertaken in strict compliance with those regulations. The Directors are responsible for the regular monitoring of environmental exposures and compliance with environmental regulations. The Directors believe that the Group has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company was incorporated on 27 November 2009 and was admitted to the Official List of ASX Limited (ASX) on 28 October 2010. Official quotation of its shares on ASX commenced on 3 November 2010.

The Company's net assets increased to $5,690,046 during the year. The increase in net assets is principally comprised of an increase in exploration and evaluation expenditure (including acquisition costs) of $5,508,539 as a result of the acquisition of a 70% interest in Sun Hill Minerals Co Ltd ("Sun Hill"), which holds three mineral concessions located in Cambodia.

In May 2011, the Company entered into an agreement for equity funding of up to $5,325,000, and a $125,000 convertible security, with New York-based investment fund SpringTree Special Opportunities Fund, LP (SpringTree). The Agreement provides for approximately monthly investments in the Company's shares over a period of 36 months of between $75,000 and $150,000 each, as well as an additional investment of $125,000 by way of a convertible security. The convertible security has not yet been drawn down.

Fully paid ordinary shares issued during the year were as follows:

(a) the issue on 5 July 2010 of 6,000,000 shares at $0.0001 each to promoters;
(b) the issue on 14 July 2010 of 1,083,334 shares at $0.12 each to raise $130,000 in working capital;
(c) the issue on 14 October 2010 of 11,000,000 shares at $0.20 each to raise $2,200,000 in working capital;
(d) the issue on 14 October 2010 of 16,525,000 shares to acquire the 70% shareholding interest in Sun Hill;
(e) the issue on 14 October 2010 of 4,250,000 shares at $0.10 each as part of the acquisition of Sun Hill;
(f) the issue on 14 October 2010 of 125,000 shares at $0.202 each as a share-based payment;
(g) the issue on 28 February 2011 of 500,000 shares at $0.20 each as part of the acquisition on Sun Hill;
(h) the issue on 2 May 2011 of 1,056,748 shares at $0.1934 each to secure the SpringTree facility;
(i) the issue on 16 May 2011 of 620,154 shares at $0.2197 each as a share-based payment for the SpringTree facility;
(j) the issue on 30 June 2011 of 534,569 shares at $0.1403 to raise $75,000 in working capital through the SpringTree facility.

Total shares on issue at 30 June 2011 were 56,119,808.

DIVIDENDS

No dividend has been declared or paid by the Company to the date of this report.

EVENTS SUBSEQUENT TO REPORTING DATE

In July 2011, the loan owing from Gulf Mining Ltd of $162,500 was repaid in full. In addition, in August 2011, Gulf Mining Ltd issued 1,600,000 fully paid shares to Brighton Mining Group Limited in satisfaction of a $30,000 loan facility fee.

In September 2011, the Company announced that it had acquired a major interest in two additional concession areas in the Kingdom of Cambodia. The acquisition is being undertaken through the purchase of a 70% shareholding interest in Summer Gold Investment Pvt Ltd ("Summer Gold") from Brighton Mining Limited ("BML"). Summer Gold is a Cambodian company and the holder of the two concession areas.

The consideration to be paid, subject to approval by Brighton's shareholders, comprises the following:

1. A cash reimbursement of $150,000 to BML for expenditure incurred on the concessions. This amount has been advanced by the Company to BML.
2. The issue to BML of a minimum of 18,000,000 ordinary shares and up to a maximum of 20,000,000 ordinary shares treated as fully paid, with the precise number to be determined by the time shareholder approval is obtained.
3. The issue of a further 3,500,000 ordinary shares treated as fully paid to the founder and original shareholder of Summer Gold, Mr H J Shen.
4. The issue to Mr Shen of 650,000 ordinary shares treated as fully paid for reimbursement of expenditure incurred in obtaining and acquiring the concessions for Summer Gold and for legal and other costs incurred in that process.
5. The grant to Mr Shen of 3,500,000 options exercisable at 20 cents at any time within three years from the date of their issue, which is to be not later than 31 January 2012

Additional payments for future achievement of exploration milestones may be made.

LIKELY DEVELOPMENTS

The Company will continue to pursue its principal activity of mineral exploration. The Review of Activities sets out more details about likely developments in the operations of the Company going forward.

OPTIONS

Options granted to directors and executives of the Company

No options over unissued ordinary shares were issued during or since the end of the financial year to directors or executives as part of their remuneration.

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted option	30 June 2014	$0.20	27,150,000
Unlisted option	2 May 2015	$0.286	1,500,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

Shares issued on exercise of options

No shares were issued upon exercise of options during or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the directors of the Company, the company secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

NON-AUDIT SERVICES

During the financial year the Company's auditor, Stantons International, performed certain other services in addition to their statutory duties.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the auditor and are satisfied that the provision of those non-audit services during the financial year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

(a) all non-audit services were subject to the corporate governance procedures adopted by the Company; and

(b) the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to Stantons International and its related practices for audit and non-audit services provided during the financial year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

	Consolidated	
	2011	**2010**
	$	**$**
Statutory audit:		
- audit and review of financial reports	36,033	10,000
Services other than statutory audit:		
- investigating accountant's report for inclusion in a prospectus	20,308	2,750

REMUNERATION REPORT

The remuneration report is set out on pages 9 to 11 and forms part of the Directors' Report.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 45 of the financial report.

Dated at Perth, Western Australia this 30th day of September 2011.

Signed in accordance with a resolution of the directors:

Jonathan Remta
Managing Director

This Remuneration Report, which has been audited, outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and the Corporations Regulations 2001.

For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

KEY MANAGEMENT PERSONNEL

The key management personnel for the Company during the year were:

Peter Remta	Non-executive Chairman
Jonathan Remta	Managing Director
Kim Thomas	Non-executive Director
Brian John	Non-executive Director

PRINCIPLES OF REMUNERATION

The directors have authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The structures take into account the capability and experience of the key management personnel, as well as the key management personnel's ability to control the performance of their division.

Compensation packages can include a mix of fixed compensation and equity-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in general meeting.

The Company does not have any scheme relating to retirement benefits for its key management personnel, other than payment of statutory superannuation contributions.

REMUNERATION STRUCTURE

The structure of non-executive directors' remuneration is distinguished from that of executives.

Non-executive director remuneration

The Company's 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 of members. Total remuneration for all non-executive directors, approved by shareholders of the Company in general meeting, is not to exceed $400,000 per annum. Directors' fees cover all main board activities and membership of committees. Non-executive directors generally do not receive performance related compensation, although directors have previously been granted options following receipt of shareholder approval. The issue of options as part of director remuneration ensures that director remuneration is competitive with market standards as well as providing an incentive to pursue longer term success for the Company. It also reduces the demand on the critical cash resources of the Company, and assists in ensuring the continuity of service of directors who have extensive knowledge of the Company, its business activities and assets and the industry in which it operates. Neither the non-executive directors nor executives of the Company receive any retirement benefits, other than superannuation.

Executive remuneration

Remuneration for executives is set out in employment agreements.

Executive directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

PRINCIPLES OF REMUNERATION (continued)

Fixed compensation

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually through a process that considers individual and overall performance of the Group.

Equity-based compensation (long-term incentives)

Equity-based long-term incentives may be provided to key management personnel via the Brighton Mining Group Limited Employee Share Option Plan (refer to Note 27 to the financial statements) or to directors with the prior approval of shareholders. The incentives are provided as options over ordinary shares of the Company and may be provided to directors and key management personnel based on their role within the Company. Such incentives are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. The incentives are also designed to ensure that remuneration is competitive and in line with market standards. Vesting conditions may be imposed on any option grants if considered appropriate, and in accordance with the terms and conditions applicable to the options or ESOP.

Consequences of performance on shareholder wealth

Given the Group's principal activity during the course of the financial year consisted of mineral exploration, the Company has given more significance to service criteria instead of market related criteria in setting the Company's remuneration levels and incentive schemes. Accordingly, at this stage the Board does not consider the Group's earnings or earnings measures to be an appropriate key performance indicator. The issue of options as part of the remuneration package of directors and key executives is an established practice for listed exploration companies and has the benefit of conserving cash whilst appropriately rewarding the recipients. In considering the relationship between the Company's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are considered.

EMPLOYMENT CONTRACTS

The Company has entered into a Service Agreement to employ Mr Jonathan Remta as Managing Director of the Company from 12 May 2010 for a period of 3 years. However, the contract may be terminated by the Company by notice on limited events relating to misconduct or incapacity.

The remuneration for Mr Remta under the agreement consists of a base salary of $160,000 per year and statutory superannuation and leave provisions. Additionally he will be entitled to a motor vehicle allowance of $3,000 a month and the provision of a laptop computer and a mobile telephone. He is also entitled to an overseas allowance of $500 day for each day he is performing duties for the Company outside Australia subject to an annual maximum allowance of $40,000.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the nature and amount of each major element of the remuneration of each key management person of the Company for the year are:

		Short-term			Post-employment	Share-based payments		
		Salary/ fees $	Non-monetary benefits $	Other benefits $	Superannuation contributions $	Options $	Total $	Proportion of remuneration performance related %
Directors								
Non-executive								
Mr P Remta	2011	93,500	2,271	-	-	-	95,771	-
	2010	28,000	-	-	-	-	28,000	-
Mr K Thomas[1]	2011	32,083	2,271	-	-	-	34,354	-
	2010	-	-	-	-	-	-	-
Mr B John[2]	2011	32,083	2,271	-	-	-	34,354	-
	2010	-	-	-	-	-	-	-
Executive								
Mr J Remta	2011	177,780	2,271	39,000	16,800	-	235,851	-
	2010	27,272	-	-	1,973	-	29,245	-
Total key management personnel remuneration	2011	**335,446**	**9,084**	**39,000**	**16,800**	**-**	**400,330**	**-**
	2010	**55,272**	**-**	**-**	**1,973**	**-**	**57,245**	**-**

Notes in relation to the table of remuneration:

1. Appointed 14 July 2010
2. Appointed 14 July 2010

SHARE BASED COMPENSATION

Options granted as compensation

No options over ordinary shares in the Company were granted as compensation to key management personnel during the year, nor have any been issued in previous years.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the year.

CORPORATE GOVERNANCE STATEMENT

Brighton Mining Group Limited ("the Company") is committed to implementing the highest standards of corporate governance and for that purpose has adopted the second edition of the Corporate Governance Principles and Recommendations ("the Best Practice Recommendations") as published by the ASX Corporate Governance Council. Copies of the Company's corporate governance policies are available under the heading of Corporate Governance Policies on the Company's website at www.brightonmininggroup.com.au.

The Company has therefore adopted systems of control and accountability as the basis for the administration of corporate governance. The Board of Directors of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be given further consideration.

In view of the size of the Company and the nature of its activities, the Board considers that the current Board of Directors is a cost effective and practical method of directing and managing the Company.

Exceptions to ASX Recommendations

The Company has one independent director out of a total of three directors with reference to the tests for independence which are set out in paragraph 2.1 of the Best Practice Recommendations.

The directors who are not independent are Peter Remta as Chairman and Jonathan Remta who as the Company's Managing Director has a material contract of employment with the Company.

Jonathan Remta does not chair any of the corporate governance committees, which are chaired by independent directors of the Company.

The skills and experience relevant to the position of each director who is presently in office are contained in the Directors' Report.

The Company fully complies with the Best Practice Recommendations except in relation to the Board's decision not to establish separate nomination, audit, risk management and remuneration committees in accordance with the Best Practice Recommendations' Principles.

These departures from the Best Practice Recommendations were made on the basis that the Board considers that having four directors (of whom one is independent by a reference to the tests for independence set out in paragraph 2.1 of the Best Practice Recommendations) and having regard to the size of the Company and its activities, allows the Company and the Board as a whole to efficiently and effectively carry out the functions of those committees.

The Board as a whole currently serves as a nomination committee and considers that the function of this committee is efficiently achieved by full Board participation since the Company is not yet of a size to warrant the establishment of a separate nomination committee.

The audit committee consists of the full Board but is chaired by Kim Thomas as an independent and non-executive director.

The Board also considers that having four directors of whom two are independent allows the Company to efficiently oversee and manage risk without the need to establish a specific committee for that purpose.

The full Board examines risk issues on a regular basis and accepts responsibility for ensuring there is a sound system for overseeing and managing risk.

The functions of a remuneration committee are in the view of the Board effectively achieved by the full Board with the exclusion of any director from any considerations and decisions as to the services and remuneration of that director.

A full Board on a regular basis and accepts responsibility for ensuring that there is a sound system for overseeing and managing risk.

This Corporate Governance Statement sets out current compliance by Brighton Mining Group Limited with the Best Practice Recommendations which it is recognised are not mandatory.

Responsibilities of the Board

Under the Company's Corporate Governance Policies, the Board is responsible for the following matters:

1. Ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders.
2. Development of corporate strategy, implementation of business plans and performance objectives.
3. Reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance.

4. The appointment of the Company's Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives.
5. Monitoring senior executives' performance and implementation of strategy.
6. Determining appropriate remuneration policies.
7. Allocating resources and ensuring appropriate resources are available to management.
8. Approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures.
9. Approving and monitoring financial and other reporting.

In undertaking and carrying out their responsibilities for ensuring the highest level of corporate governance, the Board will determine all aspects of policies, practices, management and operations of the Company for achieving the aims and objectives of the Company. These include, without intending to limit the general role of the Board, such things as:

- Leadership of the Company
- Formulation of strategies and planning activities
- Shareholder liaison
- Monitoring and managing risk
- Monitoring the Company's finances
- Human resources management including the health, safety and wellbeing of employees
- Delegation of authority to executive directors

In order to achieve the highest level of corporate governance, the Board will to address (and where appropriate implement) such issues as:

(a) conflicts of interest between directors and other parties including the Company;
(b) commitment of the Board members to the office of a director;
(c) exercising confidentiality with respect to the Company's affairs;
(d) ensuring compliance with continuous disclosure as required by the Listing Rules of ASX;
(e) induction and education of directors;
(f) obtaining independent professional advice for directors;
(g) related party transactions;
(h) shareholder communication;
(i) trading in the securities of the Company;
(j) performance review and evaluation of directors and management; and
(k) risk management.

The Board has set out below a report as to if not why not in relation to those aspects of corporate governance where the practices of the Company have departed from the Best Practice Recommendations:

	Requirement	Current Practice and Comment	Policy Reference
Pr 1	**Lay solid foundations for management and oversight**		
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	The Corporate Governance Policies adopted by the Company specify the responsibilities of the Board of Directors.	1.1 to 1.4
Rec 1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board has also adopted a policy to assist in evaluating Board performance.	1.1.5 1.5
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	The Company has explained any departures from Best Practice Recommendations 1.1 and 1.2 in the Corporate Governance Policies and Statement	1.6 2.12

	Requirement	Current Practice and Comment	Policy Reference
Pr 2	**Structure the board to add value**		
Rec 2.1	A majority of the board should be independent directors.	The Board consists of four directors, two of whom are independent being Brian John and Kim Thomas. Peter Remta (who is non executive chairman) and Jonathan Remta (who is the managing director and chief executive officer) are not independent directors but they both have sound knowledge of the Company and its project in Cambodia which are considered important in enabling the Company to capitalise on the value of the project and create shareholder wealth. This is a departure from the recommendation in relation to a majority of independent directors which is due to the small scale nature of the Company and its limited financial resources to attract appropriately skilled yet independent directors. The Board is continually reviewing the status of independent directors with a view to engaging other independent directors when financial resources allow.	2.2 to 2.6
Rec 2.2	The chairman should be an independent director.	While Peter Remta is chairman is not an independent director it is considered that he is able and can make appropriate decisions and exercise independent judgment in the best interests of the Company on all relevant issues before the Board.	2.4
		The Board considers the Company is not currently of a size nor are its affairs of such complexity as to justify the expense of the appointment of an independent Chairman or a majority of independent non executive directors.	2.5
Rec 2.3	The roles of chairman and chief executive officer should not be exercised by the same individual.	The roles of chairman and chief executive officer are not exercised by the same individual.	2.4
Rec 2.4	The board should establish a nomination committee.	No formal nomination committee as yet has been established by the Company as yet. The Board as a whole currently serves as a nomination committee, and considers that this function is efficiently achieved with full Board participation. The Board also considers that the Company is not yet of a size to warrant the establishment of a nomination committee.	2.7
Rec 2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Chairman will review the composition of the Board and the performance of each director to ensure that it continues to have an appropriate mix of skills and experience necessary for the conduct of the Company's activities. A new director will receive an induction appropriate to that director's experience.	2.7 to 2.9
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2.	The Company has provided details of each Director, including their skills, experience and expertise relevant to their positions, together with an explanation of any departures (if any) from Best Practice Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 in the Prospectus dated 20 August 2010 and the Corporate Governance Policies and Statement respectively.	2.1 2.12

	Requirement	Current Practice and Comment	Policy Reference
Pr 3	**Promote ethical and responsible decision making**		
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: ▪ the practices necessary to maintain confidence in the company's integrity; ▪ the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and ▪ the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Policies include a code of conduct for Directors and management and employees of the Company which provides a framework for decisions and actions in relation to ethical conduct in their employment.	3.1 Appendix A
Rec 3.2 3.3 and 3.4	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	ASX introduced revisions to the Corporate Governance Principles and Recommendations in late 2010 which apply to an entity's first financial year commencing on or after 1 January 2011. One of the revisions was a recommendation that companies establish a policy concerning gender diversity. The Company has not yet established a Diversity Policy. The Board will give consideration to the recommendation during 2011/12.	N/A
Rec 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	The Company has explained any departures from the Best Practice Recommendations 3.1, 3.2 3.3 and 3.4 in the Corporate Governance Policies and Statement.	3.6
Pr 4	**Safeguard integrity in financial reporting**		
Rec 4.1	The board should establish an audit committee.	The audit committee consists of the full Board as it is considered by the Board that given the current size of the Company and the Board this function is officially achieved with full Board participation.	4.1
Rec 4.2	The audit committee should be structured so that it: ▪ consists only of non-executive directors; ▪ consists of a majority of independent directors; ▪ is chaired by an independent chair, who is not the chair of the board; and ▪ has at least three members.	The Company has adopted a policy which includes executive directors as audit committee members but is chaired by Kim Thomas as an independent and non executive director.	4.2
Rec 4.3	The audit committee should have a formal charter.	The audit committee has a formal charter.	7.1 to 4.2 Appendix C
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The Company will disclose and explain any departures (if any) from Best Practice Recommendations 4.1, 4.2 and 4.3 in its future annual reports.	4.3

	Requirement	Current Practice and Comment	Policy Reference
Pr 5	**Make timely and balanced disclosure**		
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rules disclosure and to ensure accountability at a Board level for compliance and factual presentation of the Company's financial position.	5.1 to 5.3 Appendix D
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	The Company will provide an explanation of any departures (if any) from Best Practice Recommendation 5.1 in its future annual report.	5.3
Pr 6	**Respect the rights of shareholders**		
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Policies specifically cover communication with shareholders to ensure that all shareholders are informed of all major developments affecting the Company and its state of affairs.	6.1 to 6.4
Rec 6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company has provided an explanation of any departures (if any) from Best Practice Recommendation 6.1 in the Corporate Governance Policies and Statement.	6.4
Pr 7	**Recognise and manage risk**		
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal control. The Company's Corporate Governance Policies specifically include and cover risk management with the aim of ensuring that material business risks are identified and mitigated.	7.1 to 7.2 Appendix C 7.4
Rec 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board requires the managing director assisted by the chairman to design and implement risk management and internal control systems and provide a report at the relevant time.	7.1 7.6
Rec 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Directors' Declaration on page 42 contains a declaration of section 295A of the Corporations Act 2001 with respect to the current financial period.	

	Requirement	Current Practice and Comment	Policy Reference
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	The Company has provided an explanation of any departures (if any) from Best Practice Recommendations 7.1, 7.2 and 7.3 in the Corporate Governance Statement and Policies.	7.8
Pr 8	**Remunerate fairly and responsibly**		
Rec 8.1	The board should establish a remuneration committee.	A remuneration committee has not been established by the Board as it considers that given its current size, the function of this committee is effectively achieved with full Board participation and consequently no meetings of that committee have been held.	8.7
		However the Board will exclude any affected director from participating in the decision making process with respect to the remuneration of that director.	8.6
Rec 8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	Refer 8.1 above	8.7
Rec 8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company's Constitution provides that the remuneration of non-executive directors will not be more than the aggregate fixed sum determined by a general meeting.	8.3 to 8.5
		The Board is responsible for determining the remuneration of any director or senior executive without the participation of that director or executive.	8.6
Rec 8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Company has provided an explanation of any departures (if any) from Best Practice Recommendations 8.1 and 8.2 in the Corporate Governance Policies and Statement.	8.8

Further information about the Company's corporate governance practices and policies are set out on the website at www.brightonmininggroup.com.au.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Other income	4	1,059,278	-
Finance income	5	102,935	-
Exploration and evaluation expenditure		(823,342)	-
Corporate and administrative expenses		(1,036,472)	(136,148)
Finance costs		(467,459)	-
Provision for doubtful debts		(100,259)	-
Loss before income tax		(1,265,319)	(136,148)
Income tax	8	-	-
Loss for the year		**(1,265,319)**	**(136,148)**
Other comprehensive income			
Change in fair value of available for sale financial assets		(275)	-
Gains on foreign exchange movement		(41,483)	-
Total comprehensive loss for the year		**(1,307,077)**	**(136,148)**
Loss for the year attributable to:			
Members of the parent entity		(981,442)	(136,148)
Non-controlling interest		(283,877)	-
		(1,265,319)	**(136,148)**
Total comprehensive loss for the year attributable to:			
Members of the parent entity		(1,023,200)	(136,148)
Non-controlling interest		(283,877)	-
		(1,307,077)	**(136,148)**
Basic and diluted earnings/(loss) per share			
Ordinary shares (cents)	24	(2.30)	(1.64)

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents	9	6,493	5,067
Trade and other receivables	10	82,400	-
Other financial assets	11	179,610	525,000
Prepayments	12	7,872	57,136
Total Current Assets		276,375	587,203
NON CURRENT ASSETS			
Trade and other receivables	10	25,344	-
Property, plant and equipment	13	42,719	7,928
Mineral tenements	14	5,508,539	-
Total Non Current Assets		5,576,602	7,928
TOTAL ASSETS		5,852,977	595,131
CURRENT LIABILITIES			
Trade and other payables	15	148,572	76,030
Loans and borrowings	16	-	550,637
Provisions	17	14,359	-
TOTAL LIABILITIES		162,931	626,667
NET ASSETS		**5,690,046**	**(31,536)**
EQUITY			
Issued capital	18	6,460,965	103,612
Reserves	19	630,548	1,000
Accumulated losses	20	(1,117,590)	(136,148)
Parent interest		5,973,923	(31,536)
Non-controlling interest	21	(283,877)	-
TOTAL EQUITY		**5,690,046**	**(31,536)**

The statement of financial position is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
Cash flows from operating activities			
Cash payments in the course of operations		(2,052,183)	(29,933)
Interest received		7,270	-
Interest paid		(2,600)	-
Net cash used in operating activities	28	(2,047,513)	(29,933)
Cash flows from investing activities			
Deposits and bonds		(50,537)	-
Payments for property, plant and equipment		(45,092)	-
Purchase of available-for-sale financial assets		(242,667)	-
Proceeds from sale of available-for-sale financial assets		335,947	-
Loans to related parties		(162,500)	(25,000)
Net cash used in investing activities		(164,849)	(25,000)
Cash flows from financing activities			
Proceeds from issue of share capital		2,345,600	60,000
Repayment of borrowings		(55,500)	-
Payment of transaction costs		(112,133)	-
Net cash provided by financing activities		2,177,967	60,000
Net increase in cash and cash equivalents		(34,395)	5,067
Effect of exchange rate fluctuations		35,821	-
Cash and cash equivalents at the beginning of the year		5,067	-
Cash and cash equivalents at the end of the year	8	**6,493**	**5,067**

The statement of cash flows is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Issued Capital $	Reserves $	Accumulated Losses $	Non-controlling Interests $	Total $
Balance as at 27 November 2009	-	-	-	-	-
Net loss for the period	-	-	(136,148)	-	(136,148)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(136,148)	-	(136,148)
Issue of share capital	103,612	-	-	-	103,612
Share based payments	-	1,000	-	-	1,000
Balance as at 30 June 2010	**103,612**	**1,000**	**(136,148)**	**-**	**(31,536)**
Net loss for the year attributable to members of the parent entity	-	-	(981,442)	-	(981,442)
Net loss for the year attributable to non-controlling interests	-	-	-	(283,877)	(283,877)
Other comprehensive income	-	(41,758)	-	-	(41,758)
Total comprehensive loss for the year	-	(41,758)	(981,442)	(283,877)	(1,307,077)
Issue of share capital	6,357,353	-	-	-	6,357,353
Share based payments	-	671,306	-	-	671,306
Balance as at 30 June 2011	**6,460,965**	**630,548**	**(1,117,590)**	**(283,877)**	**5,690,046**

The statement of changes in equity is to be read in conjunction with accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Brighton Mining Group Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the year ended 30 June 2011 comprises the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

Statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial report of the Group also complies with the International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 30 September 2011.

Basis of measurement

The financial report is prepared on the accruals basis and the historical cost basis.

Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are outlined below:

- *Exploration expenditure* The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves.
- *Estimation of useful lives of assets* The estimation of the useful lives of assets has been based on historical experience. The condition of the assets is assessed at least once per year and considered against the remaining useful life. Depreciation charges are included in Note 13.
- *Deferred taxation* Deferred tax assets in respect of tax losses have not been brought to account as it is not considered probable that future taxable profits will be available against which they could be utilised.

Going concern basis of preparation

At 30 June 2011, the Company had net assets of $5,690,046, and had incurred a net loss of $1,265,318 for the year then ended, with a cash and cash equivalents balance of $6,493 and a net current asset position of $113,444. The Group's minimum exploration expenditure for the next 12 months is $850,000. In the absence of the future capital raising noted below, current cash resources are not sufficient to meet forecast outgoings for a period of at least 12 months from the date of this report.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's and parent entity's ability to continue as going concerns.

The directors have prepared cash flow forecasts that indicate that the Company will have cash surpluses for a period of at least 12 months from the date of this report, and is dependent on the raising of funds by way of equity raisings, debt raising and/or entering into further joint ventures in order for the Company to meet its exploration commitments.

Based on the cash flow forecasts and possible equity funding described above, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Group and Company be unable to continue as going concerns, they may be required to realise their assets and extinguish their liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity and the parent be unable to continue as a going concern.

The Directors acknowledge that the Company will need to adopt further strategies to ensure that funding is maintained. This includes, but is not limited to, further cost reduction strategies, further capital funding initiatives, sale / relinquishment or joint venture contributions on areas of interest held, and seeking other prospective projects.

However the Directors remain confident that the Company will be able to raise sufficient capital over the next twelve months to meet its minimum exploration expenditure commitments and the costs associated with the Company and its subsidiary undertaking all of their normal business activities.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Brighton Mining Group Limited at the end of the reporting period. A controlled entity is any entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities enter or leave the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Revenue recognition

Interest revenue is recognised on a time proportional basis using the effective interest method.

Earnings per share

Basic Earnings per share ("EPS") is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year.

Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases 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 income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

Cash and cash equivalents

For cash flow statement presentation purposes, 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.

Other receivables

Other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

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 result and that outflow can be reliably measured.

Issued capital

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

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 from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Recoverable amount of non current assets

The carrying amounts of non current assets are reviewed annually to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

Acquisition of assets

Assets acquired are recognised at cost. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration in a business combination, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the original performance of the asset will flow to the Company in future years. Costs that do not meet the criteria for capitalisation are expended as incurred.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Office furniture and equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made.

Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production.

Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Brighton Mining Group Limited is Australian Dollars ($). The functional currency of the overseas subsidiary is United States dollars (USD).

The functional currency of the overseas subsidiary is translated to the presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of overseas subsidiaries' functional currency to presentation currency

The results of the overseas subsidiary are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investment in overseas subsidiaries are taken to the foreign currency translation reserve. If an overseas subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of comprehensive income.

Share based payments

The Group has the ability to provide benefits to employees (including Directors) of the Group 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 employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using applicable option pricing models.

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 Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. 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.

New accounting standards and interpretations

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2010:

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136, and 139)*
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 3, 7, 121, 128, 131, 132 and 139)*
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 *Amendments to Australian Accounting Standards arising from Interpretation 19.*

The adoption of these standards did not have any impact in the current period or any prior period and is unlikely to affect future periods.

New Accounting Standards and Interpretations that are not yet mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to impact on the Group's accounting for financial assets as it does not have any available for sale assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The Group has decided not to early adopt AASB 9.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

(iii) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Brumby Resources Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

2. FINANCIAL RISK MANAGEMENT

Risk management is the role and responsibility of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates, and the effective weighted average interest rates on classes of financial assets and financial liabilities are shown below:

At 30 June 2011	Weighted average interest rate %	Variable interest rate $	Fixed maturity (less than 1 year) $	Non-interest bearing $	Total $
Financial assets					
Cash and cash equivalents		6,493	-	-	6,493
Trade and other receivables		-	25,344	82,400	107,744
Other financial assets		-	-	179,610	179,610
Total financial assets		6,493	25,344	262,010	293,847
Financial liabilities					
Trade and other payables	-	-	-	148,572	148,572
Total financial liabilities		-	-	148,572	148,572
Net financial assets/ (liabilities)		6,493	25,344	113,438	145,275
At 30 June 2010					
Financial assets					
Cash and cash equivalents		-	-	5,067	5,067
Total financial assets		-	-	5,067	5,067
Financial liabilities					
Trade and other payables		-	-	76,030	76,030
Total financial liabilities		-	-	76,030	76,030
Net financial assets/ (liabilities)		-	-	(70,963)	(70,963)

Risk and sensitivity

At present, the Group is not materially exposed to changes in market interest rates, and changes in interest rates will not have a material impact on profitability or operating cash flows.

The Group does not have any borrowings.

The Group does not presently have customers and consequently does not have credit exposure to outstanding receivables. Trade and other receivables represent GST refundable from the Australian Taxation Office and security bonds and deposits. Trade and other receivables are neither past due nor impaired.

Market risk

The Company is not exposed to equity securities price risk as it holds no investments in securities classified on the statement of financial position either as available-for-sale or at fair value through profit or loss; or to commodity price risk.

Credit risk

The Company has no significant concentration of credit risk and as such, no sensitivity analysis is prepared by the Company.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group

2. **FINANCIAL RISK MANAGEMENT (continued)**

does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with a bank which is available as required.

The material liquidity risk for the Company is the ability to raise equity in the future. In the past, the Company has raised sufficient capital to fund its operations but is however, at the risk of financial markets to fund future operations.

Foreign currency risk

As a result of significant operations in Cambodia, the Group's statement of financial performance can be affected significantly by movements in the US$/A$ exchange rates. The Group intends to seek to mitigate the effect of its foreign currency exposure by holding US Dollars as appropriate.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At 30 June 2011, the Group had the following exposure to US$ foreign currency expressed in A$ equivalents that are not designated in cash flow hedges:

	Consolidated	
	2011 US$	**2010 US$**
Financial assets		
Cash and cash equivalents	1,402	-
Trade and other receivables	56,150	-
	57,552	-
Financial liabilities		
Trade and other payables	4,008	-

The following sensitivity analysis is based on the foreign currency risk exposures in existence at balance date:

At 30 June 2011, had the Australian Dollar moved, as illustrated below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	Post Tax Loss Higher/(Lower) 2011 $	Post Tax Loss Higher/(Lower) 2010 $
Consolidated Group		
AUD/USD +20%	(14)	-
AUD/USD -20%	14	-

3. **SEGMENT NOTE**

Management has determined that the company has one reportable segment, being mineral exploration in Cambodia. As the company is focussed on mineral exploration, the Board monitors the company based on actual versus budgeted exploration expenditure incurred by the company as a whole. This 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.

	Consolidated	
	2011 $	**2010 $**
4. OTHER INCOME		
Forgiveness of debt	1,059,278	-

This item of Other Income relates to debts forgiven by lenders.

	Consolidated 2011 $	Consolidated 2010 $
5. FINANCE INCOME		
Interest income	7,270	-
Net gain on disposal of available-for-sale financial assets	95,665	-
	102,935	-
6. EXPENSES		
(a) Depreciation included in statement of comprehensive income		
Plant and equipment	7,229	-
Office furniture and equipment	3,072	-
	10,301	-
(b) Employee benefits expense		
Wages and salaries costs	349,382	55,272
Superannuation costs	16,800	1,973
Increase in liability for annual leave	14,359	-
Other employee benefits expense	39,000	-
	419,541	57,245
7. AUDITOR'S REMUNERATION		
Audit services:		
Stantons International		
Audit and review of financial reports	36,033	10,000
Other services:		
Stantons International		
Investigating accountant's report for inclusion in a prospectus	20,308	2,750
	56,341	**12,750**
8. INCOME TAX		
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax benefit and pre-tax net loss		
Loss before income tax benefit	(1,265,319)	(136,148)
Income tax calculated at 30%	(379,595)	(40,844)
Tax effect of:		
- Debt forgiveness	(317,783)	-
- Non-deductible expenses	98,583	-
- Provisions and accruals	45,264	-
- Capital raising costs	(11,290)	(3,428)
Future income tax benefit not brought to account	564,821	44,272
Income tax expense	-	-

	Consolidated 2011 $	Consolidated 2010 $
8. INCOME TAX (continued)		
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)	2,030,316	147,576
Potential tax benefit at 30% (2010: 30%)	**609,095**	**44,272**

Current tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised.

	2011 $	2010 $
(d) Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised		
Capital raising costs	139,103	45,708
Unrecognised deferred tax assets relating to the above temporary differences at 30%	**41,731**	**13,713**

9. CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank and in hand	**6,493**	**5,067**

10. TRADE AND OTHER RECEIVABLES

	2011 $	2010 $
Current		
Sundry receivables	**82,400**	**-**
Non Current		
Deposits and bonds	**25,344**	**-**

No debts are past due and no impairment is required.

11. OTHER FINANCIAL ASSETS

	2011 $	2010 $
Available for sale financial assets	2,110	-
Loans receivable	177,500	525,000
	179,610	**525,000**

Available for sale financial assets comprise investments in listed companies, held at fair value by reference to the published price quotation.

The loans receivable comprise the following:

1. Gulf Mining Ltd $162,500
2. Brighton Mining Ltd $15,000

The loan to Gulf Mining Ltd was repaid in July 2011. The loans are held at cost. The amount at cost approximates the fair value of the loans.

Brighton Mining Ltd is a company associated with Jonathan Remta.

	Consolidated 2011 $	Consolidated 2010 $
12. PREPAYMENTS		
Prepaid capital raising costs	-	57,136
Prepaid insurance	7,872	-
	7,872	**57,136**
13. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment, at cost	43,858	-
Less: Accumulated depreciation	(7,229)	-
	36,629	**-**
Office furniture and equipment, at cost	10,044	8,810
Less: Accumulated depreciation	(3,954)	(882)
	6,090	**7,928**
	42,719	**7,928**
Reconciliation		
Plant and equipment		
Carrying amount at beginning of the year	-	-
Additions	43,858	-
Depreciation	(7,229)	-
Carrying amount at end of the year	**36,629**	**-**
Office furniture and equipment		
Carrying amount at beginning of the year	7,928	-
Additions	1,234	8,810
Depreciation	(3,072)	(882)
Carrying amount at end of the year	**6,090**	**7,928**
14. MINERAL TENEMENTS		
Mineral acquisition costs carried forward in respect of areas of interest (net of amounts written off) (a)	**5,508,539**	-
Reconciliation		
Carrying amount at the beginning of the year	-	-
Expenditure during the year - exploration	823,342	-
Cost of acquisition and prior capitalised acquisition costs	5,508,539	-
Expenditure written off	(823,342)	-
Carrying amount at the end of the year	**5,508,539**	**-**

(a) The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. During the year the Group wrote off expenditure totalling $823,342 [2010: Nil], as all exploration expenditure is expensed as incurred.

totalling $823,342 [2010: Nil], as all exploration expenditure is expensed as incurred.

	Consolidated 2011 $	Consolidated 2010 $
15. TRADE AND OTHER PAYABLES		
Trade creditors	39,172	76,030
Other creditors and accruals	109,400	-
	148,572	**76,030**
16. LOANS AND BORROWINGS		
Convertible loan	-	-
Loans from related parties	-	550,637
	-	**550,637**

On 2 May 2011, the Company announced that it had entered into an agreement for equity funding of up to $5,325,000, and a $125,000 convertible security, with New York-based investment fund SpringTree Special Opportunities Fund, LP (SpringTree). The agreement provides for approximately monthly investments in the Company's shares over a period of 36 months of between $75,000 and $150,000 each, as well as an additional investment of $125,000 by way of a convertible security.

In the financial year ended 30 June 2011, the Company received $75,000 before costs under the Agreement, which was repaid by the issue of shares on 30 June 2011.

The convertible security, which had not been drawn down at balance date, is interest-free and may be converted, at the election of SpringTree, at any time during the term of the agreement. The number of shares to be issued upon conversion is determined in accordance with a formula set out in the agreement.

The Company paid SpringTree a commencement fee in the amount of 3.75% of the amount available under the facility, satisfied through the issue of 1,056,748 shares at a deemed price of $0.1934 per share. In addition, SpringTree were granted 1,500,000 options over ordinary shares, exercisable at $0.286 each on or before 2 May 2015.

	Consolidated 2011 $	Consolidated 2010 $
17. PROVISIONS		
Employee entitlements	**14,359**	**-**
18. ISSUED CAPITAL		
Ordinary shares fully paid – issued 56,119,808 (2010: 14,000,003)	6,649,128	1,403
Ordinary shares fully paid – unissued Nil (2010: 925,000)	-	102,209
Share issue costs	(188,163)	-
	6,460,965	**103,612**

18. ISSUED CAPITAL (continued)

The following movements in issued capital occurred during the year:

	Number of shares		Consolidated	
	2011	2010	2011 $	2010 $
Balance at beginning of year	14,000,003	-	1,403	-
1 July 2010 – issued at 9.9 cents as a share-based payment	425,000	-	42,209	-
5 July 2010 – issued at 0.01 cents for the acquisition of assets	6,000,000	-	600	-
14 July 2010 – issued at 12 cents for working capital	1,083,334	-	130,000	-
14 October 2010 – issued at 20 cents for the acquisition of assets and working capital	20,375,000	-	4,075,000	-
14 October 2010 – issued at 20 cents for the acquisition of assets	7,150,000	-	1,434,000	-
14 October 2010 – issued at 10 cents for the acquisition of assets	4,250,000	-	425,000	-
14 October 2010 – issued at 20.2 cents as a share-based payment	125,000	-	25,291	-
28 February 2011 – issued at 20 cents for the acquisition of assets	500,000	-	100,000	
2 May 2011 – issued at 19.34 cents as a share-based payment	1,056,748	-	204,375	-
16 May 2011 – issued at 21.97 cents as a share-based payment	620,154	-	136,250	-
30 June 2011 – issued at 14.03 cents for working capital	534,569	-	75,000	-
Issue of founder shares at $1.00 each	-	3	-	3
Issue of shares at $0.0001 each to promoters	-	14,000,000	-	1,400
Share issue costs	-	-	(188,163)	-
Balance at end of year	**56,119,808**	**14,000,003**	**6,460,965**	**1,403**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options

Options issued or granted during the year

The following options over unissued ordinary shares were granted by the Company during the year:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Options	30 June 2014	$0.20	7,150,000
Unlisted Options	2 May 2015	$0.286	1,500,000

Options exercised or lapsed during the year

No options over unissued ordinary shares were exercised during the year, and no options lapsed during the year.

Unissued shares under option

At balance date, unissued ordinary shares of the Company under option are:

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Options	30 June 2014	$0.20	27,150,000
Unlisted Options	2 May 2015	$0.286	1,500,000

None of the options entitle holders to participate in any share issue of the Company or any other entity.

	Consolidated 2011 $	2010 $
19. RESERVES		
Share Option Reserve		
Balance at beginning of year	-	-
Value of vendor options	547,071	-
Value of consultant options	124,235	-
Balance at end of year	671,306	-

The share option reserve comprises the values attributed to options over ordinary shares granted to vendors and consultants in consideration for the sale of assets or the provision of services.

	2011 $	2010 $
Option Premium Reserve		
Balance at beginning of year	1,000	-
Value of options granted during year	-	1,000
Balance at end of year	1,000	1,000

The option premium reserve arises pursuant to an issue of options for cash consideration.

	2011 $	2010 $
Translation Reserve		
Balance at beginning of year	-	-
Foreign currency translation differences for foreign operations	(41,483)	-
Balance at end of year	(41,483)	-

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

	2011 $	2010 $
Fair Value Reserve		
Balance at beginning of year	-	-
Net change in fair value of available-for-sale financial assets	(275)	-
Balance at end of year	(275)	-

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

	2011 $	2010 $
TOTAL RESERVES	**630,548**	**1,000**

	Consolidated 2011 $	2010 $
20. ACCUMULATED LOSSES		
Balance at beginning of year	(136,148)	-
Net loss attributable to members of the Company	(981,442)	(136,148)
Balance at end of year	(1,117,590)	(136,148)
21. NON-CONTROLLING INTERESTS		
Contributed equity	-	-
Accumulated losses	(283,877)	-
	(283,877)	-

22. ACQUISITION OF SUBSIDIARY

During the year ended 30 June 2011, Brighton Mining Group Limited acquired 70% of the issued capital in Sun Hill Minerals Co Limited (Sun Hill). Sun Hill is a company operating in Cambodia. The net assets of Sun Hill as at the date of acquisition were $338,096 and the cost of investment was $5,356,953. The excess of the cost of investment treated towards fair value of interest in Cambodian tenements was $5,018,857.

In the year ended 30 June 2011, Sun Hill contributed a loss of $1,008,370 to the overall net loss of the consolidated entity.

Details of the interest acquired are set out below:

Name	Country of Incorporation	Percentage Owned (%) 30 June 2011	30 June 2010
Sun Hill Minerals Co Limited	Cambodia	70	-

23. COMMITMENTS AND CONTINGENCIES

Project commitments

Under the terms of the acquisition of Sun Hill Minerals Co Limited (**Sun Hill**), the Company is obliged to sole fund all exploration expenditure on the Cambodian tenements held by Sun Hill until a decision to mine is made. The minimum expenditure commitment which Sun Hill requires the Company to sole fund is USD$200,000 in each period of six months until 31 December 2014 (unless a decision to mine is made earlier). The Company is entitled to engage third party managers, as well as employees and consultants nominated by Sun International Investment Co Ltd, a Cambodian company and party to the acquisition agreement, at the cost of Sun Hill where appropriate.

The Company(BMG) is committed to issue further shares to the vendors of Sunhill Minerals (70%) namely Sun International Investment co Ltd ("SII") and Union Resources Investment Group Co Ltd ("Union")where:

- BMG shares to be issued at the VWAP of a BMG share trading on ASX for 10 business days to the value of US$1,600,000 on the Decision to Mine date (as defined in the Shareholders Agreement) which will be no later than 12 months after the completion of the Bankable Feasibility Study;
- BMG shares to be issued at the VWAP of a BMG share trading on ASX for 10 business days to the values as noted below when the gold reserves for the Concession reaches the following quantities:
    1. US$500,000 upon Sun Hill establishing a proved ore reserve of at least 1,000,000 ounces of gold;
    2. US$500,000 upon Sun Hill establishing a proved ore reserve of at least 1,500,000 ounces of gold;
    3. US$1,000,000 upon Sun Hill establishing a proved ore reserve of at least 2,000,000 ounces of gold; and
    4. US$1,000,000 upon Sun Hill establishing a proved ore reserve of at least 3,000,000 ounces of gold.

23. COMMITMENTS AND CONTINGENCIES (continued)

Furthermore, at the Effective Date of BMG acquiring a 70% shareholding interest in Sun Hill, BMG agrees to pay SII and Union in the proportions 35% and 65% respectively, the following net smelter royalties ("NSM") on contained copper extracted from the Concession:

- a 1% NSM in excess of 50,000 tonnes of contained copper;
- a 1.25% NSM in excess of 75,000 tonnes of contained copper;
- a 1.5% NSM in excess of 100,000 tonnes of contained copper; and
- a 2% NSM in excess of 200,000 tonnes of contained copper

The NMS will be calculated only on 80% of the total contained copper extracted.

Under certain circumstances (including BMG failing to sole spend or spend minimum amounts as noted in the Shareholders Agreement, failing to issue shares to SII and Union as noted above, not keeping the Concession in good order and failing to start a Definitive Feasibility Study, Bankable Feasibility Study or industrial mining according to programmes and budgets) a Reversion Event may occur. If a Reversion Event occurs, SII is entitled to elect to have all the shares held by BMG in Sun Hill (700 shares representing 70% of Sun Hill's issued capital) to be transferred to SII for $1. However, BMG may retain a certain number of shares as follows:

- 100 shares (10% of Sun Hill) if BMG has funded at least US$1,000,000 of joint venture expenditure on the Concession;
- 200 shares (20% of Sun Hill) if BMG has funded at least US$2,500,000 of joint venture expenditure on the Concession; and
- 250 shares (25% of Sun Hill) if BMG has funded at least US$3,000,000 of joint venture expenditure on the Concession.

Remuneration commitments

Commitments for payment of salaries under long term employment contracts in existence at reporting date but not recognised as a liability payable are as follows:

	Consolidated	
	2011	**2010**
	$	**$**
Not longer than 1 year	160,000	160,000
Longer than 1 year and not longer than 5 years	138,082	298,082
Longer than 5 years	-	-
	298,082	458,082

Operating lease commitments

The Company leases its offices in South Perth. The lease expires in February 2012, and the operating lease rentals are payable as follows:

	Consolidated	
	2011	**2010**
	$	**$**
Not longer than 1 year	26,630	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	26,630	-

Contingencies

The Group does not have any contingent liabilities at balance and reporting dates.

24. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 30 June 2011 was based on the following:

	Consolidated	
	2011 $	**2010 $**
Loss attributable to ordinary shareholders		
Net loss for the year	(1,023,200)	(136,148)
	Number 2011	**Number 2010**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	44,549,113	8,296,299

Diluted earnings per share must be calculated where potential ordinary shares on issue are dilutive. As the potential ordinary shares on issue would decrease the loss per share in the current period, they are not considered dilutive, and not shown. The number of potential ordinary shares is set out in Note 18.

25. KEY MANAGEMENT PERSONNEL

Details of key management personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Mr Peter Remta	Non-Executive Chairman	
Mr Jonathan Remta	Managing Director	
Mr Kim Thomas	Non-Executive Director	Appointed 14 July 2010
Mr Brian John	Non-Executive Director	Appointed 14 July 2010
Mr Marcus Remta	Non-Executive Director	Resigned 15 July 2010

Key management personnel remuneration

Detailed remuneration disclosures are provided in the Remuneration Report on pages 9 to 11.

	Consolidated	
	2011 $	**2010 $**
Short-term employee benefits	335,446	55,272
Post-employment benefits	16,800	1,973
Other benefits	48,084	-
	400,330	57,245

Other key management personnel transactions

In January 2011, a company associated with Mr Peter Remta, Gulf Mining Limited (GLM), entered into a short term loan facility with Brighton Mining Group Limited to meet working capital commitments. The loan facility of $150,000 was provided on an interest-free basis for a fee of 1,600,000 shares in GLM, subject to GLM shareholder approval, which was granted in July 2011. The loan facility was increased by a further $12,500 in May 2011, and was repaid in full in July 2011. Refer Note 11 for further details.

In March 2011, a company associated with Mr Jonathan Remta, Brighton Mining Ltd, borrowed $15,000 from Brighton Mining Group Ltd.

Westchester Pty Ltd, a company associated with Jonathan Remta, has provided the Company with office accommodation and utilities at market rates.

25. KEY MANAGEMENT PERSONNEL (continued)

The aggregate amounts recognised during the year relating to the transactions are as follows:

		Transactions value year ended 30 June		Balance outstanding as at 30 June	
Director	**Transaction**	**2011 $**	**2010 $**	**2011 $**	**2010 $**
Mr Peter Remta	Loan facility	162,500	-	162,500	-
Mr Jonathan Remta	Short term loan	15,000	-	15,000	-
	Office accommodation	69,652		9,265	9,968

Equity holdings

Shares

The movement during the reporting period in the number of ordinary shares in Brighton Mining Group Limited held, directly, indirectly or beneficially by each key management person, is as follows:

2011	**Held at 1 July 2010**	**Held at date of appointment**	**Issues or Purchases**	**Sales**	**Held at date of retirement**	**Held at 30 June 2011**
Directors						
Peter Remta	5,000,001	n/a	-	-	n/a	5,000,001
Jonathan Remta	27,625,001	n/a	1,089,616	-	n/a	28,714,617
Kim Thomas	n/a	30,000	-	-	n/a	30,000
Brian John	n/a	-	-	-	n/a	-
Marcus Remta	1,000,001	n/a	-	-	1,000,001	n/a

2010	**Held at 27 Nov 2009**	**Held at date of appointment**	**Issues or Purchases**	**Sales**	**Held at date of retirement**	**Held at 30 June 2010**
Directors						
Peter Remta	1	n/a	5,000,001	-	n/a	5,000,001
Jonathan Remta	1	n/a	27,625,001	-	n/a	27,625,001
Marcus Remta	1	n/a	1,000,001	-	n/a	1,000,001

Options over ordinary shares

The movement during the reporting period in the number of options over ordinary shares in Brighton Mining Group Limited held, directly, indirectly or beneficially by each key management person, is as follows:

2011	**Held at 1 July 2010**	**Held at date of appointment**	**Granted as compensation**	**Lapsed**	**Held at date of retirement**	**Held at 30 June 2011**	**Vested and exercisable at 30 June 2011**
Directors							
Peter Remta	-	n/a	-	-	-	-	-
Jonathan Remta	20,000,000	n/a	-	-	n/a	20,000,000	20,000,000
Kim Thomas	n/a	-	-	-	n/a	-	-
Brian John	n/a	-	-	-	n/a	-	-
Marcus Remta	-	n/a	-	-	-	n/a	n/a

None of the above options vested during the year.

2010	**Held at 27 Nov 2009**	**Granted as compensation**	**Lapsed**	**Issues**	**Held at 30 June 2010**	**Vested during the year**	**Vested and exercisable at 30 June 2010**
Directors							
Peter Remta	-	-	-	-	-	-	-
Jonathan Remta	-	-	-	20,000,000	20,000,000	20,000,000	20,000,000
Marcus Remta	-	-	-	-	-	-	-

26. PARENT ENTITY DISCLOSURES

Financial Position

	Note	30 June 2011 $	30 June 2010 $
CURRENT ASSETS			
Cash and cash equivalents		5,170	5,067
Trade and other receivables		48,761	-
Other financial assets		179,610	525,000
Prepayments		7,872	57,136
Total Current Assets		241,413	587,203
NON CURRENT ASSETS			
Trade and other receivables	(a)	1,214,342	
Investments	(b)	5,356,953	
Property, plant and equipment		24,073	7,928
Mineral tenements		-	-
Total Non Current Assets		6,595,368	7,928
TOTAL ASSETS		6,836,781	595,131
CURRENT LIABILITIES			
Trade and other payables		144,638	76,030
Loans and borrowings		-	550,637
Provisions		14,359	-
TOTAL LIABILITIES		158,997	626,667
NET ASSETS		**6,677,784**	**(31,536)**
EQUITY			
Issued capital		6,460,965	103,612
Reserves		672,031	1,000
Accumulated losses		(455,212)	(136,148)
TOTAL EQUITY		**6,677,784**	**(31,536)**

Note (a)

	30 June 2011 $	30 June 2010 $
Deposits and bonds	**6,000**	-
Loan to controlled entity – at cost *	**1,208,342**	-
Provision for non-recovery of loan	**-**	-
	1,214,342	-

* The loan to the controlled entity, Sun Hill Minerals Co Limited (Sun Hill) is unsecured, interest-free and of no fixed term. Funds have been provided to fund exploration and sundry administration expenses. Loan funds advanced in the current year were $1,208,342 (2010: nil)

The ultimate recoupment of the loan is dependent upon successful development and commercial exploitation, or alternatively, sale of respective tenement interests.

Note (b)

	30 June 2011 $	30 June 2010 $
Shares in controlled entity – at cost	5,356,953	

	Class of shares	Beneficial interest 2011	Beneficial interest 2010
Shares in controlled entity:			
Sun Hill Minerals Co Limited	Ordinary	70%	-%

26. PARENT ENTITY DISCLOSURES (continued)

Financial Performance

	30 June 2011	30 June 2010
	$	$
Loss for the year	(319,064)	(31,536)
Other comprehensive income	(275)	-
Total comprehensive loss for the year	(319,339)	(31,536)

Refer to Note 23 for project commitments of the Parent Entity.

27. SHARE BASED PAYMENTS

During the year ended 30 June 2011 the following share-based payment arrangements existed:

BTN Share Option Plan

The Company has adopted a plan called the Brighton Mining Group Limited Employee Share Option Plan ("Plan").

At the date of this report, no options have been granted under the Plan.

The maximum number of options that can be granted under the ESOP is determined by the Board in its discretion and in accordance with the ESOP and applicable law. There is no issue price for any options granted under the ESOP.

Each option is convertible to one ordinary share. The exercise price of the options is determined by the Board on such terms as the Board considers appropriate, subject to any minimum price specified in the Listing Rules of the ASX. An option may only be exercised after any vesting conditions associated with the exercise of the option are satisfied and before its expiry date. Shares issued on exercise of options will rank equally with other fully paid ordinary shares of the Company

An option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company; the employee ceasing to be employed by the Company; upon a change in control event as defined in the Plan occurring; or 6 months after death, redundancy, permanent illness or incapacity of the option holder; or 30 days after voluntary resignation by the option holder.

There are no voting or dividend rights attaching to the options, nor are there any participating rights or entitlements inherent in the options. Holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options unless the options have been converted to shares.

28. RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES

	Consolidated 2011	2010
	$	$
Cash flows from operating activities		
Loss for the year	(1,265,319)	(136,148)
Add/(less) non-cash items:		
Depreciation	10,301	882
Debt forgiveness income	(1,059,278)	-
Share investment revaluations	(95,665)	-
Share based payments	340,625	-
	(2,069,336)	(135,266)
Changes in working capital and provisions:		
Change in trade and other receivables	(57,207)	-
Change in prepayments	(7,872)	(57,136)
Change in trade and other payables	72,543	76,030
Change in loans from related parties	-	86,439
Change in provisions	14,359	-
Net cash used in operating activities	(2,047,513)	(29,933)

29. EVENTS SUBSEQUENT TO REPORTING DATE

In July 2011, the loan owing from Gulf Mining Ltd (refer Notes 11 and 25) of $162,500 was repaid in full. In addition, in August 2011, Gulf Mining Ltd issued 1,600,000 fully paid shares to Brighton Mining Group Limited in satisfaction of a $30,000 loan facility fee.

In September 2011, the Company announced that it had acquired a major interest in two additional concession areas in the Kingdom of Cambodia. The acquisition is being undertaken through the purchase of a 70% shareholding interest in Summer Gold Investment Pvt Ltd ("Summer Gold") from Brighton Mining Limited ("BML"). Summer Gold is a Cambodian company and the holder of the two concession areas.

The consideration to be paid, subject to approval by Brighton's shareholders, comprises the following:

1. A cash reimbursement of $150,000 to BML for expenditure incurred on the concessions. This amount has been advanced by the Company to BML.
2. The issue to BML of a minimum of 18,000,000 ordinary shares and up to a maximum of 20,000,000 ordinary shares treated as fully paid, with the precise number to be determined by the time shareholder approval is obtained.
3. The issue of a further 3,500,000 ordinary shares treated as fully paid to the founder and original shareholder of Summer Gold, Mr H J Shen.
4. The issue to Mr Shen of 650,000 ordinary shares treated as fully paid for reimbursement of expenditure incurred in obtaining and acquiring the concessions for Summer Gold and for legal and other costs incurred in that process.
5. The grant to Mr Shen of 3,500,000 options exercisable at 20 cents at any time within three years from the date of their issue, which is to be not later than 31 January 2012

Additional payments for future achievement of exploration milestones may be made.

The financial effect of these transactions has not been brought to account in the financial statements for the year.

Apart from the above, there have been no other events subsequent to reporting date which would have a material effect on the Group's financial statements as at 30 June 2011.

DIRECTORS' DECLARATION

In the opinion of the directors of Brighton Mining Group Limited:

(a) the consolidated financial statements and notes set out on pages 18 to 41, and the Remuneration Report contained in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2011 and their performance for the financial year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards;

(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.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chairman of the Audit and Risk Committee for the year ended 30 June 2011.

Dated at Perth, Western Australia this 30th day of September 2011.

Signed in accordance with a resolution of the directors.

Jonathan Remta
Managing Director

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Stantons International Audit and Consulting Pty Ltd
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BRIGHTON MINING GROUP LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Brighton Mining Group Limited, which comprises the consolidated statement of financial position as at 30 June 2011, 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 and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

Auditor's opinion

In our opinion:

(a) the financial report of Brighton Mining Group Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 11 of the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Brighton Mining Group Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

Inherent Uncertainty Regarding Going Concern and Capitalised exploration cost

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. At 30 June 2011 the entity had working capital of $113,444 and had incurred a loss for the year of $1,265,319. The ability of the entity to continue as a going concern is subject to the successful recapitalisation of the Company. In the event that the Board is not successful in recapitalising the Company and in raising further funds, the entity may not be able to continue in its present form and may not be able to meet its planned commitments.

The recoverability of the Group's carrying value of capitalised exploration costs ($5,508,539) is dependent on the successful commercial exploitation of the assets and/or sale of the assets to generate profits at amounts in excess of the book values. In the event that the Group is not successful in commercial exploitation and/or sale of the assets, the realisable value of the consolidated entity's assets may be significantly less than their current carrying values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

J P Van Dieren
Director

West Perth, Western Australia
30 September 2011

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Stantons International
Chartered Accountants and Consultants

30 September 2011

Board of Directors
Brighton Mining Group Limited
34 Charles Street
SOUTH PERTH WA 6151

Dear Sirs

RE: BRIGHTON MINING GROUP LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brighton Mining Group Limited.

As Audit Director for the audit of the financial statements of Brighton Mining Group Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John Van Dieren
Director