ALBIDON LIMITED

Annual Report

31 December 2012

CORPORATE INFORMATION

ABN 86 107 288 755

Directors

S. Zhang	(Chairman, Non-executive Director, a representative of Jinchuan Group Limited)
J. Gao	(Non-executive Director, a representative of Jinchuan Group Limited)
H. Wang	(Non-executive Director, Acting Managing Director, resigned 14 July 2012)
Y. Zhang	(Executive Director, a representative of Jinchuan Group Limited)

Company Secretary
N. McAuliffe

Registered Office
3/F Barclays House, Wickhams Cay
Road Town, Tortola, British Virgin Islands

Principal Place of Business
Unit 19
4 Ventnor Avenue
West Perth, WA 6005, Australia

Share Register
Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria 3067, Australia

Albidon Limited shares are listed on the Australian Securities Exchange (ASX).

Solicitors
Price Sierakowski
Level 24
44 St Georges Tce
Perth, WA 6000, Australia

Auditors
Ernst & Young
11 Mounts Bay Road
Perth, WA 6000
Australia

Website
www.albidon.com

CHAIRMAN'S REVIEW

Dear Shareholders

I wish to inform shareholders that, during 2012, no mining or process activities were carried out at Albidon's Munali mine, which was placed under care and maintenance after a suspension of operations in November 2011.

While the mine remains in care and maintenance, Jinchuan Group, as majority shareholder and sole debt provider, provided a further US$6 million in short-term funding during 2012 to pay for the running costs whilst Directors reviewed all available options.

As previously announced, the Board has held discussions with potential strategic investors while its operations were in suspension to conserve cash. However, these discussions have led to little success in landing a deal that will guarantee financial support for the company and which will provide a foundation upon which to grow the company and enhance shareholder value.

The inability to secure an investor is due to a combination of various factors. Primary amongst these issues are the Company's significant remaining liabilities for the Resettlement Action Plan ("RAP"), Rehabilitation bond, Zambian taxation liabilities, an environment of lower nickel prices and a reduced resource which will require an extensive technical study to determine the economic viability for further mining.

Merger Proposal

As there remains significant uncertainty as to the Company's financial future, the Board has engaged in extensive discussions with majority shareholder, Jinchuan Group, over the best course of action for the Company's future.

The Board announced on 28 March 2013, that Jin Tuo Investment Limited ("Jin Tuo") a wholly owned subsidiary of Jinchuan Group (Hong Kong) Resources Holdings Limited ("Jinchuan HK") has proposed to acquire 100% of the Company.

The consideration proposed is A$0.0025 cash per Albidon share via a Statutory Merger ("the Merger") pursuant to the British Virgin Islands ("BVI") Business Companies Act 2004.

As a result of the Jin Tuo proposal, Albidon has signed a legally binding, conditional Merger Implementation Agreement ("MIA") with Jin Tuo for the acquisition of all of the outstanding fully-paid ordinary shares of Albidon not currently owned by Jinchuan Group ("Jinchuan") by way of the Merger.

The Board considers that the terms of the offer provide adequate value and certainty to Albidon shareholders and therefore unanimously recommend shareholders to vote in favour of the Merger in the absence of a superior proposal, and subject to the Independent Expert's report concluding the Merger is in the best interests of all Albidon shareholders.

From evaluation of all the options available to the Company, the Directors conclude that Albidon cannot continue as a going concern and the only choice available to shareholders is to accept the merger proposal on offer from Jin Tuo. Failing that, the only alternative for the Company is liquidation.

If the merger is approved by shareholders, Albidon will still require significant ongoing financial support to meet its debts as and when they fall due and to undertake planned exploration works at Munali, which is a legal requirement to maintain the mining license in good standing. As Albidon has not received the required financial support commitment at the date of this report, the 31 December 2012 financial statements have been prepared on a liquidation basis.

In the interim, Jinchuan is continuing to provide working capital funding to the Company in the form of short term working capital loans.

Financial Result

Albidon's net loss for the 2012 financial year was US$16.7 million (2011: net loss of US$225.1million). It is critical for investors to understand that the 2011 and 2012 Financial Statements have been prepared on a liquidation basis and not a going concern basis as there is not a degree of certainty that the Albidon will continue 12 months and beyond at the date of this report. Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their estimated net realisable value. The liquidation value of liabilities is their estimated settlement amount based on contractual obligations at balance date. The Directors' Report on page 4 contains further detailed information on Albidon's financial result.

Looking Ahead

The clear focus and intent of the Board and management team in the weeks ahead relates to our objective of completing the merger transaction. However, securing the support of investors for the merger proposal in the coming weeks is our priority.

You will shortly receive a detailed explanatory memorandum which will cover all of the detail relating to the merger and include a Notice of Meeting for the forthcoming shareholders meeting, information including the specific resolutions on which you will be asked to vote, and a proxy voting form. I urge you to read these materials thoroughly and vote either prior to or at the meeting.

On behalf of the Directors and Management of Albidon Limited, I thank you for your forbearance and continued support during this long and very difficult journey for the Company.

Yours sincerely

Mr Sanlin Zhang
Non-Executive Chairman

DIRECTORS' REPORT

OPERATING AND FINANCIAL PERFORMANCE

Mining and ore processing operations at the Munali Mine were suspended on 10th November 2011. There were no mining or processing activities carried out during 2012. Expenditures incurred during 2012 consisted of supporting activities necessary to maintain Munali in a high state of preparedness as required by the Zambian government while the Munali mine is under temporary care and maintenance.

Significant costs during the year included the following:

- Salaries and expenses for the full staff compliment at Munali mine
- Maintenance to fixed and mobile plant
- Mine dewatering
- Environmental obligations
- Advisory and legal fees associated with potential corporate transactions
- Corporate overheads

The perilous financial state of our Company has led Directors to conclude that Albidon cannot continue as a going concern. The only feasable choice for shareholders is to accept the merger proposal currently on offer from Jinchuan, failing that the only alternative for the Company is liquidation. The major factors contributing to this assessment are:

- The failure of the current mine plan to deliver sufficient ore tonnage and economical nickel grade;
- Requirement for a revised mine plan and a detailed metallurgical optimisation exercise to be developed and implemented;
- Inability to service current debt facilities from operating cash flows in the foreseeable future; and
- Dependence on a third party transaction to recapitalise the business and emerge from care and maintenance.

Uncertainty in respect of the Munali mineable reserve status under the JORC Code (2004) classification has meant that proven and probable ore reserves cannot be declared at 31 December 2012. In such circumstance, doubt is raised over the ability of the Company to operate the Munali mine and concentrator.

The Company is reliant on additional financial support to meet its debts as and when they fall due and to continue planned activities at Munali. The Directors have concluded that the Company and the Group cannot continue as a going concern and accordingly the financial statements have been prepared on a liquidation basis. The principles used in determining the values for assets and liabilities on a liquidation basis are further explained in Notes 2, 3 and 12.

Merger Proposal

As discussed in the Chairman's Review, shareholders will shortly receive detailed information on the proposal Albidon is putting to shareholders regarding the proposed merger with Jinchuan Group subsidiary Jin Tuo investment Limited ("Jin Tuo") as announced on 28 March 2013.

Prior to agreeing this path, every alternative scenario has been assessed by the Board and management commencing with the appointment of Riverstone Advisory in July 2011 to lead a comprehensive strategic review of operations. Since this time, the Company has engaged in exhaustive discussions with a number of parties to find a cornerstone investor prepared to make a significant capital investment and assume a hands-on management role. The Company has considered a range of alternative transactions but has not been able to consummate an appropriate proposal.

It has become apparent therefore, that Albidon cannot continue in business without the ability to recapitalize the Company and prove up sufficient resources that would enable Munali mine to reopen as a commercially viable operation and to satisfy the debt owing to majority shareholder Jinchuan and other significant liabilities in Zambia. Albidon would also require further financial support which has not been secured at the date of the financial report.

Ultimately, the proposal as discussed in the Chairman's Report which would make available $0.0025 (one quarter of a cent) per Albidon share, if all approvals and conditions are met, and is Albidon's only prospect of delivering any value to security holders. The alternative is likely to be liquidation in which circumstance Albidon security holders are expected to receive nothing.

The Future

The merger proposal announced on 28 March 2013 represents the best way of extracting some value for Albidon shareholders. Shareholders will receive detailed information explaining the proposal in the coming weeks and will be asked to vote at a shareholder's meeting to approve the merger proposal. Shareholders are urged to read the information fully and support the Directors' recommendation – it is the only way Albidon has been able to facilitate you receiving value for your Albidon securities.

Funding

Jinchuan Group, as majority shareholder and sole debt provider, continued to provide short-term funding to support Albidon while an appropriate strategy for the Company was being determined. During 2012, Jinchuan Group (Hong Kong) Resources Limited provided a further US$6.0 million in short term working capital funding pursuant to existing loan arrangements.

Subsidence Events

Sinkhole #3 - on 12 November 2012, a third minor cave-in occurred at the extreme southern part of the Enterprise Deposit between the existing sinkhole #1 and sinkhole #2. This has now been back filled and the risk of further cave-in has been mitigated.

The Board and management were pleased to confirm that due to the application and implementation of all proper procedures and practices pertaining to health and safety, no injuries were sustained by any personnel and that serious damage to underground permanent infrastructure and machinery was avoided.

Safety Performance

During the year 2012, there was no Lost Time Injuries (LTI) recorded. The Lost Time Injury Frequency Rate (LTIFR) finished the year at 0.00 injuries per million employee hours worked. A total of 3.3 million hours worked was achieved without LTI, with the last LTI recorded at Munali on 14th June 2010. A comparison of the safety performance of Munali with other mines in Zambia indicates an impressive safety performance record and this is largely due to the proactive approach undertaken by all employees, contractors and visitors concerning OHSE requirements.

Environmental Performance

The Company operated within the conditions of its environmental permits during the year.

In 2012, Albidon Zambia operated Munali Mine within the conditions of its environmental permits. In June 2012, the Zambia Environmental Management Agency (ZEMA) conducted an inspection audit on environmental compliance and identified some areas of non conformance which were mostly categorised as minor.

The Company undertook waste separation of all waste generated at the source for recycling where possible before being taken to landfill.

Routine inspection monitoring and assessment of the ground water and surface water quality were performed during the year and new monitoring points for ground water contamination were installed. All effluents exiting the Mine site were monitored and tested and all were within acceptable limits. In addition, monthly monitoring of dust emission was performed with a number of control measures put in place to eliminate dust at the source of generation.

A non conformance database is maintained and to date no major issues have been recorded. A third sink hole developed in November 2012. This was back filled during December 2012 with waste rock, while top soil was applied to facilitate re-vegetation on the rehabilitated area. Apart from the sink hole, there was only one other minor incident recorded during the year involving the spillage of oil at the stores yard where heavy equipment is housed. This was cleaned up and the area restored.

Resettlement and Community Development Plan

Construction work under the Resettlement Action Plan ("RAP") was restricted to the first quarter of 2012 following the suspension of mining operations in November 2011. The construction of two bridges over the Nega Nega creek and Mukuku creek respectively on the RAP access road (Mugoto district) were completed in early 2012. These river crossings have made a considerable contribution to the safety and wellbeing of the local community.

The Company continued to meet its obligations to provide school transport for the RAP community throughout 2012 and ground rents and other land holding fees were paid to the local government as required. However, there was no further RAP construction activity after quarter 1 due to the lack of available funding and the significant uncertainty as to the Company's financial future.

The recommencement of the RAP building program is dependent upon the successful completion of the merger with Jin Tuo as previously announced, in so far as the funding commitment from Jinchuan Group will be forthcoming at the time of the merger completion in conjunction with a management structure spearheaded by the community stakeholders in the Mazabuka district.

Exploration

Munali, Zambia

No exploration activities were conducted on the Munali Mining License during the 2012 year.

Ore Reserve Statement

Due to the geotechnical issues in relation to the across-strike continuity of the ore body and requirement to restate metallurgical recovery results in September 2011, significant uncertainty exists over the Company's ability to operate the Munali mine in an economically sustainable manner. The circumstances that required a temporary suspension of operations have not changed at the date of signing this report, and this has called into question the confidence the Directors have in the existing Resource and Reserve Statement and the Mine Plan.

Against this background, the Competent Person has formed the view that the inclusion of information on matters relating to the Munali ore body in a form and context in which it appeared previously is not appropriate at this time. With lower confidence in the assumptions which underpin the existing Mine plan, the Board has decided not to declare a Reserve Statement at 31 December, 2012.

An updated Statement of Mineral Resources has been prepared by Snowden Mining Industry Consultants, which is summarised in the Directors report below. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources used to produce the Ore Reserves stated in the 2010 Annual Report. The Statement of Mineral Resources is reported in accordance with the JORC code. Competent Persons Statements are provided in the Directors report below.

In order to achieve an economically sustainable level of production, it is acknowledged that a revised mine plan and a detailed metallurgical optimisation exercise must be developed and implemented. The Company does not currently have the necessary capital or management experience to complete such work. The updated Mineral Reserve will form the basis of a new Mine Plan, these being necessary pre-requisites for a resumption of nickel production at Munali.

Resource Statement

Statement of mineral resources for the Enterprise Deposit, Munali Nickel Mine, Zambia as at 31 December 2012.

Mineral Resource – 2012 estimate for Enterprise nickel deposit above 0.60% cut-off grade, below 870RL and depleded for mining.

Resource category	Mineralised tonnes (kt)	Ni grade (%)	Ni metal (t)
Measured	-	-	-
Indicated	3,376	1.07	36,040
Inferred	2,469	0.96	23,684
Total Measured and Indicated	**3,376**	**1.07**	**36,040**
Total Measured, Indicated and Inferred	**5,845**	**1.02**	**59,724**

Competent Persons Statement

Munali Project

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to "Inferred Resources" are to those terms as defined in the JORC Code.

Information in this report relating to Mineral Resources has either been completed or reviewed by Mr Ivor Jones of Snowden Mining Industry Consultants who is a member of The Australian Institute of Mining and Metallurgy. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Ore Reserves has either been completed or reviewed by Mr Allan Earl of Snowden Mining Industry Consultants who is a member of The Australian Institute of Mining and Metallurgy. Mr Earl has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Earl consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Exploration Results has either been completed or reviewed by Mr Aaron Green of Runge Limited who is a member of The Australian Institute of Geoscientists. Mr Green has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Green consents to the inclusion of the data in the form and context in which it appears.

FINANCIAL REVIEW

Liquidation basis of preparation

The proposed merger transaction will result in Albidon continuing on care and maintenance until such time as a suitable investor can be identified that is willing to undertake extensive exploration activities at the Munali project, which the Zambian government has set as a condition for maintaining the Munali Mining License in good standing. If the proposed merger is approved, the Albidon will still require ongoing financial support which has not been guaranteed at the date of this financial report.

As a result, the financial statements cannot be prepared using the going concern basis of preparation. Consequently, the financial statements are prepared on a liquidation basis as described in Note 2(a) of the financial statements. As a result of adopting the liquidation basis of preparation, assets are measured at their estimated net realisable value which approximates fair value less costs to sell. Liabilities being present obligations at balance sheet date are measured at their estimated settlement amount.

It is critical to note that the liquidation basis reflects the fact that there will be insufficient assets upon the liquidation of Albidon to settle the Company's liabilities. It does not suggest that the amount owing to Jinchuan Group has been forgiven or reduced.

The previous impairment adjustment during 2011 resulted in the non-monetary assets being written down to their estimated net realisable value of $9.1 million. This could be materially different to the amount that may actually be realised for the assets of Albidon in the event that a liquidator is appointed. It should be noted that the shareholders' deficit attributable to members (both ordinary securities and convertible bonds) of Albidon is $159.4 million at the reporting date of 31 December 2012 (i.e. Group's liabilities attributable to members exceed assets attributable to members by $159.4 million), and any future distribution to members of the assets residual would require the asset values to increase by greater than $159.4 million, an extremely unlikely outcome in any future liquidation scenario). It should also be noted that ordinary security holders rank behind convertible bond holders.

Statement of Comprehensive Income

The consolidated net loss after tax of US$16,705,349 (2011: US$225,130,735 net loss) reflects:
- US$0.2 million of sales
- US$0.3 million of other revenue and other income
- US$7.7 million of site based care and maintenance costs
- US$4.2 million of administration costs
- US$5.3 million of finance costs

Statement of Financial Position

Current assets decreased by US$5.9 million as a result of trade receivables decreasing by US$2.2 million, a decrease in cash and cash equivalents of US$3.5 million and prepayments decreasing by $0.2million.

Current liabilities increased by US$10.8 million as a result of an increase in trade creditors and accruals of US$0.4 million, decrease in tax payable of US$0.4 million as a result of foreign exchange revaluation, increase in loans from Jinchuan Group of US$6.0 million, decrease in current employee entitlement provisions of US$0.1 million, decrease in community resettlement provision of US$0.4 million and an increase in accrued loan interest of US$5.3 million.

Statement of Cash Flows

During the period cash and cash equivalents decreased by US$3.5 million to US$0.7 million.

Net cash outflows from operating activities of US$9.5 million are from the payroll, maintenance and administration costs associated with the suspended operations at Munali and corporate head office costs.

Net cash inflows from financing activities of US$6.0 million relates to proceeds from an additional loan from the Jinchuan Group.

Capital

There were no changes during the period to the Company's share capital.

DIRECTORS

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

Mr Sanlin Zhang – Chairman, Non-Executive Director
Graduate diploma of Business Administration (Age: 49)

Mr Zhang is a Vice President of Jinchuan Group Limited and is responsible for international investments, legal counsel and community infrastructure.

During the past three years he has served as a director of the following public listed company:
Metals X Limited -appointed 9 November 2009; resigned 9 February 2012

Mr Yimin Zhang – Executive Director
Engineering Degree University of Changchuan (Age: 54)

Mr Zhang is an employee of Jinchuan Group Limited (Jinchuan) and is Jinchuan's chief representative in Australia. Mr Zhang has worked for Jinchuan since 1981 and has been posted to several overseas positions to which he has been involved in numerous Jinchuan co-operative ventures.

During the past three years he has served as a director of the following public listed company:
Metals X Limited* (as an alternative non-executive director to Mr Sanlin Zhang) - appointed 3 October 2007

*Denotes current directorship

Mr Jianke Gao – Non-Executive Director
Senior Mining Engineer (Age: 50)

Mr Gao has been employed by JNMC in a variety of senior roles in the past 26 years. In this time he has held the role of Chief Engineer of Longshou Mine; Vice President of research and design institute of nickel & cobalt of JNMC; Director of JNMC mining department; and Assistant General Manager of JNMC. Mr Gao was the General Manager of the Munali mine operations until 8 November 2010. He was appointed as a non-executive director of Albidon Limited on 31 August 2010.

Mr Harold Ou Wang – Non-Executive Director (appointed Acting Managing Director from 19 July 2011, resigned 14 July 2012) *Master's degree of Engineering (Age: 57)*

Mr Wang is a Founding Partner of Sino Resources Capital and Riverstone Advisory Pty Ltd. Mr Wang previously worked for a period of 15 years for China National Non-ferrous Metals Corporation (CNNC), China's non-ferrous sector 'ministry' and former parent of CHINALCO, CNMC, JNMC, Minmetals and many other Chinese non-ferrous majors.

Mr Wang was Deputy Director of CNNC's Planning Department and Foreign Affairs Department, overseeing new investments and in charge of all international funding for CNNC's projects overseas. Mr Wang held the position of Vice President, China Business Development with Sino Mining International, Sino Refco Capital Limited and Asia Resource Capital Limited of Macquarie Bank.

During the past three years he has served as a director of the following public listed company:
Forge Resources Limited* appointed 1 July 2010

*Denotes current directorship

COMPANY SECRETARY

During the financial year to 31 December 2012 and the period to the date of this report, the following Company Secretaries held office:

Mr Noel McAuliffe
Mr McAuliffe is a member of CPA Australia, Chartered Secretaries Australia and holds an MBA. He has considerable experience within the resource sector and has held the roles of CFO and Company Secretary for a number of mining and exploration companies both listed and unlisted.

DIRECTORS AND COMMITTEE MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	A	B
Mr Jianke Gao	6	6
Mr Harold Ou Wang*	2	2
Mr Sanlin Zhang	6	6
Mr Yimin Zhang	6	6

There were no Remuneration or Audit committee meetings held.

A – Number of meetings attended
B – Number of meetings held during that time the Director held office during the year

Given the size and nature of the Company's activities, the Company does not have a separate Audit, Remuneration, Nomination or Corporate Governance Committee. All these matters are deals with at meetings of the full Board.

* Meetings held up to date of resignation

OPERATING REVIEW

An operating and financial review of the Group for the year ended 31 December 2012 is set out on pages 4 to 6 and forms part of this report.

REMUNERATION REPORT

The remuneration report is set out on pages 13 to 15 and forms part of this Director's Report.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the care and maintenance of the Munali mine.

CORPORATE GOVERNANCE

The Board of Directors of Albidon are responsible for the corporate governance of the Group. The Board guides and monitors the business affairs of Albidon on behalf of shareholders by whom they are elected and to whom they are accountable.

In accordance with the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations), the Company will disclose the extent to which it has followed the guidelines and any reasons for departure from these. The Board will continue to review and respond to corporate governance requirements.

The Company's Corporate Governance Statement is set out on pages 49 to 54.

DIVIDENDS

No dividends were paid during the year and the Directors do not recommend payment of a dividend in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company continued to employ Riverstone Advisory Pty Ltd on a monthly consulting fee at AU$110,000 per month until their resignation in July 2012.

On the 9 July 2012 the Company received writ of summons issued by the High Court for Zambia registry on behalf of *Gontredy Moonga and twelve others (Plaintiffs)* against Albidon. In the writ, it is claimed that Albidon has failed to honour all of its obligations under the Resettlement Action Plan ("RAP"), an agreement signed by Albidon in 2006 with the individual residents of the Munali Hills area residing within the Munali Nickel Project mining lease. Thirty households have not yet received compensation due to them under RAP. The writ from the Plaintiffs was a claim for compensation from a sub-group. Subsequent to December 2012, the Company successfully negotiated an out of court settlement with the plaintiffs for a total payment of US$278,000. This was paid during March 2013.

On 14 July 2012, Mr. Harold Ou Wang resigned as a Director of the Company.

On 10 September 2012, the Board announced negotiations had ended with a potential third party investor and that, in the interim, it would continue to work closely with majority shareholder Jinchuan Group to determine a strategy that is appropriate for Albidon at this time.

On 8 November 2012, the Board announced a material downgrade to the existing resource estimate following a rigorous independent review by Snowden Mining Industry Consultants.

On 13 November 2012, the Board announced a further subsidence of the mine surface. Sinkhole #3 had developed at the southern part of the Enterprise Deposit between the existing sinkholes #1 and #2.

During 2012, the following additional working capital loans were received from Jinchuan Group (HongKong) Resources Limited totalling $6,000,000:

- US$2,000,000 received on 17 January 2012
- US$500,000 received on 25 June 2012
- US$500,000 received on 1 August 2012
- US$500,000 received on 9 September 2012
- US$500,000 received on 23 September 2012
- US$500,000 received on19 October 2012
- US$500,000 received on 22 November 2012
- US$500,000 received on 13 December 2012
- US$500,000 received on 28 December 2012

For significant changes in the state of affairs subsequent to December 2012, refer also to Note 23 events after balance sheet date.

Merger Proposal

The Board of Albidon Limited announced on 28 March 2013, that Jin Tuo Investment Limited ("Jin Tuo") a wholly owned subsidiary of Jinchuan Group (Hong Kong) Resources Holdings Limited ("Jinchuan HK") has proposed to acquire 100% of the Company.

The consideration proposed is A$0.0025 cash per Albidon share via a Statutory Merger ("the Merger") pursuant to the British Virgin Islands ("BVI") Business Companies Act 2004.

As a result of the Jin Tuo proposal, Albidon has signed a legally binding, conditional Merger Implementation Agreement ("MIA") with Jin Tuo for the acquisition of all of the outstanding fully-paid ordinary shares of Albidon not currently owned by Jinchuan Group ("Jinchuan") by way of the Merger.

The Board considers that the terms of the offer provide adequate value and certainty to Albidon shareholders and therefore unanimously recommend shareholders to vote in favour of the Merger in the absence of a superior proposal, and subject to the Independent Expert's report concluding the Merger is in the best interests of all Albidon shareholders.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The environmental objective of the Group is to take account of the environment, incorporate awareness among employees in all processes, and that requirements following licenses issued are adhered to. The significant environmental aspects of the business are assessed and monitored continuously. The Group is in compliance with all environmental requirements in accordance with its licenses and applicable laws and regulations.

The Group aims to protect the external environment by taking responsibility to reduce all emissions, and work for, among other things, to optimise processes at all levels. This is achieved under the framework of the following objectives:

- Set clear environmental standards.
- Promote our work environment for our employees and visitors and to facilitate the environmentally correct behaviour in all processes.
- Minimise the environmental impact, and contribute to a responsible utilisation of energy and other resources.

The Group holds licences issued by the relevant environmental protection authorities of the various countries in which the Group operates. To the knowledge of the Directors, there have been no significant breaches of licenses with relevant environmental regulations and applicable legislation.

AUDITOR'S REMUNERATION

The following services were provided by the Company's auditor, Ernst & Young. The Directors are satisfied that the provision of these services did not compromise the independence of the auditor.

	31-Dec-12 US$
Audit services:	
- Current year audit and review	193,587
- Completion of historical audits and reviews	3,728
	197,315
Other services:	
- Tax advice	89,540
	89,540

INSURANCE OF DIRECTORS AND OFFICERS

The Company has paid a premium and other charges for a Directors and Officers Liability policy for the benefit of the Directors, Secretary and Executive Officers of the Company. The policy prohibits the disclosure of the nature of liability insured and the amount of premium paid.

DIRECTOR'S INTERESTS

At the date of this report, the relevant interests of the Directors in securities of the Company are as follows:

Name	Ordinary shares	Options over ordinary shares
J. Gao	-	1,000,000
H. Wang	-	1,000,000
Y. Zhang	-	1,980,000
S. Zhang	-	1,500,000

REMUNERATION REPORT

The remuneration report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report. The remuneration report is not audited as Albidon Limited is not a company to which section 2M of the Australian Corporations Act 2001 applies.

Remuneration Policy

Albidon Limited aims to ensure that the level and composition of remuneration of its Directors and Executives are sufficient and reasonable for the sector in which the Company operates. Albidon Limited has adopted a Remuneration Policy to attract and retain talented and motivated personnel in order to achieve enhanced performance for the Company. The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team Due to the size of the company, the role of the Remuneration Committee has been undertaken by the Board of Directors.

Share options can be used as remuneration for Directors and key Executives, subject to Board approval.

(i) Executive Directors

The remuneration of Albidon Limited's Executive Directors comprises some or all of the following elements: fixed salaries, long term incentive share and/or option scheme, and other benefits including employment insurances and superannuation contributions. In relation to the payment of bonuses, share options and other incentive amounts, discretion is exercised by the Board having regard to the overall performance of the Company and of the relevant individual during the period.

(ii) Non-Executive Directors

Albidon Limited's Non-Executive Directors are remunerated with a cash fee. Non-Executive Directors typically do not participate in equity or option schemes of the Company, however given Albidon Limited's size, focused nature of business and shareholding structure, issues of share options to Non-Executive Directors have previously been, and may in the future be, approved by shareholders to enhance overall shareholder wealth creation.

Service contracts

Mr Noel McAuliffe (CFO/ Company Secretary) is engaged on contract basis through a recruitment agency at a fixed daily rate with no fixed contract period.

There are no service contracts for any other current key management personnel at the date of this report.

Directors' and executive officers' remuneration

Details of the nature and amount of each major element of the remuneration of each Director of the Company and each of the group executives receiving the highest remuneration are per below.

	Short Term Benefits		Post Employment	Share Based Payment	
31 December 2012	**Cash salary US$**	**Directors' fees US$**	**Superannuation US$**	**Options US$**	**Total US$**
Executive Directors					
Mr H Wang (Acting Managing Director resigned 14 July 2012)	-	19,666	-	-	19,666
Mr Y Zhang	-	36,307	-	-	36,307
Non -Executive Directors					
Mr J Gao	-	36,307	-	-	36,307
Mr S Zhang	-	36,307	-	-	36,307
Executives					
Mr N McAuliffe (CFO)*	624,005	-	42,777	-	666,782
	624,005	128,587	42,777	-	795,369

* Mr McAuliffe is employed through a recruitment agency and the remuneration reported above includes a total of $148,711 in management fees and employment on-costs paid to the recruitment firm during the period.

REMUNERATION REPORT (continued)

31 December 2011	Short Term Benefits Cash salary US$	Directors' fees US$	Post Employment Superannuation US$	Share Based Payment Options US$	Total US$
Executive Directors					
Mr H Wang (Acting Managing Director)	-	36,166	-	-	36,166
Mr Y Zhang	-	36,166	-	31,312	67,478
Non -Executive Directors					
Mr V Chitalu (Resigned 31 May 2011)	-	175,089	-	-	175,089
Mr J Gao	-	36,166	-	-	36,166
Mr S Zhang	-	36,166	-	-	36,166
Executives					
Mr J Sang (CEO) (Resigned 19 July 2011)	234,841	-	-	78,280	313,121
Mr J Yang (GM Munali mine) (Resigned 30 November 2011)	156,815	-	4,500	-	161,315
Mr D Round (CFO) (Resigned 31 July 2011)	114,666	-	10,320	62,624	187,610
Mr N McAuliffe (CFO) (Appointed 31 July 2011)*	248,849	-	2,457	-	251,306
	755,171	319,753	17,277	172,216	1,264,417

* Mr McAuliffe is employed through a recruitment agency and the remuneration reported above includes a total of $64,904 in management fees and employment on-costs paid to the recruitment firm during the period.

EQUITY INSTRUMENTS

Shares
No shares were issued to Directors or key management personnel during the year.

The relevant interests in shares of each Director in the share capital at the date of this report are set out on page 12.

Share options

Options over equity instruments granted as compensation

No options were granted during the 2012 year.

Options granted during the 2011 year:

2011 Directors	Number of options granted	Grant date	Fair value per option at grant date	Exercise price per option	Expiry date	Vesting date
Mr Y Zhang	480,000	11/04/2011	A$0.06	A$0.20	31/12/2014	01/07/2011
Executives						
Mr J Sang (CEO)	1,200,000	11/04/2011	A$0.06	A$0.20	31/12/2014	01/07/2011
Mr D Round (CFO)	960,000	11/04/2011	A$0.06	A$0.20	31/12/2014	01/07/2011

The terms of the options granted in 2011 allow for the holder to retain the options upon departure of the Company unless termination due to misconduct. As a result, the options do not have a service condition requirement and vest immediately. The Options are exercisable on or after 1 July 2011.

REMUNERATION REPORT (continued)

Analysis of movements in options

During 2011, the value of options granted, exercised and lapsed during the year over ordinary shares for each Company director and key management personnel is as follows:

31 December 2011	Value of options granted during the year * US$	Value of options exercised during the year US$	Value of options lapsed during the year US$	Remuneration consisting of options for the year %
Directors				
Mr Y Zhang	31,312	-	-	46.4
Executives				
Mr J Sang (CEO)	78,280	-	-	25.0
Mr D Round (CFO)	62,624	9,880	-	33.4

The value of options granted in the year is the fair value of the options at grant date using the black-scholes option-pricing model. The total value of options is included in the table above, however this amount is allocated to expense over the vesting period if any, that is relevant to the options issued.

The terms of the options granted in 2011 allow for the holder to retain the options upon departure of the Company unless termination due to misconduct. As a result, the options do not have a service condition requirement and vest immediately. The Options are exercisable on or after 1 July 2011.

For details on the valuation of the options, including models and assumptions used, refer to Note 17.

* The terms of the options allow for the holder to retain the options upon departure of the Company unless termination due to misconduct. As a result, the options do not have a service condition requirement and vest immediately, however the following restrictions exist:

(i) 50% are exercisable on 31 December 2010
(ii) 25% are exercisable on 31 December 2011; and
(iii) 25% are exercisable on 31 December 2012.

UNISSUED SHARES

As at the date of this report, there were 9,030,000 unissued ordinary shares under options. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

SHARES ISSUED AS A RESULT OF EXERCISE OF OPTIONS

There were no options in the Company exercised during the year (2011: 150,000 options).

In the event that the option holder ceases to be an employee, Director or consultant of the Company, the Board may at its sole discretion resolve that all vested options held by that employee, Director or consultant must be exercised within one year of that employee, Director or consultant ceasing to be an employee, Director or consultant of the Company.

Options issued in 2011 do not have a service period, consequently they fully vest during 2011 and are exercisable on or after 1 July 2011 or upon resignation.

INDEMNITY OF DIRECTORS

Deeds of Access and Indemnity have been executed by the parent entity with each of the Directors and the Company Secretaries. The deeds require the Company to indemnify each Director and the Company Secretary against any legal proceedings to the extent permitted by law, made against, suffered, paid or incurred by the Director or the Company Secretary being an officer of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

On the 9 July 2012 the Company received a writ of summons issued by the High Court registry in Zambia on behalf of *Gontredy Moonga and twelve others (Plaintiffs)* against Albidon who claim that the Company has failed to fully perform its obligations under the Resettlement Action Plan ("RAP"). In the writ, it was claimed that Albidon had failed to honour all of its obligations under the Resettlement Action Plan ("RAP"), an agreement signed by Albidon in 2006 with the individual residents of the Munali Hills area residing within the Munali Nickel Project mining lease.

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

EVENTS SUBSEQUENT TO REPORTING DATE

The following additional working capital loans were received from Jinchuan Group (Hong Kong) Resources Limited subsequent to the reporting date:

- US$1,200,000 received on 15 January 2013
- US$300,000 received on 7 February 2013
- US$287,000 received on 28 February 2013
- US$1,000,000 received on 22 March 2013

On 15 January 2013, all Munali site personnel were paid statutory redundancy and the operations placed in care and maintenance. Approximately 60 personnel remain on site on short term contracts to manage the care and maintenance phase. A total of US$1.3 million was paid for redundancy entitlements.

During March 2013, the Company successfully negotiated and paid an out of court settlement totalling US$278,000 to the plaintiffs relating to a writ of summons issued by the High Court for Zambia registry on behalf of Gontredy Moonga and twelve others (Plaintiffs) against Albidon.

The Board of Albidon Limited announced on 28 March 2013, that Jin Tuo Investment Limited a wholly owned subsidiary of Jinchuan Group (Hong Kong) Resources Holdings Limited has proposed to acquire 100% of the Company. Further details of the proposed transaction are outlined on page 4.

Other than the above no other matters or circumstances have arisen since 31 December 2012 that in the opinion of the Directors has significantly affected, or may significantly affect in future financial years:

(i) The Group's operations, or
(ii) The results of those operations, or
(iii) The Group's state of affairs

Signed in accordance with a resolution of the Directors.

Yimin Zhang
Executive Director

Perth
18 April 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31-Dec-12 US$	31-Dec-11 US$
Sale of goods		167,790	41,259,689
Other revenue	4	3,054	23,306
Cost of sales	4	-	(66,802,656)
Care and maintenance expense	4	(7,635,459)	-
Gross loss		**(7,464,615)**	(25,519,661)
Other income	4	316,882	420,051
Exploration and evaluation expense		(18,941)	(13,609)
Loss on disposal of plant and equipment		-	(80,511)
Write down of inventory	9	-	(2,099,317)
(Impairment)/reversal of impairment of plant and equipment	12	(36,200)	(37,172,133)
(Impairment)/reversal of impairment of Mine Property and Development	13	-	(137,659,723)
Administration expense	4	(4,228,910)	(4,023,745)
Finance expense		(5,273,565)	(5,864,199)
Loss before income tax		**(16,705,349)**	(212,012,847)
Income tax expense	5	-	(13,117,888)
Loss after income tax		**(16,705,349)**	(225,130,735)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		**(16,705,349)**	(225,130,735)
Loss attributable to:			
Owners of the Company		**(16,705,349)**	(225,130,735)
Total comprehensive loss attributable to:			
Owners of the Company		**(16,705,349)**	(225,130,735)
Earnings per share for (loss attributable to the ordinary equity holders of the parent:			
Basic loss per share (cents)	*6*	(4.78)	(64.47)
Diluted loss per share (cents)	*6*	(4.78)	(64.47)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes, which form part of this Financial Report prepared on a liquidation basis.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31-Dec-12 US$	31-Dec-11 US$
Current assets			
Cash and cash equivalents	*7*	698,683	4,197,864
Trade and other receivables	*8*	172,053	2,351,580
Inventories	*9*	887,149	887,149
Other financial assets	*10*	80,339	79,028
Plant and equipment	*12*	9,174,366	9,174,366
Prepayments	*11*	-	216,491
Total current assets		**11,012,590**	16,906,478
Non-current assets			
Plant and equipment	*12*	-	-
Mine properties and development	*13*	-	-
Exploration and evaluation	*13*	-	-
Total non-current assets		**-**	-
Total assets		**11,012,590**	16,906,478
Current liabilities			
Trade and other payables	*14*	10,317,869	9,863,947
Provisions	*15*	5,126,824	5,635,800
Tax payable		12,107,963	12,514,959
Interest bearing loans and borrowings	*3*	142,839,947	131,566,436
Total current liabilities		**170,392,603**	159,581,142
Non-current liabilities			
Provisions	*15*	-	-
Total non-current liabilities		-	-
Total liabilities		**170,392,603**	159,581,142
Net liability		**(159,380,013)**	(142,674,664)
Shareholders deficit			
Capital and reserves attributable to the Company's equity holders			
Issued capital		3,492,218	3,492,218
Share premium reserve		120,719,463	120,719,463
Capital raising costs		(3,519,564)	(3,519,564)
Share capital	16	120,692,117	120,692,117
Option premium reserve	*17*	4,906,286	4,906,286
Convertible note reserve		2,226,596	2,226,596
Accumulated loss		(287,205,012)	(270,499,663)
Total shareholders deficit		**(159,380,013)**	(142,674,664)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form part of this Financial Report prepared on a liquidation basis.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Dec-12 US$	31-Dec-11 US$
Cash flows from operating activities		
Receipts from customers	2,347,316	51,243,7207
Receipts from insurance claims and other	316,882	-
Payments to suppliers and employees	(12,112,310)	(56,944,722)
Payment to suppliers (exploration)	(18,941)	(13,610)
Interest and other revenue received	3,054	23,306
Interest and other costs of finance paid	(54)	(9,948)
Net cash flows (used in)/from operating activities	**(9,464,053)**	(5,701,267)
Cash flows from investing activities		
Receipts from deposits	-	1,157,881
Purchase of plant and equipment	(36,200)	(1,701,206)
Payments for mine development	-	(6,913,118)
Proceeds from sale of tenements	-	2,500,000
Proceeds from sale of motor vehicles	-	200,000
Net cash flows used in investing activities	**(36,200)**	(4,756,443)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	15,224
Proceeds from loans	6,000,000	3,000,000
Net cash flows from financing activities	**6,000,000**	3,015,224
Net (decrease)/increase in cash and cash equivalents	**(3,500,253)**	(7,442,486)
Effects of exchange rate changes	1,071	32,621
Cash and equivalents at beginning of the period	4,197,864	11,607,729
Cash and equivalents at end of the period	**698,683**	4,197,864

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form part of this Financial Report prepared on a liquidation basis.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued Capital US$	Share Premium US$	Option Premium Reserve US$	Convertible Note Reserve US$	Capital Raising Costs US$	Accumulated Profit /(Loss) US$	Total US$
Balance at 1 January 2012	**3,492,218**	**120,719,463**	**4,906,286**	**2,226,596**	**(3,519,564)**	**(270,499,663)**	**(142,674,664)**
Loss for the period	-	-	-	-	-	(16,705,349)	(16,705,349)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(16,705,349)	(16,705,349)
Transactions by owners, recorded directly in equity							
Issue of shares	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Balance at 31 December 2012	**3,492,218**	**120,719,463**	**4,906,286**	**2,226,596**	**(3,519,564)**	**(287,250,012)**	**(159,380,013)**
Balance at 1 January 2011	3,490,718	120,705,739	4,707,976	2,226,596	(3,519,564)	(45,368,928)	82,242,537
Loss for the period	-	-	-	-	-	(225,130,735)	(225,130,735)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	-	(225,130,755)	(225,130,735)
Transactions by owners, recorded directly in equity							
Issue of shares	1,500	13,724	-	-	-	-	15,224
Share-based payments	-	-	198,310	-	-	-	198,310
Balance at 31 December 2011	3,492,218	120,719,463	4,906,286	2,226,596	(3,519,564)	(270,499,663)	(142,674,664)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form part of this Financial Report prepared on a liquidation basis.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The consolidated financial statements of Albidon Limited for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Directors dated 18 April 2013.

Albidon Limited (the "Company") is a Company incorporated in the British Virgin Islands, on 11 April 2000, whose shares are publicly traded. Its registered place of business is 12 Walker Avenue, West Perth, Western Australia 6005.

The principal activities of the Company and its subsidiaries (the "Group") are described in the director's report.

The Group had one hundred and eighty three employees (183) as at 31 December 2012 (two hundred and seventy nine employees (279) as at 31 December 2011).

2 Summary of significant accounting policies

a) *Basis of preparation*

The consolidated financial statements of Albidon Limited and all its subsidiaries contained in this report have been prepared in accordance with the accounting policies set out below. This is a special purpose financial report prepared to meet the requirements of shareholders.

The presentation currency of the Group as well as the functional currency of the Company and each of the subsidiaries is US dollars.

(i) Liquidation Basis

On 10 November 2011, the Board determined to suspend mining operations at the Munali mine. This followed the July 2011 appointment of corporate advisory firm Riverstone Advisory Pty Ltd ("Riverstone") to reorganise or restructure financing facilities and attract new investors, directors and senior management.

Riverstone resigned as corporate advisers in July 2012.

In early 2012, the Board commissioned Snowden Mining Industry Consultants ("Snowden") to prepare a review of the Munali resource model and on 8 November 2012, the Board announced a significant resource downgrade following the receipt of the Snowden report.

Currently the Group has no operating activities.

As at 31 December 2012 significant financial obligations include:

- Liabilities for the Resettlement Action Plan ("RAP"),
- Rehabilitation liabilities;
- Zambian taxation liabilities; and
- Significant debt owing to Jinchuan Group Ltd ("Jinchuan") the enitity's majority shareholder.

Unresolved issues in respect of the ore body geology model and the current uncertainty relating to the status of Munali's mineable reserves raises significant doubt over the ability for the company to operate the Munali nickel mine and the concentrator profitably. In addition, the current environment of comparably low nickel prices and a reduced resource base will require extensive technical studies to determine the economic viability for further mining of the Munali nickel deposit. Currently the Company and the Group have no ability to settle the Group's liabilities other than via the ongoing financial support of Jinchuan.

In view of these circumstances, the Board is in discussions with majority shareholder, Jinchuan, over the best course of action for the Company's future.

Jinchuan is continuing to provide working capital funding to the Company in the form of short term working capital loans.

The Directors have received a letter of financial support from Jinchuan in relation to this ongoing short term funding. The Directors however, have concluded that the commitment to provide short term financial support by Jinchuan is not sufficient to conclude that the Group will continue as a going concern.

Accordingly, the financial statements have not been prepared on a going concern basis, but on a liquidation basis.

(ii) Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities and disclosure in the financial report

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their estimated net realisable value at the date of preparation of this report. Net realisable value is based on the expected proceeds receivable on disposal less selling costs as detailed in the accounting policies noted below. The liquidation value of liabilities being all present obligations at 31 December 2012 is their expected settlement amount as detailed in the accounting policies below. Any gains or losses resulting from measuring assets and liabilities at liquidation value are recognised in the Statement of Comprehensive Income.

In applying the liquidation basis of accounting, provisions have not been recognised for future operating losses, contracts and employee termination costs and other liquidation costs that were not a present obligation at the balance sheet date.

Under the liquidation basis of accounting, all assets and liabilities previously classified as non-current are classified as current.

b) Basis of consolidation

The Group financial statements consolidate the financial statements of Albidon Limited and the entities it controls (its subsidiaries) drawn up to 31 December each year.

Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement.

The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealised profits arising from them, are eliminated in full. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest; (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit or loss; (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

c) Foreign currency transactions

Transactions and balances

Transactions denominated in foreign currencies (currencies other than the functional currency of an operation) are recorded using the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at year end and the gains or losses on retranslation are included in the statement of comprehensive income.

d) Exploration and evaluation expenditure

During the 2012 year there was no exploration activity or asset transactions.

e) Mine properties and development

2011 & 2012 – Mine Properties represent the estimated net realisable value of the mining lease. Net realisable value represents the expected value a third party may be willing to pay for the mineral leases less costs to sell. The Directors have determined that the mining lease has a net realisable value of nil, due to the significant resource downgrade, the inability for the mine to operate profitably in its current state and the requirement to undertake further exploration activities to maintain the mining lease in good standing.

f) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

g) Trade and other receivables

2011 & 2012 – Trade and other receivables are measured at their estimated net realisable value. No adjustment has been recognised on the change to liquidation basis as the net realisable value approximates the amortised cost as adjusted by the fair value movement in the embedded pricing mechanism.

h) Inventories

2011 & 2012 – Inventories are measured at their estimated net realisable value. The Directors have determined that the only items of inventory to have a net realisable value above nil are those items have that have been provided, subsequent to balance date, to third party creditors as settlement of outstanding debt. The net realisable value of inventory that has been exchanged to settle outstanding debt has a net realisable value equal to its carrying value at balance sheet date. .

i) Trade and other payables

2011 & 2012 – Trade and other payables are measured at their contracted settlement amount. No adjustment has been recognised on the change to the liquidation basis as the settlement amount equates to the amortised cost.

j) Revenue

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

Sale of Goods

Revenue on sale of mine products is recognised when risks and rewards of ownership of the mine product has passed to the buyer pursuant to a sales contract.

For nickel concentrate sales the sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price are based on movements in the metal market price up to the date of final pricing. Final settlement is two months later with pricing based on the monthly average closing London Metal Exchange price during the second month after date of delivery. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the statement of comprehensive income and trade debtors in the statement of financial position.

Interest

Revenue is recognised as the interest accrues (using the effective interest rate method, that is the rate that directly discounts estimated future cash receipts through the expected life of the financial asset) to the net carrying amount of the financial asset.

k) Taxes

(i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

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

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

- the deferred income tax liability arises from goodwill recognised or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

Income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in the statement of comprehensive income.

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

ii) Goods and Services Tax and Value Added Tax

Revenues, expenses and assets are recognised in the statement of comprehensive income net of the amount of goods and services tax (GST) and value added tax (VAT), except where the amount of GST/VAT incurred is not recoverable from the relevant tax authority. In these circumstances the GST/VAT is recognised as a part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

l) Interest in joint ventures

During the 2012 year there were no transactions in respect of joint ventures.

m) Impairment of non financial assets

2011 & 2012 – Assets have been recognised at estimated net realisable value, being the amount expected to be received if the assets were sold in their current location and condition. Any difference between the carrying value and estimated net realisable value has been recognised in the Statement of Comprehensive Income as an impairment write-down.

n) Interest bearing liabilities

2011 & 2012 – Interest bearing liabilities are measured at their settlement amount being the fair value of the consideration payable to settle the obligations at the balance sheet date. Any difference between the amortised cost and the liquidation value is recognised in the Statement of Comprehensive Income.

o) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

p) Derivative financial instruments and hedging

The Group uses derivative financial instruments from time to time to manage exposures to nickel prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

During the reporting period, there was no transaction involving derivative financial instruments.

q) Plant and equipment

2011 & 2012 – Plant and equipment is measured at their estimated net realisable value. The Directors have determined the net realisable value of the Munali processing plant based on an independent valuation of the Munali processing plant at 31 December 2012 using a market value methodology which assumes a third party acquiring the processing plant in its current location and condition. All other items of plant and equipment have been assigned a net realisable value of nil, except for items that have subsequently been exchanged with creditors to settle outstanding debt. Items exchanged to settle outstanding debts have been assigned a net realisable value equal to their historical cost less accumulated depreciation at balance date.

r) Provisions for decommissioning and restoration costs

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

2011 & 2012 – The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The provision at 31 December 2012 has been based on a third party estimate.

Community resettlement obligations have been based on management's budgeted spend to complete the required obligations.

s) Provisions

2011 & 2012 – Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the balance sheet date. No adjustment has been recognised on the change to liquidation basis as the settlement amount approximates the present value of the expected future payments.

t) Share-based payment transactions

Employees (including Directors) of the Group receive remuneration 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 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 using an option pricing model, further details of which are given in note 19. In valuing equity-settled transactions, no account is taken of any performance conditions, other than a condition linked to the price of the shares of Albidon Limited ('market conditions').

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) the grant date fair value of the award;
(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
(iii) the expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the years in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date"). If there is no service condition attached to the option then the cost of equity-settled transaction is immediately recognised as an expense to the statement of comprehensive income and a corresponding increase in equity.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Group at that date, will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the award as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings/loss per share as disclosed in Note 6. Where options are forfeited prior to vesting date, the accumulated vesting expense is reversed through the income statement.

u*) Leases*

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

v) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company and is split between issued capital (par value) and share premium reserve. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

w*) 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 and annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits expenses are recognised in the statement of comprehensive income on a net basis in their respective categories.

Contributions made by the Group to employee superannuation funds are charged as an expense when incurred.

x) Earnings per share

Basic earnings per share (“EPS”) is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

y) Convertible notes

2011 & 2012 – The liability component of convertible notes is recognised at face value, being the contractual amount to settle the obligation at balance sheet date.

3 Borrowing Facilities

	2012 Facility US$	2012 Unused US$	2012 Used US$	2011 Facility US$	2011 Unused US$	2011 Used US$
US$ Facilities Agreement (i)	55,000,000	-	55,000,000	55,000,000	-	55,000,000
Jinchuan Jitian Nickel Loan (ii)	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Jinchuan Jitian Nickel Loan (ii)	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Convertible note (iii)	21,000,000	-	21,000,000	21,000,000	-	21,000,000
Jinchuan Group (Hong Kong) Resources Limited (iv)	5,000,000	-	5,000,000	5,000,000	2,000,000	3,000,000
Jinchuan Group (HongKong) Resources Limited (v)	4,000,000		4,000,000	-	-	-
Interest payable	17,839,947	-	17,839,947	12,566,436	-	12,566,436
	142,839,947	-	142,839,947	133,566,436	2,000,000	131,566,436

(i) The Group has US$ facilities agreements with Jinchuan Group Limited for three cash advance facilities. The facilities are subject to various covenants and a negative pledge restricting the amount of future secured borrowings. At 31 December 2012 all facilities were fully drawn down. The details of these facilities are as follows:

Cash advance 1:
Albidon Zambia Limited
Limit: US$20 million
Interest rate: LIBOR + 3.2%
Repayment dates: between 30 June 2012 and 30 June 2014
Facility end date: 30 June 2014

Cash advance 2:
Albidon Zambia Limited
Limit: US$20 million
Interest rate: LIBOR + 2.75%
Repayment dates: between 30 June 2014 and 31 December 2017
Facility end date: 31 December 2017

Cash advance 3:
Albidon Zambia Limited
Limit: US$15 million
Interest rate: LIBOR + 3.75%
Repayment dates: between 31 December 2010 (extended to 30 September 2012) and 31 December 2012
Facility end date: 31 December 2012

Subsequent to balance date the Company is in receipt of a letter from Jinchuan Group Limited confirming it will not seek any action available under the facilities agreement as a result of the Group's non payment of interest nor will it call upon repayment of principal until the earlier of:

(1) the completion of the statutory merger in respect to Albidon under the BVI Business Companies Act, as contemplated by the terms of the Merger Implementation Agreement between Jin Tuo Investment Limited and Albidon Limited dated 27 March 2013; or

(2) an order is made by a relevant court following a petition by a concerned party, for the winding up of either or both of Albidon Zambia Ltd or Albidon,

Interest continues to accrue on these facilities at the above rates.

(ii) The Group has two loan facilities with Jinchuan Jitian Nickel Pty Ltd.
Details of the facilities are as follows:

a) Limit: US$20 million
Albidon Zambia Limited
Interest rate: LIBOR + 3.5%
Repayment dates: between 30 September 2011 and 31 March 2012
Facility end date: 31 March 2012

b) Limit: US$20 million
Albidon Limited
Interest rate: LIBOR + 2.75%
Repayment date: 30 September 2012
Facility end date: 30 September 2012
Penalty interest is payable on overdue payments under the above facilities at the above interest rates plus 2%.

Subsequent to balance date the Company is in receipt of a letter from Jinchuan Group Limited confirming it will not seek any action available under the above loan agreements as a result of the Group's non payment of interest nor will it call upon repayment of principal until the earlier of:

(1) the completion of the statutory merger in respect to Albidon under the BVI Business Companies Act, as contemplated by the terms of the Merger Implementation Agreement between Jin Tuo Investment Limited and Albidon Limited dated 27 March 2013; or

(2) an order is made by a relevant court following a petition by a concerned party, for the winding up of either or both of Albidon Zambia Ltd or Albidon,

Interest continues to accrue on these facilities at the above rates.

(iii) On 1 November 2009, the company issued 323,076,923 secured convertible notes to Jinchuan at an issue and conversion price of US$0.065, raising US$21 million. Interest is accrued at a rate of 3.75% + USD LIBOR and is payable quarterly. The convertible notes have a 5 year term during which Jinchuan can exercise their option at any time before expiry date. At issue date, the equity component of the convertible note was US$2,226,596. The debt component of the convertible notes is carried at it's face value.

(iv) On 2 June 2011, a short term facility was arranged with Jinchuan Group (Hong Kong) Resources Holdings Limited, for a US$5 million working capital facility.

Details of the facilities are as follows:

- Limit: US$5 million
- Interest rate: LIBOR + 2.5%
- Repayment date: 31 December 2012
- Facility end date: 31 December 2012

This facility was fully drawn as at balance date.

During the period, the Company is in receipt of a letter from Jinchuan Group Limited confirming it will not seek any action available under the convertible note agreement as a result of the Group's non payment of interest nor will it call upon repayment of principal until the earlier of:

(1) the completion of the statutory merger in respect to Albidon under the BVI Business Companies Act, as contemplated by the terms of the Merger Implementation Agreement between Jin Tuo Investment Limited and Albidon Limited dated 27 March 2013; or

(2) an order is made by a relevant court following a petition by a concerned party, for the winding up of either or both of Albidon Zambia Ltd or Albidon,

(v) Jinchuan Group (Hong Kong) Resources Holdings Limited has provided additional short term working capital facilities as required during 2012 whilst in care and maintenance.

Details of the facilities are as follows:

- Limit: US$4 million
- Interest rate: Nil
- Repayment date: 28 February 2013
- Facility end date: 28 February 2013

At 31 December 2012, the Group had not made payments in respect of principal and interest due on its loan facility with Jinchuan Jitian Nickel Pty Ltd. As a result, under the loan agreements resulting from cross defaults, the lender may demand immediate repayment of all outstanding principal and interest for all facilities stated above.

The Group is currently in default in respect of non payment of interest and certain principal amounts on the facilities set out in (i), (ii) and (iii) above. In addition the Group is in breach of the facility set out in (iv) above due to the requirement for the Group's securities not to be suspended from trading by more than five consecutive business days and certain cross default conditions.

The company's agreements with the lenders (the Jinchuan Group and its subsidiaries) allow for the repayments on all loans to be extended provided consent is provided by the lenders.

4 Revenue and expenses

	31-Dec-12 US$	31-Dec-11 US$
(a) Other Revenue		
Interest on bank balances	3,054	23,306
	3,054	23,306
(b) Other Income		
Sale of scrap and insurance claim proceeds	316,882	138,578
Profit on sale of investment in tenements	-	281,473
	316,882	420,051
(c) Cost of Goods Sold		
Mine operating expenses	-	44,385,013
Depreciation expense	-	6,317,275
Amortisation expense	-	16,100,368
	-	66,802,656
(d) Care and Maintenance Expense		
Care and maintenance expenses	7,635,459	-
	7,635,459	-
(e) Administration Expense		
Salaries and wages	438,811	508,872
Superannuation expenses	57,140	38,041
Share based payments	-	198,310
Other employee expenses	12,115	12,875
Total employee expenses	508,066	758,098
Consultant expenses*	2,213,115	1,744,785
Advisory fees	730,159	316,506
Audit fees	197,298	217,030
Travel expenses	67,562	310,787
Depreciation expense	-	57,839
Printing, stationery and public relations expenses	9,446	4,093
Occupancy and insurance expenses	261,786	236,614
Information technology and communication expenses	88,642	140,046
Corporate and general administration expenses	111,491	150,210
Foreign exchange loss	41,345	87,737
Total administration expenses	3,720,844	3,265,647
Total administration expenses from ordinary activities	4,228,910	4,023,745

*Consultant expenses in 2012 includes US$798,755 (2011:US$900,000) paid to Riverstone Advisory Pty Ltd in relation to a comprehensive review of the operation, corporate management, board composition and capital structure.

(f) Total Employee Benefits Expense for The Group		
Total employee benefits expense	2,919,852	6,335,482
(g) Total Depreciation Expense for The Group		
Total depreciation expense	-	6,375,114

5 Income tax expense

	31-Dec-12 US$	31-Dec-11 US$
(a) Income Tax Expense		
Current income tax* - tax on prior year hedge gains	-	13,117,888
Deferred tax - relating to origination and reversal of temporary differences	-	-
Income tax expense	-	13,117,888
* Refer to Note 22 (ii)		
(b) Amounts Charged or Credited Directly to Equity	-	-
(c) Numerical Reconciliation Between Tax Expense Recognised in the Statement of Comprehensive Income and Tax Expenses Calculated per the Statutory Income Tax Rate		
Accounting profit/(loss) before income tax	(16,705,349)	(212,012,847)
At the Company's statutory income tax rate (30%)	(5,011,604)	(63,603,854)
Foreign tax rate adjustment	526,326	10,240,906
Share options expenses	-	59,493
Deferred tax assets not brought to account	3,063,440	51,626,391
Reversal of deferred tax assets previously not recognised	-	-
Deferred interest	1,414,774	1,619,598
Foreign exchange gains and other translation adjustments	7,064	57,466
Prior year under provision in respect of Zambian tax	-	13,117,888
Income tax (benefit)/expense	-	13,117,888

(d) Recognised Deferred Tax Assets and Liabilities

	31-Dec-12 US$	31-Dec-11 US$
Opening balance	-	-
Charged to equity	-	-
Closing balance	-	-
Tax expense/(benefit) in statement of comprehensive income	-	-
Amounts recognised in the balance sheet		
Deferred Tax Assets		
Provisions	4,931	4,931
Recognised tax losses	2,288,661	1,948,419
Gross Deferred Tax Assets	2,293,592	1,953,350
Set off against Deferred Tax liabilities	(2,293,592)	(1,953,350)
Net deferred tax assets recognised	-	-
Deferred Tax Liabilities		
Exploration and evaluation	-	-
Property, plant and equipment	(2,293,592)	(1,953,350)
Mine properties and development	-	-
Deferred tax asset netted off against deferred tax liability	2,293,592	1,953,350
	-	-

At 31 December 2012, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries or joint ventures

6 Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

(a) Earnings used in calculating earnings per share	31-Dec-12 US$	31-Dec-11 US$
For basic earnings per share:		
Net profit /(loss) from continuing operations attributable to ordinary equity holders of the parent	(16,705,349)	(225,130,735)
Net profit/(loss) attributable to ordinary equity holders of the parent	(16,705,349)	(225,130,735)
For diluted earnings per share:		
Net profit /(loss) from continuing operations attributable to ordinary equity holders of the parent	(16,705,349)	(225,130,735)
Diluted adjustment for interest expense	-	-
Net profit/(loss) attributable to ordinary equity holders of the parent (diluted)	(16,705,349)	(225,130,735)

(b) Weighted average number of shares	31-Dec-12 US$	31-Dec-11 US$
Weighted average number of ordinary shares for basic and diluted earnings per share	349,221,837	349,204,988
Effect of dilution: Share options	-	-
Convertible notes	-	-
Weighted number of ordinary shares adjusted for dilution	349,221,837	349,204,988
Basic profit/(loss) per share (cents per share)	(4.78)	(64.47)
Diluted profit/(loss) per share (cents per share)	(4.78)	(64.47)

Basic profit/(loss) per share
Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted profit/(loss) per share
Diluted profit/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary shareholders by the weighted number of ordinary shares outstanding during the year adjusted for the effects of dilutive options and the convertible note.

The number of ordinary shares that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the reporting period are 9,030,000 share options and 323,076,923 convertible notes, which are convertible at a ratio of 1:1 shares.

(c) Information on classification of securities

Options granted as described in note 17 are considered to be potential ordinary shares and have been included in diluted earnings per share to the extent they are dilutive. These potential ordinary shares are considered as anti-dilutive and as such have not been included in the above calculation as their inclusion would reduce the loss per share.

The convertible notes as described in note 3 are considered to be potential ordinary shares and have not been included in diluted earnings per share to the extent they are dilutive. These potential ordinary shares are considered as anti-dilutive and as such have not been included in the above calculation as their inclusion would reduce the loss per share.

7 Cash and cash equivalents

	31-Dec-12 US$	31-Dec-11 US$
Bank balances	698,031	4,196,081
Other cash and cash equivalents	652	1,783
	698,683	4,197,864

8 Trade and other receivables

	31-Dec-12 US$	31-Dec-11 US$
Trade receivables	-	38,857
GST/VAT receivables	164,553	2,263,234
Other sundry receivables	-	41,989
Withholding tax	7,500	7,500
	172,053	2,351,580

Trade and other receivables are non-interest bearing and classified as current as they are receivable within one year.

9 Inventories

	31-Dec-12 US$	31-Dec-11 US$
Stores and materials - at weighted average cost	887,149	2,986,466
Write down of inventory*	-	(2,099,317)
	887,149	887,149
Concentrate ore inventory – at realisable value	-	-
	887,149	887,149

Stores and materials consist of consumable stores and high turnover mobile equipment spares.

* The remaining balance of inventory as at 31 December 2012 of US$887,149 relates to mobile equipment spares that were transferred to Byrnecut Mining International Limited as part of the debt settlement agreement subsequent to 31 December 2012.

10 Other financial assets

	31-Dec-12 US$	31-Dec-11 US$
Security and term deposits	80,339	79,028
	80,339	79,028

Security and term deposits are interest earning and include business premises bond and deposits for corporate credit cards. During the year, the average rate of interest on these deposits was1.3%.

11 Prepayments

	31-Dec-12 US$	31-Dec-11 US$
General prepayments	-	216,491
	-	216,491

12 Plant and equipment

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

	Buildings US$	Plant and equipment US$	Motor vehicles US$	Total US$
At 1 January 2012, net of accumulated depreciation	**-**	**9,174,366**	**-**	**9,174,366**
Additions	-	36,200	-	36,200
Disposals (net)	-	-	-	-
Impairment expense	-	(36,200)	-	(36,200)
At 31 December 2012, net of accumulated depreciation and impairment	**-**	**9,174,366**	**-**	**9,174,366**
At 31 December 2012				
Cost	4,586,286	66,290,349	1,223,255	72,099,890
Accumulated depreciation and impairment	(4,586,286)	(57,115,983)	(1,223,255)	(62,925,524)
Net carrying amount	**-**	**9,174,366**	**-**	**9,174,366**
At 1 January 2011, net of accumulated depreciation	**3,320,581**	**45,824,399**	**989,238**	**50,134,218**
Additions	-	1,624,906	76,300	1,701,206
Disposals (net)	-	(280,512)	-	(280,512)
Transfer of cost	-	1,166,701	-	1,166,701
Impairment expense	(3,042,334)	(33,428,950)	(700,849)	(37,172,133)
Impairment reclassification	-	188,722	(188,722)	-
Depreciation for the period	(278,247)	(5,920,900)	(175,967)	(6,375,114)
At 31 December 2011, net of accumulated depreciation and impairment	**-**	**9,174,366**	**-**	**9,174,366**
At 31 December 2011				
Cost	4,586,286	66,254,149	1,223,255	72,063,690
Accumulated depreciation and impairment	(4,586,286)	(57,079,783)	(1,223,255)	(62,889,324)
Net carrying amount	**-**	**9,174,366**	**-**	**9,174,366**

(b) Impairment

The Munali assets are being measured at the estimated net realisable value. In determining the estimated net realisable value, the Directors have considered the identified anomalies in the mining method that was being used, and the future recoverability of ore resources. Based on these factors along with the significant fall in nickel prices since 31 December 2010, the Directors have taken the view that the only value attributable to the Munali mine is what someone may be willing to pay for the processing plant and mobile equipment in its current condition and location. No value has been ascribed to the mining lease and underground mining infrastructure due to the possibility that the mining lease may be forfeited in the event that further exploration activities are not undertaken as required by law. Furthermore, prior to the proposed merger, the Company has considered a range of alternative transactions but has not been able to consummate an appropriate proposal. Accordingly, mine properties have been fully written-off.

On this basis, the estimated net realisable value of property, plant and equipment is US$9,174,366 (2011: US$9,174,366). Of that valuation US$2,274,366 (2011: US$2,274,366) represents the certain items of mobile equipment that has been transferred to Byrnecut Mining International Limited, subsequent to 31 December 2012, in settlement of the US$6.5 million outstanding debt in relation to underground mining services rendered during 2011. The balance of US$6,900,000 represents the estimated net realisable value for the processing plant at Munali, based on an independent valuation report prepared by CB Richard Ellis Zimbabwe (CBRE) in December 2012. CBRE valuation was based a market value methodology which assumes a willing third party buyer acquiring the processing plant in its current condition and location and incorporates the relevant selling costs.

(c) Property, Plant and equipment pledged as security for liabilities

Property and plant and equipment with a carrying value in total of US$9,174,366 (2011: US$9,174,366) is pledged as security for borrowings in accordance with the various Jinchuan loan agreements, refer Note 3.

13 Mine properties and exploration expenditure

(a) Mine properties and development expenditure

Movement for the 12 months to 31 December	31-Dec-12 US$	31-Dec-11 US$
Carrying value at the start of the year	**-**	**145,926,360**
Additions	-	9,329,480
Rehabilitation adjustment	-	(1,495,749)
(Impairment)/impairment reversal	-	(137,659,723)
Amortisation for the period	-	(16,100,368)
Carrying value at the end of the year	**-**	**-**
Cost	**207,874,091**	**207,874,091**
Accumulated amortisation and impairment	(207,874,091)	(207,874,091)
Carrying value at the end of the year	**-**	**-**

Mine properties and development expenditure relates to the Munali project.

The Munali nickel deposit is located approximately 80km south of Lusaka in southern Zambia. The project is served by road, rail and power infrastructure as well as water supplies. The deposit was discovered in 1969 and was held by a number of owners prior to its acquisition by the Group in September 2002. The tenement covers an area of 737 sq km.

(b) Impairment

Refer to Note 12 (b)

(c) Mine properties and development pledged as security for liabilities

Mine properties and development are pledged as securities for borrowings, refer Note 3.

(d) Exploration and evaluation

Movement for the 12 months to 31 December	31-Dec-12 US$	31-Dec-11 US$
Carrying value at the start of the year	**-**	**2,172,190**
Disposals	-	(2,172,190)
Carrying value at the end of the year	**-**	**-**

On 8 February 2011, the Company announced an agreement with African Energy Resources Limited ("AFR") for the sale of its 30% interest in Chirundu JV for A$2.5 million which relates to the exploration and development of a number of uranium and coal prospects that have been identified on Albidon's tenements in Zambia. The exploration programme was funded and managed by African Energy Resources.

14 Trade and other payables

	31-Dec-12 US$	31-Dec-11 US$
Trade and other payables	6,805,079	7,239,585
Accrued expenses	3,512,790	2,624,362
	10,317,869	9,863,947

Trade payable and accruals are non-interest bearing and have repayment terms within one year.

15 Provisions

	31-Dec-12 US$	31-Dec-11 US$
Current		
Employee entitlements and salaries	176,824	273,940
Reconciliation of movement in the provision during the year		
Opening provision	273,940	305,239
Movement	(97,116)	(31,299)
Provision as at 31 December	176,824	273,940
Provision for restoration and rehabilitation	1,300,000	1,300,000
Reconciliation of movement in the provision during the year		
Opening provision	1,300,000	-
Movement - transfer from non-current	-	2,823,249
Movement- decrease in provision	-	(1,523,249)
Provision as at 31 December	1,300,000	1,300,000
Community resettlement	3,650,000	4,061,860
Reconciliation of movement in the provision during the year		
Opening provision	4,061,860	2,500,000
Movement - charges against the provision	(411,860)	(1,367,503)
Movement – decrease in the provision	-	(1,234,587)
Movement - transfer from non-current	-	4,163,950
Provision as at 31 December	3,650,000	4,061,860
Total current	**5,126,824**	**5,635,800**
Non-current		
Provision for restoration and rehabilitation	-	-
Reconciliation of movement in the provision during the year		
Opening provision	-	2,823,249
Movement - transfer to current	-	(2,823,249)
Provision as at 31 December	-	-
Community resettlement	-	-
Reconciliation of movement in the provision during the year		
Opening provision	-	4,163,950
Movement - transfer to current	-	(4,163,950)
Provision as at 31 December	-	-
Total non current	**-**	**-**

Employee entitlements relate to annual leave amounts outstanding (entitled to four weeks annual leave per year).

During the year, the Group incurred expenses of US$0.4 million against the provision for the resettlement of the Munali community that formerly occupied areas that have been affected by the Munali mine operations.

The Group continues to recognise a provision for restoration related to the anticipated future costs of decommissioning and restoring mining and processing facilities at the Munali operations after a re-assessment of the remaining obligations was carried out by Ecowise Solutions on behalf of the Mines Safety Department in Zambia. These costs are subject to potentially significant uncertainties such as changes to relevant legal requirements, the emergence of new restoration techniques and expected timing of expenditure. The costs are expected to be incurred at the end of Munali's mine life.

As a result of the consolidated financial statements for December 2011 and December 2012 being prepared on a liquidation basis (refer Note 2) all provisions are recorded as a current liability regardless of when payment obligations are expected.

16 Share capital and reserves

(a) Ordinary shares

	Authorised		Issued, called up and fully paid	
	Number	US$	Number	US$
Ordinary shares of US$0.01 each	5,000,000,000	50,000,000	**349,221,837**	**120,692,117**

Opening balance at 1 January 2011	**349,071,837**	**120,676,893**
Issued on exercise of options	150,000	15,224
Balance at 31 December 2011	**349,221,837**	**120,692,117**
Issued on exercise of options	-	-
Balance at 31 December 2012	**349,221,837**	**120,692,117**

In April 2011, 150,000 shares were issued upon exercise of employee options.

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

(b) Options

Information relating to details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year is set out in Note 17.

(c) Nature and purpose of reserves

Share premium reserve

The share premium reserve represents the premium received in excess of the par value of the shares issued.

Option premium reserve

The option premium reserve is used to record the options issued as share-based payments in accordance with the accounting policy set out in Note 2.

Convertible note non-distributable reserve

This reserve records the equity portion of the convertible bonds issued on 1 November 2009, are described in Note 3.

17 Share based payments

(a) Recognised share-based payment expenses

The option premium reserve is used to record the options issued as share-based payments in accordance with the accounting policy set out in Note 2.

Option premium reserve	31-Dec-12 US$	31-Dec-11 US$
Balance at the beginning of the year	**4,906,286**	**4,707,976**
Issued to Directors, employees and contractors	-	198,310
Balance at 31 December	**4,906,286**	**4,906,286**

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2012 and 2011. Options granted in 2011 do not have a service condition requirement and vest immediately with the fair value of the options recognised in Statement of Comprehensive Income at 31 December 2011.

(b) Types of share-based payment plans

Employee share option plan (ESOP)

Share options are incentive options granted to employees, directors and contractors. Under the ESOP, the options are granted with the exercise price based on the market price of the shares on the date of grant. The options are granted, subject to vesting conditions, being either a condition of continuous service or meeting certain operational targets.

The contractual life of options is granted three years or less.

The terms of the options granted in 2011 allow for the holder to retain the options upon departure of the Company unless termination due to misconduct. As a result, the options do not have a service condition requirement and vest immediately. The options granted in 2011 are exercisable on or after 1 July 2011. All options are settled by physical delivery of shares.

Year ended 31 December 2012

Exercise price	Grant date	Expiry date	Opening balance	Granted during the twelve months	Exercised during the twelve months	Lapsed during the twelve months	Balance at the end of the twelve months	Vested and exercisable at the end of the period
AU$2.81 (iv)	21/12/2007	01/02/2011	-	-	-		-	-
AU$0.09 (v)	30/11/2009	30/11/2012	10,000,000	-	-	(10,000,000)	-	-
AU$0.10 (vi)	22/09/2010	31/12/2014	6,650,000	-	-	(5,500,000)	1,150,000	1,150,000
AU$0.10 (vi)	13/10/2010	31/12/2014	6,500,000	-	-	-	6,500,000	6,500,000
AU$0.10 (vi)	16/12/2010	31/12/2014	500,000	-	-	-	500,000	500,000
AU$0.20 (vii)	11/04/2011	31/12/2014	3,040,000	-	-	(2,160,000)	880,000	880,000
			26,690,000	**-**	**-**	**(17,660,000)**	**9,030,000**	**9,030,000**
Weighted average exercise price			0.11	-	-	**-**	0.11	0.11

Year ended 31 December 2011

Exercise price	Grant date	Expiry date	Opening balance	Granted during the twelve months	Exercised during the twelve months	Lapsed during the twelve months	Balance at the end of the twelve months	Vested and exercisable at the end of the period
AU$2.81 (iv)	21/12/2007	01/02/2011	400,000	-	-	(400,000)	-	-
AU$0.09 (v)	30/11/2009	30/11/2012	10,000,000	-	-	-	10,000,000	10,000,000
AU$0.10 (vi)	22/09/2010	31/12/2014	6,650,000	-	-	-	6,650,000	4,987,500
AU$0.10 (vi)	13/10/2010	31/12/2014	6,500,000	-	-	-	6,500,000	4,875,000
AU$0.10 (vi)	16/12/2010	31/12/2014	650,000	-	(150,000)	-	500,000	337,500
AU$0.20 (vii)	11/04/2011	31/12/2014	-	3,040,000	-	-	3,040,000	3,040,000
			24,200,000	3,040,000	(150,000)	(400,000)	26,690,000	23,240,000
Weighted average exercise price			0.14	0.20	0.10	-	0.11	0.11

Vesting conditions

(i) These options vest in three equal annual tranches, each subject to completion of a full year of service with the Company.
(ii) These options vest in equal annual tranches, each subject to completion of a full year of service with the Company.
(iii) These options vest in two equal annual tranches, each subject to completion of a full year of service with the Company.
(iv) These options vest on a time basis in three equal annual tranches. They were granted to Barclays Capital in relation to the funding arrangements entered into in December 2007.
(v) These options vested at grant date.
(vi) The terms of the options granted in 2010 allow for the holder to retain the options upon departure of the Company unless termination due to misconduct. As a result, the options do not have a service condition requirement and vest immediately, however the following post vesting conditions exist:
   (i) 50% are exercisable on 31 December 2010
   (ii) 25% are exercisable on 31 December 2011; and
   (iii) 25% are exercisable on 31 December 2012.
(vii) These options do not have a service condition requirement and are exercisable on or after 1 July 2011. As a result these options vest in full immediately.
(viii) All options granted carry no dividend or voting rights. Upon a takeover bid for the Company all unvested options vest.

The following table lists the inputs to the black-scholes model used for calculating the option expense.

Grant date	Share price at grant date	Exercise price	Risk-free interest rate	Volatility factor	Remaining useful life (years)	Expiry date
22/09/2010	0.09	0.10	5.00%	100%	2.0	31/12/2014
13/10/2010	0.09	0.10	5.00%	100%	2.0	31/12/2014
16/12/2010	0.14	0.10	5.00%	100%	2.0	31/12/2014
11/04/2011	0.11	0.20	4.85%	90%	2.0	31/12/2014
Weighted average remaining life of options					2.0	

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the black-scholes option-pricing model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the black-scholes option-pricing model.

The expected volatility was determined by using a historical sample of the daily share price movement percentages over the useful life. The resultant expected volatility therefore reflects the assumption that historical volatility is reflective of future trends, which may not necessarily be the actual outcome.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2012 was 2.0 years (2011: 2.1 years). The weighted average fair value of options granted during 2011 was AU$0.06, no options were granted during 2012.

The weighted average share price on the date that options were exercised during 2011:

Date of options exercised	10 February 2011
Number exercised	150,000
Weighted average share price on exercise date	A$0.165

18 Interest in joint ventures

Albidon had no interests in joint ventures during the period or at the reporting date.

19 Investments in subsidiaries

The consolidated financial statements include the financial statements of Albidon Limited and the subsidiaries listed in the following table:

	Country of incorporation	Equity interest (%) 31-Dec-12	31-Dec-11
Albidon Zambia Limited	Zambia	100	100
Tumbili Ventures Limited	Tanzania	100	100
Albidon Africa Limited	British Virgin Islands	100	100
Albidon Malawi Limited	Malawi	100	100
Albidon Mozambique Limitada (i)	Mozambique	100	100
Albidon Australia Pty Ltd	Australia	100	100
Albidon Botswana Pty Ltd	Botswana	100	100
Albidon Exploration Limited	Zambia	100	100
Albidon (UK) Ltd	United Kingdom	deregistered	100
Albidon Namibia Mineral Resources (Proprietary) Limited	Namibia	100	100
Albidon Uganda Limited	Uganda	100	100

20 Commitments

	31-Dec-12 US$	31-Dec-11 US$
Operating lease commitments		
No later than 1 year	26,944	98,918
Later than 1, but no later than 5 years	-	-
Total minimum commitments	26,944	98,918

These commitments represent non-cancellable operating leases contracted for but not capitalised in the accounts. The operating lease is for office premises in West Perth which expire in March 2013.

	31-Dec-12 US$	31-Dec-11 US$
Exploration expenditure commitments		
No later than 1 year	2,000	2,000
Later than 1, but no later than 5 years	6,000	7,000
Total minimum commitments	8,000	9,000

Under the terms and conditions of the Company's title to its remaining tenement, the large scale mining license at Munali, it has an obligation to meet tenement rental costs.

	31-Dec-12 US$	31-Dec-11 US$
Remuneration commitments		
No later than 1 year	468,000	1,310,000
Total minimum commitments	468,000	1,310,000

2012 - These commitments relate to the 60 care & maintenance personnel at the Munali mine who each have a six month employment contract to June 2013.
2011 - These commitments represent gross redundancy payment obligations arising from the suspension of operations at the Munali mine in November 2011. The redundancy is included in accrued expenses as at 31 December 2012 (refer Note 14) and was paid during January 2013.

	31-Dec-12 US$	31-Dec-11 US$
Consulting services contract commitments		
No later than 1 year	-	660,000
Total minimum commitments	-	660,000

2011 -These commitments represent payments arising from the service contracts payable to Riverstone Advisory Pty Ltd until July 2012.

21 Related party transactions

The following transactions were carried out with related parties:

Directors' interests

Riverstone Advisory Pty Ltd ("Riverstone"), a company associated with Mr Harry Ou Wang, provided consulting fees in relation to a comprehensive review of the operation, corporate management, board composition and capital structure. For the year ended 31 December 2012, these costs totalled US$798,755. As at 31 December 2012, the Company had no outstanding balance payable to Riverstone.

Jinchuan Group Limited, the majority shareholder, is also the Group's customer and the provider of debt facilities for the Group. During the year no sales were invoiced to Jinchuan Group Limited for nickel concentrate. Jinchuan Group Limited also provided in previous periods US$100,000,000 in interest bearing debt financing facilities, as well as a US$21,000,000 convertible note, detailed in Note 3. In the current period, Jinchuan Group Limited has provided a further financing facility of US$4 million, which was fully drawn down at the reporting date. Due to cash flow restrictions interest has not been paid to Jinchuan Group Limited, however Interest owing to Jinchuan Group Limited has been accrued totalling US$17,839,945 at 31 December 2012.

All of the above transactions were entered into on normal commercial terms.

Directors

The Directors of the Company during the year, and up to the date of this report, were as follows:

Mr Y Zhang
Mr S Zhang
Mr J Gao
Mr H Wang (Acting Managing Director, resigned 14 July 2012)

Compensation of Directors and Executives of the Group

	31-Dec-12 US$	31-Dec-11 US$
Short-term employee benefit	752,592	1,074,924
Post employment benefits	42,777	17,277
Share-based payments	-	172,216
	795,369	1,264,417

Directors' options

No options were issued to directors during the year:

	Number	Exercise price AU$	Expiry date	Fair value US$
2011 - issued to Director - Y Zhang	480,000	0.20	31/12/2014	31,312

Refer to the remuneration report for details on Director's options issued during the year.

Fair value represents the total expense which will be reported in the statement of comprehensive income over the vesting period of the respective options.

At the date of this report, the relevant interests of the Directors and Executives in securities of the Company are as follows:

2012	Balance at beginning of period	Granted as remuneration	Options exercised	Balance at end of period	Vested at 31 December 2012 Total	Exercisable	Not exercisable
Directors							
S Zhang	1,500,000	-	-	1,500,000	1,500,000	1,500,000	-
J Gao	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
Y. Zhang	1,980,000	-	-	1,980,000	1,980,000	1,980,000	-
Total	**4,480,000**	**-**	**-**	**4,480,000**	**4,480,000**	**4,480,000**	**-**

2011	Balance at beginning of period	Granted as remuneration	Options exercised	Balance at end of period	Vested at 31 December 2011 Total	Exercisable	Not exercisable
Directors							
S Zhang	1,500,000	-	-	1,500,000	1,500,000	1,125,000	375,000
H Wang*	1,000,000	-	-	1,000,000	1,000,000	750,000	250,000
J Gao	1,000,000	-	-	1,000,000	1,000,000	750,000	250,000
Y. Zhang	1,500,000	480,000	-	1,980,000	1,980,000	1,605,000	375,000
Executives							
J Sang**	5,000,000	1,200,000	-	6,200,000	6,200,000	4,950,000	1,250,000
D Round**	650,000	960,000	(150,000)	1,460,000	1,460,000	1,297,500	162,500
Total	**10,650,000**	**2,640,000**	**(150,000)**	**13,140,000**	**13,140,000**	**10,477,500**	**2,662,500**

*H Wang resigned 14 July 2012
**These employees resigned during 2011

No Directors or Key Executives hold any shares in the Company at the date of this report.

22 Contingent assets and liabilities

There are no identified contingent assets as at reporting date.

Contingent liabilities:

(i) Gontredy Moonga and 12 Others Vs Albidon

On the 9 July 2012 the Company received writ of summons issued by the High Court for Zambia registry on behalf of *Gontredy Moonga and twelve others (Plaintiffs)* against Albidon. In the writ, it is claimed that Albidon has failed to honour all of its obligations under the Resettlement Action Plan ("RAP"), an agreement signed by Albidon in 2006 with the individual residents of the Munali Hills area residing within the Munali Nickel Project mining lease.

Under the RAP provisions, 132 households were identified as likely to be affected by mining development activity and thereby qualifying for compensation. The compensation to be provided by Albidon Zambia was a resettlement package to include a new brick dwelling and block of land at least equivalent to that which was required to be given up by residents within the mining lease zone. To date Albidon Zambia has successfully resettled over 45 households from the Munali Hills area to lands acquired by Albidon Zambia elsewhere in the region. In addition, due to the subsequent reduction in the mining lease area, 57 households were not required to give up their land and their legal title and traditional use of the land have been restored.

Unfortunately, as operating losses mounted during 2011 and Albidon Zambia was forced to suspend mining operations, the RAP program was also suspended due to the inability to secure suitable arable land and lack of funding. As a result, the outstanding obligations under the RAP program, including the resettlement of approximately 30 remaining households out of the Munali Nickel Project mining lease, could not been completed

The High Court action brought by the 13 plaintiffs referred to above, involves a sub-group of the 30 households who had yet to receive compensation under the RAP programme. Albidon and its legal advisers in Zambia actively engaged with the plaintiffs through an arbitration process originally established under the RAP programme. This process has been approved by the High Court for Zambia.

The Company has successfully negotiated an out of court settlement with the plaintiffs for a total payment of US$278,000. This amount has been provided as part of the resettlement action plan provision as at 31 December 2011 and 31 December 2012 and was subsequently paid in March 2013.

(ii) Previously reported contingent liability in respect of tax exposure on 2008 hedge book gain.

Previously, the Company reported a contingent liability in relation to the Group having a potential tax exposure in respect of $50 million in income derived on the close out of the nickel hedge book in Albidon Zambia Ltd in 2008. In accordance with an interpretation of the tax legislation applicable at the time, the Company has recognised the potential estimated base tax liability of $12 million as a current liability as at December 2012. The reported value is derived from the potential tax payment of ZMK61.4 billion converted at the US dollar exchange rate current at 31 December 2012. The reported value will be subject to change as the local currency shall be revalued to reflect currency exchange rates current at future balance dates.

The liability has crystalised in the 2011 accounts in recognition that an income tax return for the tax year ended 31 March 2009 was lodged with the Zambian Revenue Authority (ZRA) in September 2012. However, no tax assessment has been raised by the ZRA on Albidon Zambia Ltd as at the date of this report. It is possible that the potential base tax liability could increase significantly should the ZRA decide to impose penalties for late lodgement and interest as provided under the tax regulations. However, Albidon have assessed it to be unlikely that any penalties or interest will be applied to the outstanding tax balance.

In submitting the tax return referred to above, the Company reserved its rights to challenge any tax assessment on the grounds that the Development Agreement signed between the Company and Government of The Republic of Zambia (GRZ) in 2006, which included a 5 year stability clause and certain income tax exemptions, remains valid and enforceable.

Consequently, management is currently engaged in discussions with the GRZ to find a solution that is mutually beneficial to both parties.

23 Events after the balance sheet date

The following additional working capital loans were received from Jinchuan Group (Hong Kong) Resources Limited:

- US$1,200,000 received on 15 January 2013
- US$300,000 received on 7 February 2013
- US$287,000 received on 28 February 2013
- US$1,000,000 received on 22 March 2013

On 15 January 2013, all Munali site personnel were paid statutory redundancy and the operations placed in care and maintenance. Approximately 60 personnel remain on site on short term contracts to manage the care and maintenance phase. A total of US$1.3 million was paid in redundancy entitlements.

The Board of Albidon Limited announced on 28 March 2013, that Jin Tuo Investment Limited, a wholly owned subsidiary of Jinchuan Group (Hong Kong) Resources Holdings Limited, has proposed to acquire 100% of the Company. Further details of the proposed transaction are outlined on page 11.

During March 2013, the Company successfully negotiated and paid an out of court settlement totalling US$278,000 to the plaintiffs relating to a writ of summons issued by the High Court for Zambia registry on behalf of Gontredy Moonga and twelve others (Plaintiffs) against Albidon as described above.

DIRECTORS' DECLARATION

The Financial Report is a special purpose financial report, prepared using liquidation accounting policies, for distribution to the Company's shareholders.

In the opinion of the Directors:

a) the liquidation accounting policies, as disclosed in Note 2, provide the users of the financial statements with the most relevant and reliable information;

b) the financial report is presented fairly in accordance with the liquidation accounting policies disclosed in Note 2; and

c) at the date of this report there are no grounds to conclude that the Group will be able to pay its debts as and when they fall due, and accordingly, as set out in Note 2 (a) (i), the financial statements have been prepared on a liquidation basis.

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

On behalf of the Board

Yimin Zhang
Executive Director

Perth
18 April 2013

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Independent auditor's report to the members of Albidon Limited

We have audited the accompanying special purpose financial report of Albidon Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the financial reporting requirements of an entity incorporated in the British Virgin Islands, as applied to the liquidation basis of accounting and is appropriate to meet the needs of the members. The directors are also responsible for such controls as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report is prepared, in all material respects, in accordance with Albidon Limited's accounting policies, disclosed in Note 2 in the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist Albidon Limited to meet the requirements of shareholders. As a result, the financial report may not be suitable for another purpose.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
Perth
18 April 2013

CORPORATE GOVERNANCE REPORT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the Australian Securities Exchange ("ASX") recommendations unless otherwise stated.

The Company's Board of Directors has reviewed the recommendations. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to certain recommendations being considered by the Board to be unduly onerous for a company of this size.

The Company's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Lay solid foundations for management and oversight.
- Structure the Board to add value.
- Promote ethical and responsible decision making.
- Safeguard integrity in financial reporting.
- Make timely and balanced disclosure.
- Respect the rights of shareholders.
- Recognise and manage risk.
- Encourage enhanced performance.
- Remunerate fairly and responsibly.
- Recognise the legitimate interests of stakeholders.

BOARD OF DIRECTORS

Role of the Board

The primary role of the Board of Directors is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior Executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for monitoring financial and other reporting.

Board processes

The Board has established a framework for the management of the Company including, a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The Company is engaged in exploration, evaluation and development of mining interests. The critical skills required by the Board in pursuing the Company's business plan at this relatively early stage of its development are expert geological, exploration and evaluation project management skills, project development skills and strong fiscal management skills. In addition, each Director is charged with having a thorough understanding of, and responsibility for, the protection of the rights of the Company and its shareholders.

The Board has these skills and as the Company progresses will review the Board Composition as and when complimentary skills are required.

The Board presently comprises two Non-Executive Directors and one Executive Director, Mr Yimin Zhang who is not an independent Director. Harold Ou Wang, who was the independent Acting Managing Director, resigned in July 2012.

The Directors meet frequently, both formally and informally, to ensure a mutually thorough understanding of the Company's business and all the Company's policies of corporate governance are adhered to. The agenda for meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary and is circulated in advance.

The term in office held by each Director in office at the date of the Annual Report is as follows:

Name	Term in Office
Mr Y Zhang	4 Years
Mr S Zhang	2 Years
Mr J Gao	2 Years

Director education

On appointment, new Directors are provided with advice about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning the performance of Directors. Directors are given access to and encouraged to participate in continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Company's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other board members.

Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

The Board considers that the Board is not independent in accordance with Recommendation 2.1. However the Board believes that the individuals on the board have significant expertise, at this stage of the Company's development, to make independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must and do absent themselves for the Board Meeting before commencement of discussion on the topic.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional Independent Non–Executive Directors.

Recommendation 9 states that Non-Executive Directors should not receive options or bonus payments. The Company intends to continue its policy of awarding options or other securities to Non-Executive Directors as it considers this to be a reasonable and appropriate method of assisting in attracting and retaining suitably skilled board members.

Nomination committee

Recommendation 2.4 requires listed entities to establish a nomination committee. During the period ended 31 December 2012, the Company did not have a separate nomination committee. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board, given the size and nature of the Company's activities. The Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee. The Board has reviewed its policy on nominations and incorporates below its summarised policy.

Factors considered for a new candidate include:

- The skills required for appointment to the Board.
- How differing skills are represented on the Board.
- Processes for the identification of suitable candidates for the Board.
- The time commitment required by a Director to effectively discharge duties.
- The number of existing Directorships and other commitments that the candidate may have.
- Assessment of the 'independence' of the candidate.
- The extent to which the appointee is likely to work constructively with the existing Directors and contribute to the overall effectiveness of the Board.

The following procedure is followed in selecting and appointing a new Director:

- Utilise personal networks or external consultants to identify potential candidates.
- Assess appropriateness of candidate with consideration to the above points.
- Determine the terms, conditions, responsibilities and expectations of the new position.
- Non-Executive Directors should be appointed for specific terms subject to re-election and to the ASX Listing Rules and Corporations Act provisions concerning removal of a Director.
- Ultimate decisions about who is elected to the Board are to be made by the shareholders.
- Ensuring that the new board member is inducted and that they have every opportunity to increase their knowledge about the Company to ensure that they can participate in an effective manner to the board deliberations.

CONTINUOUS DISCLOSURE POLICY

The Company is required to immediately inform the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Therefore to meet this obligation the Company undertakes to:

- Notify the ASX immediately when it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the Company's securities, unless that information is not required to be disclosed under the listing rules.
- Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX.
- Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Company Secretary is responsible for coordinating the disclosure requirements. To ensure appropriate procedure all Directors, officers and employees of the Company coordinate disclosures through the Company Secretary, including:

- Media releases
- Analyst briefings and presentations and
- The release of reports and operational results.

Information not disclosed via ASX announcement that might be considered share price sensitive will not be discussed with any external parties, except for third parties bound by confidentiality agreements and or clauses with the Company. Discussions with external parties will only occur following an ASX announcement. All written materials containing new price sensitive information to be used in briefing media, investors and analysts will be notified to the ASX prior to the commencement of that briefing.

In reviewing the content of analysts' reports and profit forecasts, the Company will correct factual inaccuracies or historical matters.

Information is communicated to shareholders as follows:

- The annual report is distributed to all shareholders (unless a shareholder has requested not to receive the document), including relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments. The audited annual financial report is lodged with the Australian Securities and Investment Commission and the ASX.
- The half-yearly report contains summarised financial information and a review of the operations of the Company during the period.
- Quarterly cash flow and activities reports are prepared in accordance with ASX listing rules.
- Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders.
- All announcements made to the market and related information is placed on the Company's website after they are released to the ASX, including regular updates on operations.
- The full texts of notices of meetings and associated explanatory material are placed on the Company's website.

All of the above information will be made available on the Company's website. Copies of all presentations made by the Company in a public forum are posted on the website. The majority of the information is also e-mailed to all shareholders who lodge their e-mail contact details with the Company.

The external auditor is requested to attend the Annual General Meeting to answer any questions concerning the audit and the auditor's report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are responsible for voting on the appointment of Directors, approval of the maximum amount of Directors' fees and the granting of options and shares to Directors.

SHARE TRADING POLICY

The Company has established a policy that imposes certain restrictions on Directors, senior management and other employees trading in the Company's securities. The policy has been adopted to prevent trading in contravention of the insider trading provisions of the Corporations Act 2001, in particular when Company personnel are in possession of price-sensitive information.

In general, trading in the Company's securities is prohibited:

- whilst in possession of unpublished price sensitive information;
- where officers are engaging in the business of active dealing;
- two weeks before and 24 hours after the release of the Company's half yearly or annual report to the ASX;
- two weeks before and 24 hours after the release of the Company's quarterly report to the ASX; and
- two weeks before lodgement and during the period that a disclosure document including a prospectus is open for applications except to the extent that a Director or employee is applying for securities pursuant to that disclosure document.

The Company holds a register of Employees that maintains share holdings and any sales must be referred to the Chief Executive Officer or Chairman.

CONFLICT OF INTEREST

In accordance with the Corporations Act and the Company's constitution Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

REMUNERATION AND PERFORMANCE ASSESSMENT

Remuneration committee

Recommendation 8.1 requires listed entities to establish a remuneration committee. During the year ended 31 December 2012, the Company did not have a separate remuneration committee due to the ongoing administration and small size of the Board. The Company intends to initiate a remuneration committee once the new Board members become more established in their role.

Remuneration policies

Remuneration of the Directors are formalised in service agreements. The Albidon Board is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Managing Director and the Executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and Executive team by remunerating Directors and key Executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Directors' and officers' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key Executives
- Attraction of quality management to the Company
- Performance incentives which allow Executives to share the rewards of the success of the Company

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount approved by shareholders.

There is no scheme to provide retirement benefits to Non-Executive Directors.

Performance

The performance of the Board and key Executives is reviewed regularly against both measurable and qualitative indicators. The performance criteria against which Directors and Executives are assessed is aligned with the financial and non-financial objectives of the Company. Directors whose performance is consistently unsatisfactory may be asked to retire.

RISK MANAGEMENT

Oversight of the risk management system

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee.

The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.

Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis and approved by the Board. Monthly actual results are reported against these budgets.

- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.

- Quality and integrity of personnel - the Company's code of conduct is detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

AUDIT AND COMPLIANCE POLICY

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets twice annually to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

Recommendation 4.1 requires the Board to establish an audit committee.

The Company does not currently comply with Recommendation 4. During the year ended 31 December 2012, the Company did not have a separate audit committee due to the small size of the Board.

The Chief Executive Officer and the Chief Financial Officer declared in writing to the Board that the Company's financial reports for the year ended 31 December 2012 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

ETHICAL STANDARDS

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

HEALTH, SAFETY, ENVIRONMENT AND HERITAGE PROTECTION POLICY

The Company is committed to compliance with all relevant laws and regulations and continual assessment of its operations to ensure protection of the environment, the community and the health and safety of its employees.

The Company has adopted a policy and maintains appropriate procedures to ensure that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount and which recognises environmental sustainability and respect for cultural and heritage issues as essential requirements for all its activities. Procedures are maintained to govern the activity of employees and contractors to ensure that the objectives of this policy are met.

DIVERSITY

The Company has an Equal Opportunity Employment Policy which reflects the Company's existing core values of equality, diversity and recruitment and promotion on the basis of merit. The Company recognises the competitive advantage of developing and retaining a diverse and talented workforce. The Company is committed to treating all people with respect and dignity. Training and development is focused on developing employees in their areas of strengths.

The Company has a small corporate office in Perth, Western Australia, with all other staff located in Zambia. As such, the Company highly values the contribution that people from a diverse range of backgrounds, cultures and communities can make. Our equal opportunity employment strategy supports the contribution from people with differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education.

During the reporting period, the Company implemented a strategic review and also caused its mining operations at Munali to be placed on care-and-maintenance. As a consequence of these initiatives, a large number of Chinese nationals who were working at Munali were repatriated to China. The Company is seeking to recruit suitable senior operational personnel with international experience, and has established a Munali Leadership Group led by Zambian national Matthew Banda.

The Company's Board comprises three males, all of whom are Chinese nationals.

In Zambia, mine operator Albidon Zambia Ltd has two directors (one male and one female). The Munali mine Leadership Group currently comprises eleven males and two females. Immediately prior to the suspension of operations, a different management structure existed at Munali mine. The site management team comprised of fourteen males and one female, of which seven were Chinese males and the remainder were Zambian.

On 10th November 2011, the company placed its Munali mine on temporary suspension. In the weeks following this event, all Chinese nationals (total of 15) working at the mine on secondment from majority shareholder Jinchuan Group, were repatriated to China.

As at 31 December 2012, the Company employed a total of 183 personnel – 180 in Zambia and 3 in Australia. Overall, 6% of the workforce is female while three nationalities are represented.

ADDITIONAL SHAREHOLDER INFORMATION

SECURITIES EXCHANGE LISTING

Albidon Limited shares are listed on the Australian Securities Exchange Limited ('ASX'). The Company's ASX code is ALB.

SUBSTANTIAL AND SIGNIFICANT SHAREHOLDERS

	Name of Ordinary Shareholder	Total number of voting shares in Albidon Ltd in which the substantial shareholders and its associates hold relevant interests	Percentage of total number of voting shares
1	Jinchuan Group Ltd	174,360,873	49.93%
2	HSBC Custody Nominees	21,890,994	6.27%

Substantial Shareholding is defined under section 671B of the Australian Corporations Act and ASX listing rules, as a relevant interest of not less than 5% of the total votes attached to the voting shares in the company.

CLASS OF SHARES AND VOTING RIGHTS

At 18 April 2013 there were 1,901 holders of 349,221,837 ordinary fully paid shares in the Company. The voting rights attaching to the ordinary shares and depositary interests over ordinary shares are:

a. Each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative with the exception of depositary interest holders;

b. On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote;

c. On a poll, every person present who is a shareholder or proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share; and

d. While depositary interest holders have the right to vote on a poll (whereupon proxies previously lodged can be counted) they are not able to personally vote on a show of hands. Depositary interest holders wishing to attend personally and vote at a shareholder meeting must convert their depositary interests into certificated shares prior to the meeting. The depositary interest holder should contact Computershare in Australia in advance to find out how long the conversion process will take.

DISTRIBUTION OF SECURITY HOLDERS

NUMBER OF SHARES HELD	NUMBER OF SHAREHOLDERS	NUMBER OF OPTION HOLDERS
1-1,000	321	-
1,001-5,000	560	-
5,001-10,000	293	-
10,001-100,000	569	-
100,001 and over	158	18
	1,901	18

LISTING OF 20 LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NUMBER OF SHARES HELD	PERCENTAGE OF SHARES HELD
1.	JINCHUAN GROUP LIMITED	174,360,873	49.93
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,890,994	6.27
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	13,334,933	3.82
4.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	12,597,828	3.61
5.	NATIONAL NOMINEES LIMITED	9,482,117	2.72
6.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	7,980,309	2.29
7.	DR DONAL PAUL WINDRIM	6,779,990	1.94
8.	ROKEBA NOMINEES PTY LTD <SILMAN PROPERTY A/C>	5,000,000	1.43
9.	MR YI JING CAI + MRS YAN LING ZENG	4,876,630	1.40
10.	MR TIAN YOU CHEN + MRS LEE PIN HO	4,367,235	1.25
11.	MR YANG YANG ZHU	3,810,000	1.09
12.	ZCCM INVESTMENTS HOLDINGS PLC	3,389,831	0.97
13.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	3,015,521	0.86
14.	AFRICAN LION 2 LIMITED	2,630,000	0.75
15.	MR CRAIG IAN BURTON <CI BURTON FAMILY A/C>	2,500,000	0.72
16.	GREMLYN PTY LTD <GIANEL FAMILY A/C>	2,087,863	0.60
17.	MRS JANE GERTRUDE DAVIES	2,000,000	0.57
18.	ROSENFIELD NOMINEES PTY LTD <ESCORA NOMINEES SUPER A/C>	2,000,000	0.57
19.	MR WERNER JOSEF GALLAUTZ	1,200,000	0.34
20.	CHOTAI INTERNATIONAL PTY LTD	1,000,000	0.29
		284,304,124	81.41%

UNQUOTED EQUITY SECURITIES

SECURITIES	NAME OF HOLDER	NUMBER HELD
Options exercisable at AU$0.10 on or before 31 Dec 2014	Directors and employees	8,150,000
Options exercisable at AU$0.20 on or before 31 Dec 2014	Directors and employees	880,000

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

TENEMENT SCHEDULE

Project	Holder	Licence Number	Albidon Interest
Zambia			
Munali	Albidon Zambia Ltd	13446-HQ-LML	100%