



Australian Gold Investments Limited

ABN 18 124 873 507

and Controlled Entities

Annual Financial Report

For year ended 30 June 2010

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Corporate Directory

Directors

Pnina Feldman

(Executive Chairman)

Sholom Feldman

(Executive Director, CEO)

Paul Stephenson

(Non Executive Director)

David Austin

(Alternate Director)

Company Secretary

Sholom Feldman

Bankers

National Australia Bank

Law Courts Branch

75 Elizabeth Street

Sydney NSW 2000

Share Registry

Computershare Investor Services Pty
Limited

Level 2, Reserve Bank Building,

45, St George's Terrace,

Perth WA 6000

Telephone: (08) 9323 2000

Registered Office

Level 34, 50 Bridge Street,

Sydney NSW 2000

Telephone: (02) 8216 0777

Facsimile: (02) 8216 0788

Email: info@agil.com.au

Auditors

Nexia Court & Co, Chartered Accountants

Level 29, Australia Square

264-278 George Street

Sydney NSW 2000

Telephone: (02) 9251 4600

Stock Exchange Listing

The Company is listed on the Australian
Stock Exchange Ltd (ASX)

Website

www.agil.com.au

Australian Stock Exchange Code:

AGV

Schedule of Mineral Tenements as at 30 June 2010

Project Name	Interest Held %
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Broad Dam Gold Project

Broads Dam	P16/ 2375	Granted	100%
Broads Dam	P16/ 2376	Granted	100%
Broads Dam	P16/ 2377	Granted	100%
Broads Dam	P16/ 2378	Granted	100%
Broads Dam	P16/ 2379	Granted	100%
Broads Dam	P16/ 2380	Granted	100%
Broads Dam	P16/ 2381	Granted	100%
Broads Dam	P16/ 2382	Granted	100%
Broads Dam	P16/ 2383	Granted	100%
Broads Dam	P16/ 2384	Granted	100%
Broads Dam	P16/ 2385	Granted	100%
Broads Dam	P16/ 2386	Granted	100%
Broads Dam	P16/ 2387	Granted	100%
Broads Dam	P16/ 2388	Granted	100%

Kew Project

Kew	ML/1492	Granted	100%
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Pilbara Gold Project

Pilbara	E47/1153	Granted	100%
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Tia River Project

Tia River	ELA 3503	Granted	100%
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Lost River Project

Lost River	ELA 3689	Offered	100%
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Directors' report

Your Directors submit their report for the year ended 30 June 2010.

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.

Names, qualifications, experience and special responsibilities

Pnina Feldman

Executive Chairman

Pnina Feldman has been active in the mineral exploration industry for 17 years, in which time she has shown much tenacity in sourcing, negotiating and developing exploration and resource projects across Australia, and internationally. She was the founder and executive chairperson of the publicly listed Diamond Rose NL, and was the first woman in Australia to achieve that milestone in the mining industry. Pnina Feldman has been successful in negotiating many joint ventures with major companies including BHP and De Beers. Pnina studied Law and Arts at Melbourne University before going to Gateshead, England where she studied teaching, religion and education. She has been the founder and driving force behind, and benefactor to, numerous communal, educational, charitable and women's awareness initiatives, and in 2007 received the Wentworth community award for outstanding community service.

Sholom Feldman

Executive Director, Chief Executive Officer and Company Secretary

Sholom Feldman has extensive experience in general commercial management, has performed advisory and company secretarial work for both listed and unlisted companies and has managed both private and listed exploration companies. Sholom Feldman was general manager of the publicly listed Diamond Rose NL between 1999 and 2005 and is a director and manager of a number of private companies. He has been instrumental in negotiating, financing, developing and managing many exploration projects internationally including the purchase of the Guanaco Mine in Chile from the Canadian Kinross Gold Corporation, and subsequently their Australian gold assets including the Broads Dam Gold Project. Sholom Feldman studied at the International MBA program at Bar Ilan University in Israel and has also completed a Company Secretarial Practice and Meetings course with the Chartered Institute of Company Secretaries Australia.

Paul Stephenson

Non-Executive Director

Mr Stephenson has degrees in law and the arts and is a Partner with the Australian national law firm, HWL Ebsworth Lawyers. He practices in the areas of public and private fundraising, initial public offerings and mergers and acquisitions involving both public and private companies. He has also acted for companies listed in multiple jurisdictions. Mr Stephenson has wide experience and has acted on behalf of companies in industry sectors covering mining and resources, financial markets, pay TV retailing, mobile telephony, automated teller machines and listed investment companies and trusts, including in relation to other commercial, corporate, fundraising and compliance work.

David Austin.**Alternate Director.**

David Austin is a solicitor practising in Sydney.

He has spent many years in the corporate world in the computer, aerospace and heavy engineering industries, and worked for the Northern Territory Government in the 1980s when he was responsible for petroleum, energy, and pipeline policy. During a secondment he reviewed the Northern Territory Mineral Royalty Act and devised a new mineral royalty regime which encouraged the development of a number of major mining projects.

Interests in the shares and options of the Company and related bodies corporate

The relevant interest of each Director in the shares or options over shares of the Company and any other related body corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares	Performance Options ⁽²⁾
Pnina Feldman ⁽¹⁾	25,000,100	26,000,100	10,000,000
Sholom Feldman ⁽¹⁾	25,000,100	26,000,100	-
Paul Stephenson	-	-	-

1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds:

- (a) 100 founder shares and 100 options exercisable at 20 cents each on or before 31 December 2012
- (b) 20,000,000 Shares and 20,000,000 options exercisable at 20 cents each on or before 31 December 2012 in its capacity as trustee of the 720 Unit Trust; and
- (c) 5,000,000 Shares and 5,000,000 options exercisable at 20 cents each on or before 31 December 2012 in its capacity as trustee of the L'Hayyim Trust.

2) Performance options

- a) 5,000,000 Performance Options issued to Pnina Feldman as executive chairperson exercisable at 20 cents each on or before 31 December 2012.
- b) 5,000,000 Performance Options, issued to Pnina Feldman as a result of at least \$3,500,000 raised by the public offer exercisable at 30 cents each on or before 31 December 2012

Share options

Unissued shares under options

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

Expiry date	Exercise price	Number of shares
31/12/2012	0.20	36,000,100
31/12/2012	0.20	5,000,000
31/12/2012	0.30	5,000,000
31/12/2012	0.20	9,291,663
		55,291,763

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

Shares issued on exercise of options

No shares have been issued by the Company, during or since the end of the financial year, as a result of the exercise of options.

Earnings per share

	Cents
Basic earnings (loss) per share	(1.97)

Dividends

No dividends were paid or declared since the end of the previous financial year. The Directors do not recommend a payment of a dividend in respect of the current financial year.

Director's meetings

The number of meetings of Directors held during the year (including meetings of committees of Directors) and the number of meetings attended by each Director were as follows:

	Board meetings	
	A	B
Pnina Feldman	13	13
Sholom Feldman	13	13
Paul Stephenson	13	13
David Austin	3	13

Notes

A = number of meetings attended

B = number of meetings held during the time the Director held office during the year or was a member of the relevant committee

Principal activities

The principal activities of the Company during the year were mineral exploration and identification of potential mining assets for acquisition and development.

There were no significant changes in the nature of the Company's principal activities during the year.

Operating and financial review

Australian Gold Investments Limited (ASX: AGV) (AGV or the Company) presents the following report on activities for the year ending 30 June 2010.

New Acquisition – Queensland Bauxite Projects

On the 25th June, the Company announced that it has reached binding agreement subject to shareholder approval, to acquire 80% interests in Queensland bauxite projects from Volcan Holdings Inc (Volcan) . [Volcan is a related party](#) by way of common directors.

Highlights

- Agreement reached to acquire 80% interests in highly prospective bauxite projects in Queensland
- Projects as close as 18 kms to port in region of excellent infrastructure and power availability
- A managing director with a focus on bringing the bauxite projects into production to be appointed

Description

The Company has agreed to acquire 80% of the South Johnstone bauxite project in Queensland (**Figure 1**) and 80% of the Ravenshoe, Ravenshoe East and Atherton bauxite projects (**Figures 2 & 3**) in Queensland (the Bauxite Projects), from Volcan a NASDAQ / OTCBB listed company. The Bauxite Projects are Exploration Licenses EPM18138, EPM18139, EPM18140, EPM18463 and EPM18464.

The directors strongly believe in the potential for these Bauxite Projects, and recognise the growing world demand for bauxite capable of producing alumina for the aluminium market. The Bauxite Projects are located as close as 18 kms from the Mourilyan Port in a region of excellent infrastructure and power availability, with direct rail link to the main project area. The combined area of the prospective bauxite terrain on the projects is 672 sq. kms (**Figures 1 to 3**).

A field visit has been completed by the Company to the South Johnstone province in Queensland to arrange access for a drilling program to test the previously reported bauxite occurrences.

There are no Native Title issues over the South Johnstone project area.

Although the Company has not yet done any drilling or testing of the project to report a bauxite ore resource on the South Johnstone tenements, previous exploration in the 1960's as held on file by the Queensland Department of Mines and Energy reported by Carpentaria Exploration Pty Ltd, a wholly owned subsidiary of Mt Isa Mines, reported bauxite within the South Johnstone tenement following a drilling programme undertaken by that company. AGV intends to undertake drilling over the area drilled by Carpentaria that reported the bauxite. On the current field trip, the Company successfully located the drilling locations reported in the historical maps and reports, and also signed access agreements with key landowners. The Company understands that bauxite found on the South Johnstone project is anticipated to be gibbsitic. Gibbsite ore would be desirable because the cost in processing gibbsitic ore is significantly lower. Gibbsite rich bauxite is therefore highly sought after and commands a price premium.

Although samples of bauxite from South Johnstone have not yet been tested by the Company to assess its mineralogy or other characteristics, the Company currently infers that the tenements may contain gibbsite dominated bauxite on the basis of the young age of the basaltic volcanic parent rock types and by analogy with other bauxite provinces developed on basalts in Eastern Australia. Bauxites in the Inverell district are developed on older basaltic volcanic than those at South Johnstone and have been assessed for Volcan Australia Corporation Pty Ltd by an independent bauxite expert as containing very little or negligible boehmite based on chemical analyses and calculation of gibbsite content.

The Company believes that the South Johnstone project is ideally placed close to infrastructure and available deep water port facilities to be suitable for a direct shipping operation of bauxite.

AGV intends to appoint an experienced Managing Director, focussed on bringing the bauxite projects into production.

Acquisition

The acquisition of the interests of the tenements from Volcan will be paid by AGV by issuing 65 million AGV shares and 65 million 5 year options exercisable at 5 cents, together with a royalty of \$1 per ton on production.

The Company anticipates putting the transactions for shareholder approval to complete the acquisition in October.

Due to the similarity of the terrain to the bauxite areas at Inverell NSW, and based on historic sampling and drilling on the South Johnstone and Ravenshoe tenements, the directors of AGV are hopeful that drilling the Bauxite Projects could lead to a significant resource.

CAPITAL RAISE

On 21st July the Company resolved to issue 29 million ordinary fully paid shares at an issue price of 7 cents per share to raise approximately \$2 million. Hartleys Limited is Broker to the Offer.

The placement shares have been issued and cash received.

AGV thanks Hartleys Limited for their assistance in respect of the capital raising and for its advisory services. Hartleys Limited has agreed to be remunerated with cash and shares in AGV.

The directors are very pleased with the strong response to the capital raising and are looking forward to quickly moving the bauxite projects forward.

Exploration Activities:

The following section of this report outlines the results of exploration work carried out by the Company during the year.

GOLD PROJECTS

The Company currently has four gold projects in Australia, comprising two principle gold exploration projects in Western Australia - the Broads Dam Gold Project near Kalgoorlie (**Figure 4**) and the Pilbara Gold Project in the south-west Pilbara (**Figure 5**), and two gold projects in New South Wales - the Tia River Gold Project (**Figure 6**) and the Lost River Gold Project (**Figure 7**), both in the New England Orogen.

BROADS DAM GOLD PROJECT

Introduction and Project Location:

The Broads Dam Gold Project covers approximately 3,000 hectares of the highly prospective Zuleika Shear Zone, located in the Eastern Goldfields Province of the Yilgarn Craton, Western Australia, approximately 40km north-west of Kalgoorlie. The Zuleika Shear Zone hosts a number of nearby, currently working, underground gold mines, including Barrick Gold's Raleigh and Bullant deposits, and La Mancha's Frog Leg mine.

During the year, AGV was granted formal approval by the DoIR for its proposed drilling program over the "Alpha Group" of prospects (T1, T2 & T3) on the Company's tenements at Broads Dam.

AGV's Program of Work for the Broads Dam Northern Tenements:

In order to fully test the potential of the northern tenements of the Broads Dam project for Kundana style high-grade deposits, a 11-hole RC drilling program is planned to test the T1, T2 and T3 prospects (*the Alpha Group Prospects on Broads Dam tenements P16/2376, 2377 and 2380*). A total of 1,750m of RC drilling will be carried out to test the down dip continuation of previously identified thin north-westerly striking near-vertical gold veins (*Strike 045° / Dip 80-90° towards 320°*). It is hoped that this work will delineate a deeper gold-bearing system for further evaluation.

ABM Resources JV Exploration Program across the Broads Dam Southern Tenements:

During the year a drilling program was carried out by the Company's Joint Venture Partner, ABM Resources in the vicinity of the "Delta Group" of prospects (T11 & T12) in P16/2387, and across the previously identified broad magnetic anomaly to the south-west within P16/2386 and P16/2388. The results of this work are presented herein.

In addition, two deep holes were drilled to test a "magnetic anomaly"-related target to the west of the Zuleika Shear. A total of eight drill holes were completed for a total of 1299 metres.

Bulk drill samples were collected on a 1 metre basis in wheelbarrows and laid out in rows on the ground. Representative 1 metre samples were collected through a nominal 85/15 sample splitter in calico bags and laid out next to the 1 metre spoils. Four metre composites were produced, using a scoop, for the entire hole from the 1 m spoils. A total of 325 samples were collected and dispatched to Genalysis laboratories in Kalgoorlie for analysis. Samples were analysed for gold using Aqua Regia leach with an AAS finish. In addition, samples for drill holes BDRC007 and 008 were also analysed for As, Mo, Sb, Te and V.

SRK Consulting has finalised "leapfrog" 3D models of all exploration data within the northern tenement area. Leapfrog modelling allows the different historic exploration drilling and grade control data sets, together with soil geochemistry, aeromagnetic data, etc, to be overlain and modelled in 3D. The models show gold grades (at various cut-offs) lying within discrete geologic structures. SRK's interpretive report was used to refine the positions of hole collars in the above drilling program.

It is hoped that the discovery of this style of mineralization may underpin the relatively rapid development of new shallow open cut gold mines within the tenement package. Analysis of the 3D model is expected to generate targets for further drilling.

Hepburn

At Hepburn RC drilling was completed on three of the historic drill holes section lines, spaced about 100 m apart. The new holes targeted the down dip extensions of gold mineralization previously intersected at the base of the depletion zone within two parallel zones. Drilling also tested the peaks of soil geochemistry highs. On drill section 9000N two drill holes were completed testing the down-dip extensions of 2 m @ 0.84 g/t gold and 12 m @ 0.32 g/t gold recovered in the historic drilling. On section 8900N down dip extension of 2m @ 0.84 g/t gold and 4m @ 0.53g/t gold was tested. Further south on section 8800N on a parallel zone, drilling tested the down dip extension of 8m @ 0.72 g/t gold within the weathered zone. On surface this intersection appears to coincide with a soil geochemistry peak of 110ppb gold.

At Hepburn RC drilling returned an encouraging intersection of 4 m @ 1.82 g/t gold from a depth of 56m in a 4 m composite within a quartz vein on drill section 8800N in a parallel zone to the east of the main shear zone.

FIE

Two drill holes at FIE on drill sections 100 m apart tested the orientation/down-dip extension of a historic intersection of 4 m @ 2.19 g/t gold and 8m @ 0.34 g/t gold in ZLA19 on section 9700N. On section 9600N drilling tested a soil geochemistry anomaly of 68ppb gold. Drill holes were oriented to the east with an inclination of -60° on a local grid.

At FIE an intersection of 4 m @ 0.82 g/t gold was recorded on drill section 9700N at the mafic volcanic - shale contact.

Magnetic Anomaly

A high resolution airborne geophysical survey has defined a “magnetic anomaly” covering a large part of P16/2386 and 2388. The mapped geology and limited historic drilling over this anomaly identified felsic volcanics, with no indication of the source of the magnetic feature. This anomaly is similar to the high-magnetic anomalies known to exist in the Kurrawang Formation proximal, and to the east. This anomaly may derive from an intrusive related hydrothermal alteration system, and as such was targeted by ABM for drill testing.

A program of auger soil geochemical drilling completed during the June 2009 quarter over the magnetic anomaly, together with the multi-element assay results obtained to date, appear to define three discrete gold anomalies which, while peaking at only 37ppb Au, appear consistent, and are 2 to 3 times “background” levels. These gold assays coincide with the peaks of the magnetic anomaly, and support further testing of this target.

Inversion modeling has been used to generate a 3D model of the magnetic data and to define drill targets within the magnetic anomaly. The main advantage of a 3D inversion model is that it gives a good indication of the relative depths-to-top and locations of the shallower parts of the magnetic source(s). A total of seven drill targets have been identified by Southern Geoscience from the modeling - being the most likely sites from which to drill into parts of the magnetic body modeled as coming closest to the surface.

Two drill targets were selected for deep RC drilling. As a result, drill holes BDRC007 and 008 were completed to depths of 300 m each. No anomalous gold assay results have been returned from drill holes BDRC 007 and 008 with the best result being 0.07ppm gold.

However, the drilling intersected mostly grey-coloured, massive, medium-grained felsic rocks (*possibly a porphyry*) in both holes. Patches of hematite and pyrite alteration were also noted. Therefore, these results may indicate the existence of an alteration zone peripheral to a larger Porphyry gold system at depth.

Table of Broads Dam RC drill results

Drill hole	Prospect	North	East	Interval	Au g/t	Au g/t Rpt 1
		Local Grid co-ordinates				
BDRC001	Hepburn	8900	9275	72-76	0.15	0.11
BDRC002	Hepburn	8000	9430	52-56	0.31	
				56-60	1.82	1.72
				60-64	0.21	
BDRC006	FIE	9700	9200	76-80	0.80	1.52

PILBARA GOLD PROJECT

The Pilbara Gold Project comprises Exploration Licence E47/1153 which covers the northern half of the Rocklea Dome and encompasses an area of approximately 200km².

During the year, AGV geologists continued to remotely investigate along well developed east-west shear zones associated with quartz “blows” and stockworks juxtaposed to the intrusion boundary between the Rocklea Dome monzogranite and Hardey Formation pelites and metasandstones.

Outcropping quartz "blows" and stockworks are considered prospective for the discovery of gold.

Rock-chip sampling of these blows and stockworks are planned during the second half of 2010.

TIA RIVER GOLD PROJECT

The Tia Gold Project comprises Exploration Licence 7224 located within the New England Orogen, near Walcha, in north-eastern New South Wales.

During the year, AGV geologists have identified and inspected a moderately-sized shallow (*i.e.* <4m) Holocene alluvial target covering ~85 ha located along the valleys of Swamp Creek and Agnes Creek. Site access negotiations have now been held with several landholders in the licence area. The landholder whose property covers the uppermost part of the valley drainage system is keen to have the area tested, and has accepted the Rural Lands Access Agreement proposed by the Company. If economic gold deposits are discovered in the upper part of the depositional system, then negotiations for access will proceed with property owners farther down the valley. A 100-hole Calweld drill program is planned to test the gold resource potential and minability in these valleys system during the second half of 2010. The program comprises of close-spaced Calweld bucket rig holes (*20m spacing between holes*) on wide-spaced lines (*200m spacing between lines*) for the site.

LOST RIVER DEEP-LEAD GOLD, RUBY, SAPPHIRE AND DIAMOND PROJECT

AGV has been granted a 94 Unit exploration licence (*EL 7409*) over a large Cainozoic basalt-capped palaeovalley defined by inverted topography, near Nowendoc, NSW.

Historic records record a gold-bearing deep-lead system partly exposed along the eastern edge of the basalt cap in the licence area. Initial topographic inversion modelling indicates the existence of a buried palaeovalley whose axis appears to lie to the west of the exposed gold-bearing gravels cropping out along the eastern edge of the basalt cap. Gravity and magnetic surveys are currently being considered along the axis of the inverted topography to help aid in locating drill holes designed to test the width and depth of the deep lead beneath the basalt cap.

Palaetopographic modelling, indicates the potential for a 20 km long gold-bearing deep-lead system beneath basalt within the licence area. Computer modelling of the inverted topography is underway to determine the likely thalweg axis of the palaeochannel-hosted deep lead system, and the shape of the palaeovalley. It is expected that this modelling will allow an extrapolation of the location of the ancient gold-bearing riverine system beneath the basalt cap, which will then be used to design and implement a geophysical and drilling program.

The operating loss after tax for the year ended 30 June 2010 for the Consolidated Entity and Company was (\$1,265,312) 2009 (\$1,462,395).

Dividends

There were no dividends paid or declared by the company to members since the end of the previous financial year.

Environmental regulation

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Significant changes in the state of affairs

During the period there were no changes in the state of affairs of the Company other than those referred to elsewhere in this report of the financial statements or notes thereto.

Events subsequent to balance date

As announced to the ASX on 21 July 2010, AGV resolved to issue the following

1. 29 million shares at an issue price of 7 cents per share to raise approximately \$2 million to advance the South Johnson bauxite project.
2. 65 million shares and 65 million options as consideration for the acquisition of assets from Volcan Australia Pty Limited and Volcan Holdings Inc, subject to shareholder approval.
3. 20.75 million shares to Hartleys Limited as consideration for advisory services in lieu of advisory fees..

Other than the matters above, there has not in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

Likely developments

Further information about likely developments in the operations of the Company in future years, the expected results of those operations, the strategies of the Company and its prospects for future financial years has not been included in this report.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current Directors of the Company, Mrs Pnina Feldman, Mr Sholom Feldman, Mr Paul Stephenson and Mr David Austin against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. This agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Non-audit services

The Company's auditor, Nexia Court & Co – Chartered Accountants was appointed auditor of the Company in January 2008.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included in the Directors' report.

Details of the amounts paid to the auditor of the Company, Nexia Court & Co – Chartered Accountants, and its related practices for audit and non audit services provided during the year are set out below:

Statutory audit

- audit and review of financial reports	\$ 45,584
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Services other than statutory audit

- taxation services and advice	\$ 4,216
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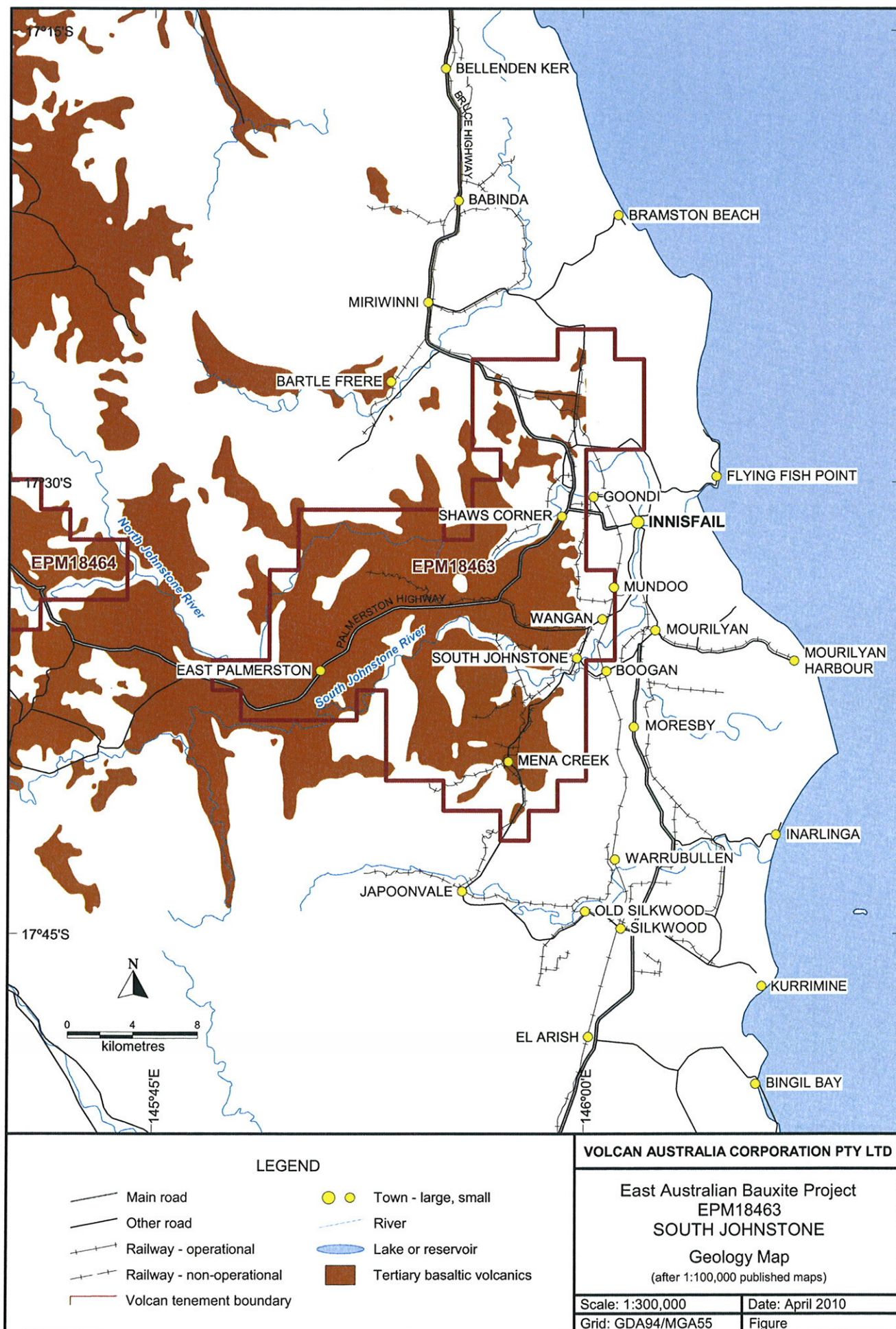


Figure 1. South Johnstone Volcanic Bauxite Project Tenement

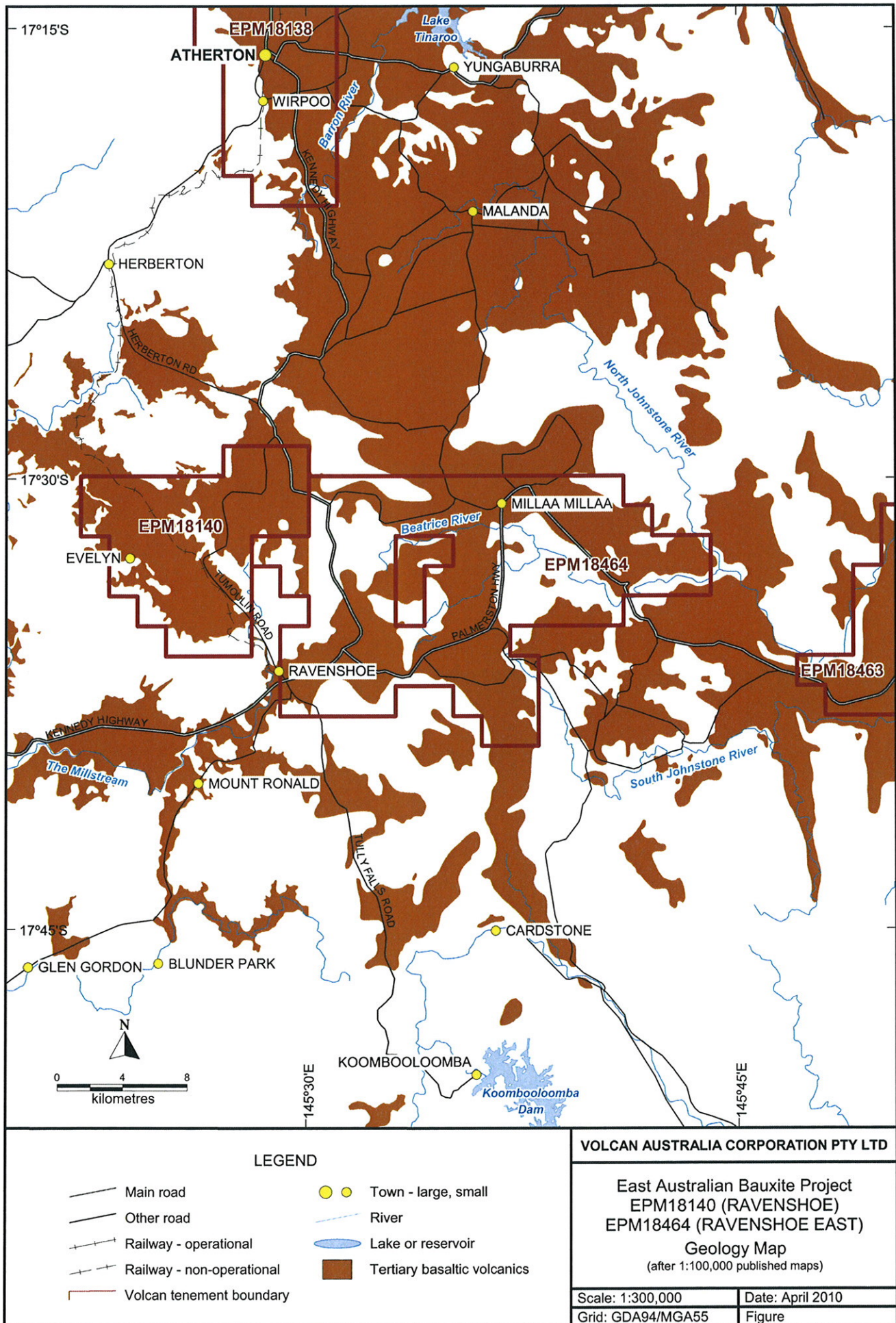


Figure 2. Ravenshoe & Ravenshoe East Volcanic Bauxite Project Tenement.

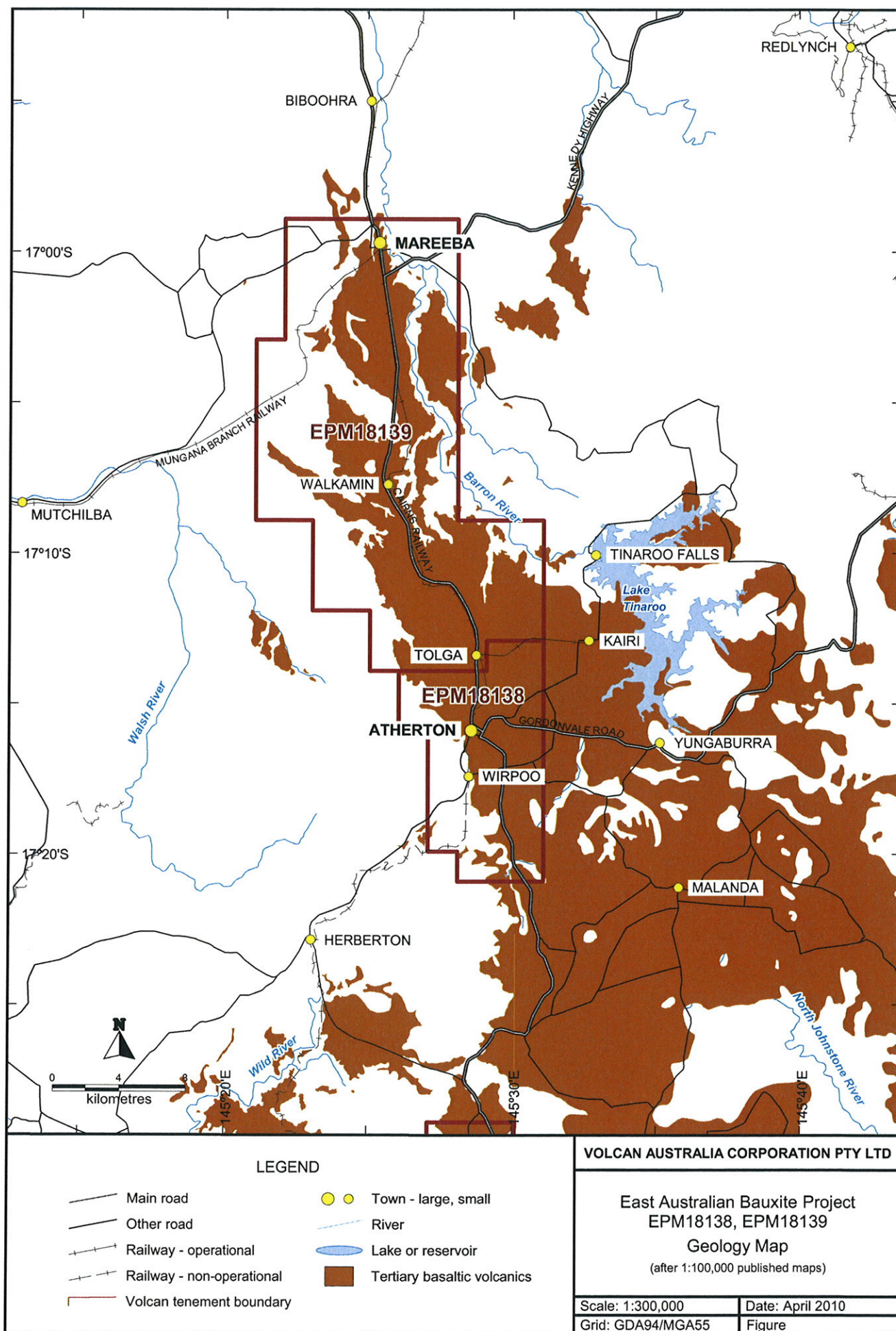


Figure 3. Atherton Volcanic Bauxite Project Tenement.

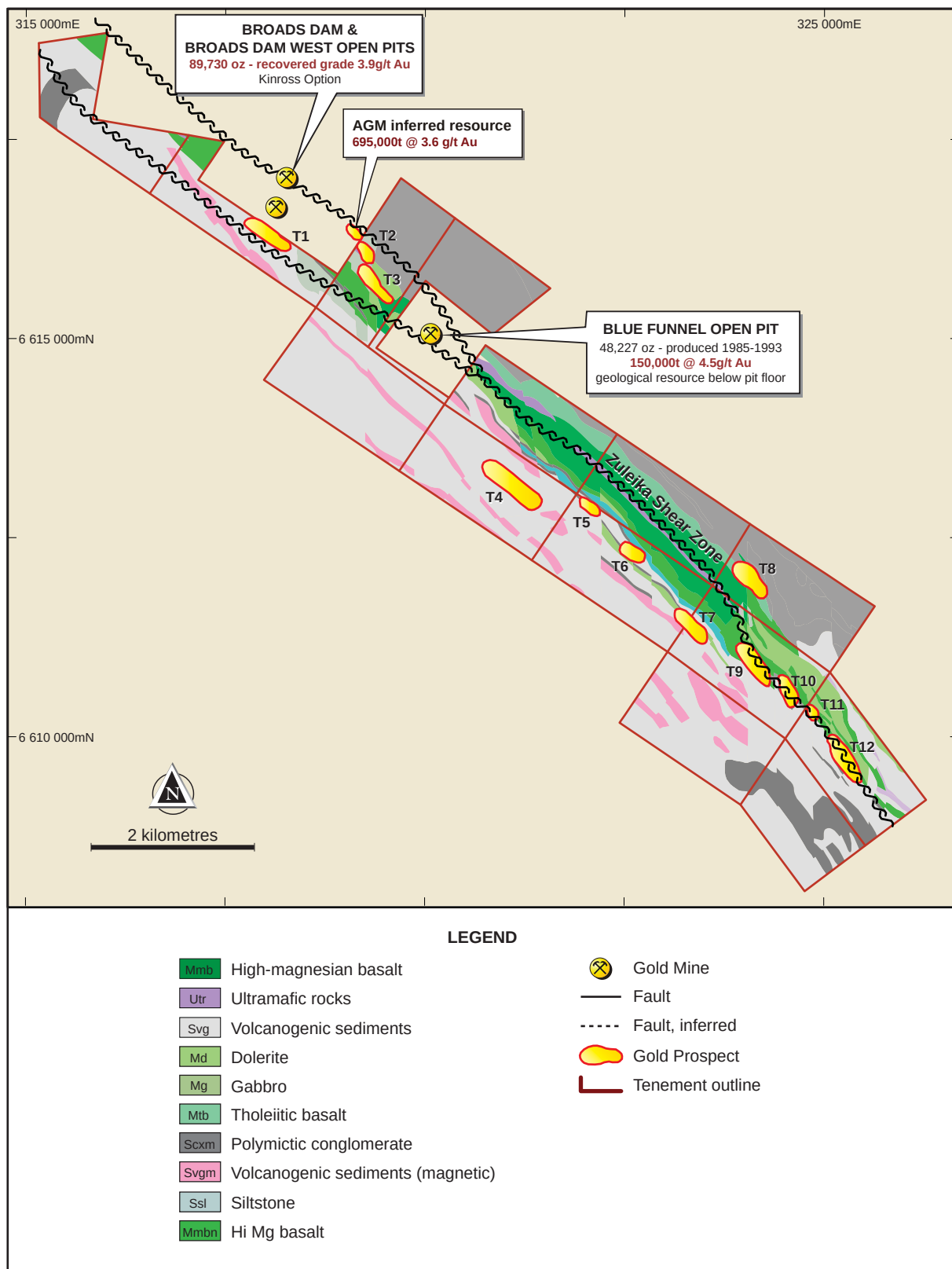


Figure 4. Broads Dam Gold Project – Historic Gold Deposits, Gold Targets, Geology and Zuleika Shear Zone

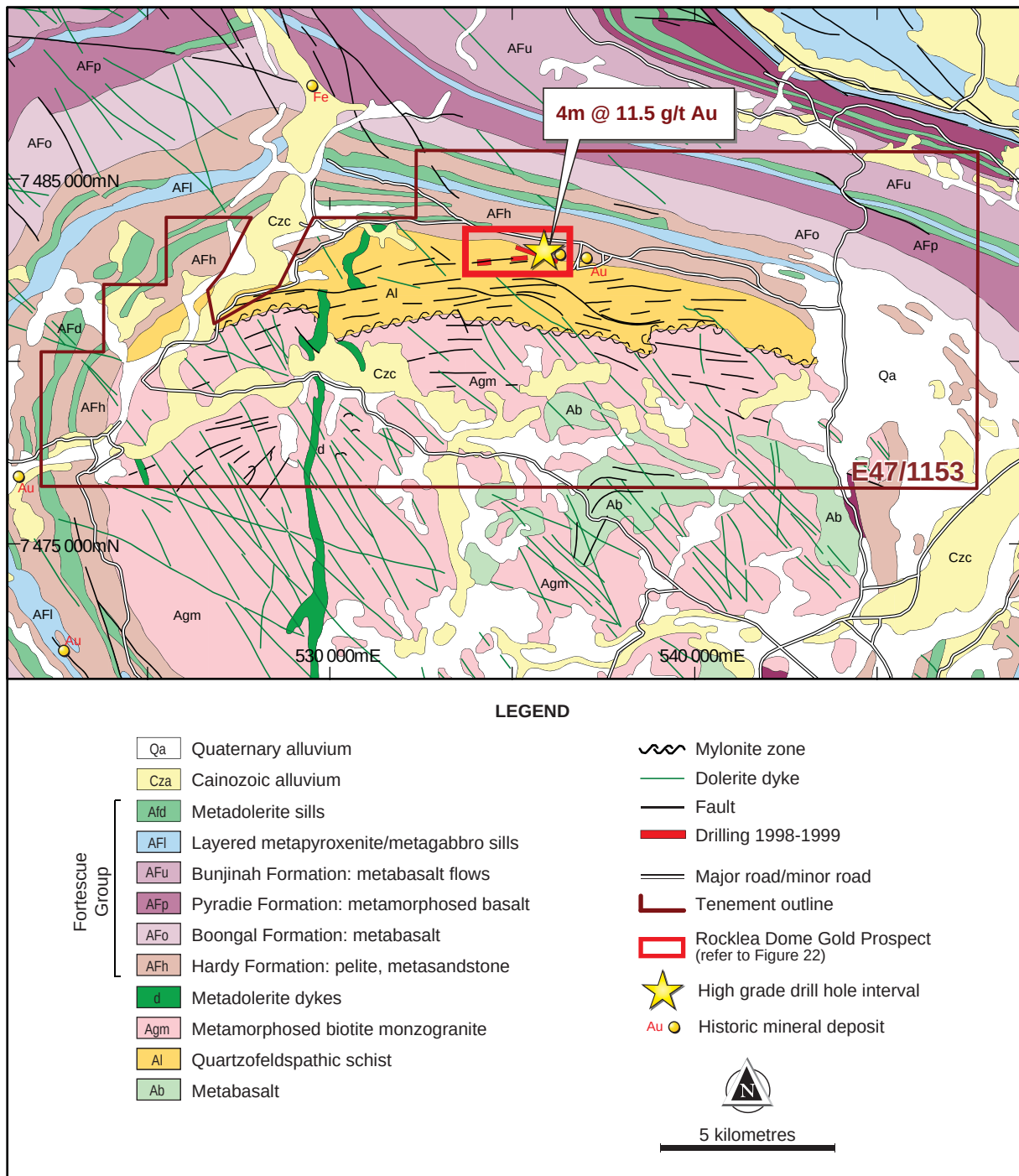


Figure 5. Pilbara Gold Project – Geology and Exploration Targets

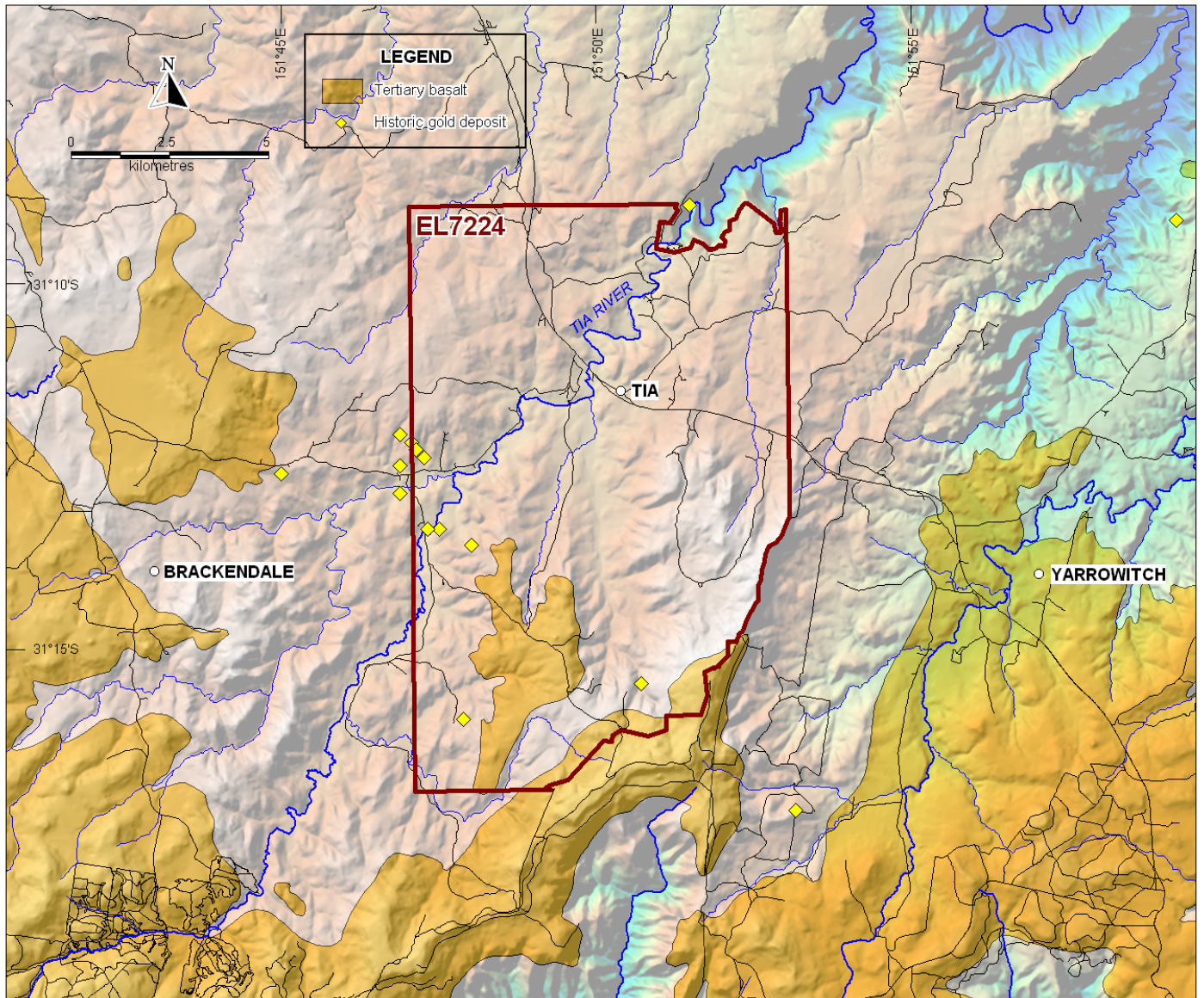


Figure 6. Location of Tia River exploration licence area E.L.7224 with respect to geology and 3D landform. Tertiary basaltic lava flows (shown in orange) cover deep-lead sediments (some gold bearing). These basalts have been topographically inverted so that they now occupy the position of ridge tops. Historic gold deposits are shown as yellow diamonds.

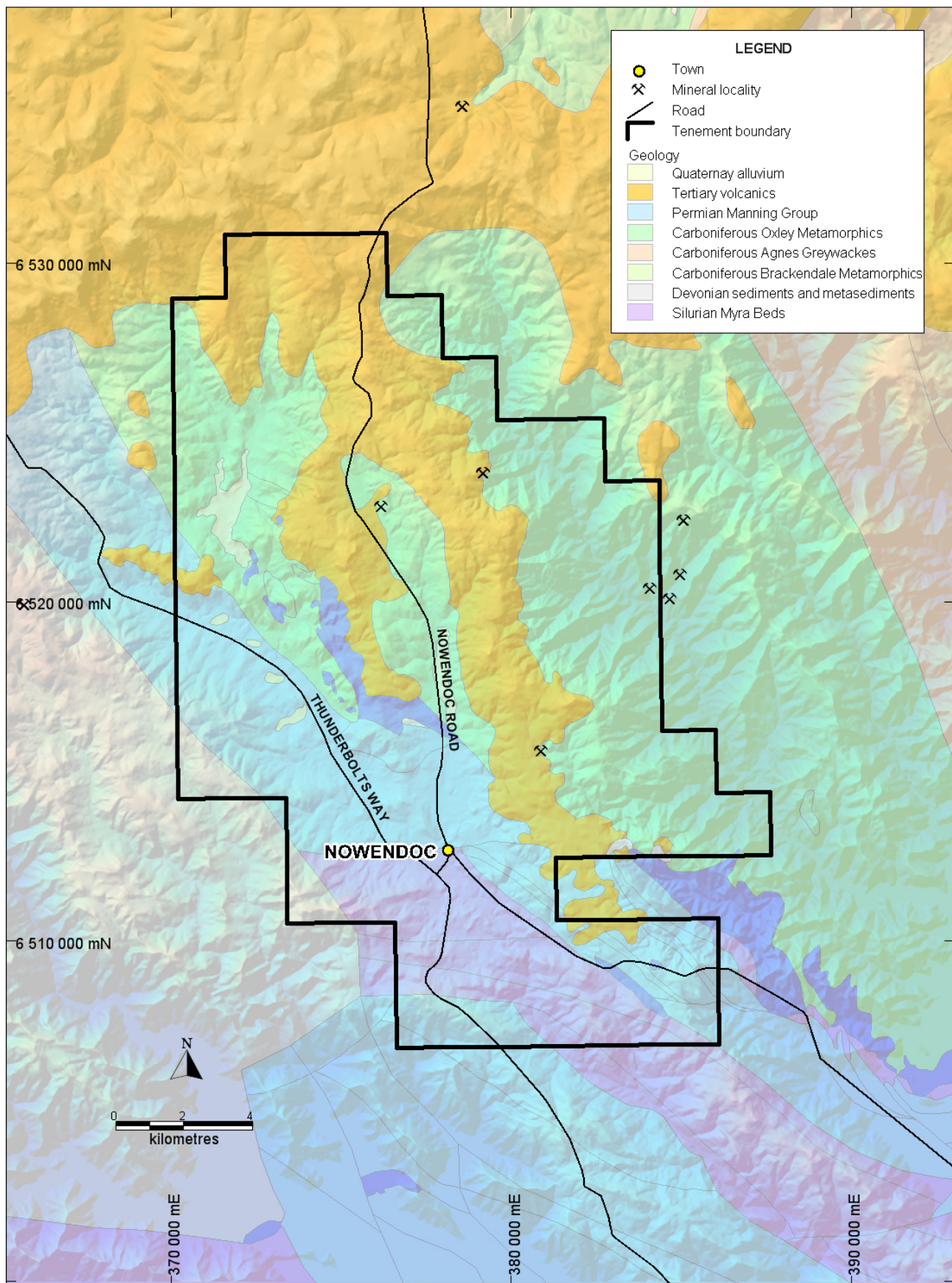


Figure 7. Location of Lost River exploration licence area E.L.7409 with respect to geology and 3D landform. Tertiary basaltic lava flows (shown in orange) cover deep-lead sediments (some gold bearing). These basalts have been topographically inverted so that they now form long ridge tops. Historic gold deposits are shown as crossed picks.

Remuneration report - audited

Remuneration policies

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. These corporate governance policies are described more fully on pages 24 to 29 of the Directors' Report. Policies adopted by the Board reflect the relative stage of development of the Company, having regard for the size and structure of the organisation.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below Executive remuneration packages do not have guaranteed equity based components or performance based components.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

During the previous financial period, the Board of Directors completed a review of compensation and benefit structures.

Long-term incentives are provided as options over ordinary shares of the Company. As set out below, to date shareholders in general meeting have approved specific grants of options to Executive Directors as a form of remuneration.

Consequences of performance on shareholders wealth

In view of the relatively early stage of development of the Company's business and remuneration policies, there is insufficient information to provide a meaningful quantitative analysis of the relationship between remuneration and Company performance.

Service agreements

The Company and Australian Gemstone Mining Pty Limited (**AGMPL**) are parties to a management services agreement (**Management Services Agreement**) dated 1 July 2007, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Simon Pecover – Head Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Company Secretary.

In respect of each of these executives (**Key Management Personnel**), AGMPL was paid a retainer for the period ended 30 June 2010. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Simon Pecover and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment

obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provide suitable fully serviced offices to the Company at its Sydney CBD offices at Level 34, 50 Bridge St , which includes use of office space, the board room, kitchen, access to a full time receptionist, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provided additional administrative services to the Company, such as secretarial, accounting and office management services. These services were provided to the Company by AGMPL on reasonable arm's length terms as approved by the independent director(s).

(AGMPL) Services	Note	Consolidated Entity	
		2010 \$	2009 \$
Rent		121,559	116,332
Management & Secretarial		130,284	94,050
Exploration & Geological		163,577	162,667
Executive & Corporate Services		321,336	365,910
Reimbursement of Expenses		45,158	56,509
Total		781,914	795,468

Non-Executive Directors

Non-Executive directors are paid up to \$50,000 per annum directors fees.

Director and Executive disclosures

Details of Directors and Company Executives (including Key Management Personnel)

Other than the Executive Directors, no other person is concerned in, or takes part in, the management of the Company or has authority and responsibility for planning, directing and controlling the activities of the entity. As such, during the financial year, the Company did not have any person, other than Directors, that would meet the definition of "Key Management Personnel" for the purposes of AASB124 or "Company Executive or Relevant Group Executive" for the purposes of section 300A of the Corporations Act 2001 ("Act"). Remuneration details of the Company Secretary are disclosed as section 300A(1B)(a) of the Act defines a "Company Executive" to specifically include a secretary of the entity.

Directors and Key Management Personnel

Pnina Feldman	Chairperson
Sholom Feldman	Director / Chief Executive Officer
Paul Stephenson	Non-Executive Director
David Austin	Alternate Non-Executive Director

Specified Directors		Short term		Post employment		Share based payments	Other		Proportion of remuneration Related	Value of options as a proportion of remuneration
	Salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Termination Benefits \$	Options \$	Bonuses \$	Total \$	%	%
Pnina Feldman										
2010	100,000	-	-	-	-	-	-	100,000	-	-
2009	100,000	-	-	-	-		-	100,000	-	-
Sholom Feldman										
2010	100,000	-	-	-	-	-	-	100,000	-	-
2009	100,000	-	-	-	-	-	-	100,000	-	-
Paul Stephenson										
2010	50,000	-	-	-	-	-	-	50,000	-	-
2009	50,000	-	-	-	-	-	-	50,000	-	-
David Austin										
2010	-	-	-	-	-	-	-	-	-	-
2009	21,818	-	-	-	-	-	-	21,818	-	-
Total Compensation:										
Directors including Key Management Personnel										
(Company and consolidated entity)										
2010	250,000	-	-	-	-	-	-	250,000	-	-
2009	271,818	-	-	-	-	-	-	271,818	-	-
Total Compensation:										
Executive Officers (Company and consolidated entity)										
2010		-	-	-	-	-	-	-	-	-
2009		-	-	-	-	-	-	-	-	-

Options and rights over equity instruments granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that were vested during the reporting period are as follows. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at the exercise price shown below. Terms and conditions for each grant

Directors	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price per Share \$	First Exercise Date	Last Exercise Date
Prina Feldman	-	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-	-
Paul Stephenson	-	-	-	-	-	-	-
David Austin	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

No options have been granted since the end of the financial year. The options were provided at no cost to the recipients.

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

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

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

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

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

Analysis of share-based payments granted as compensation

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

End of audited Remuneration Report.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 26 and forms part of the directors' report for the year ended 30 June 2010.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, reading "Pnina Feldman". The signature is written in a cursive, flowing style.

Pnina Feldman Chairperson

Dated this 29th day of September 2010

The Board of Directors
Australian Gold Investments Limited
Level 34
50 Bridge Street
SYDNEY NSW 2000

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australian Gold Investments Limited

As lead audit partner for the audit of the financial statements of Australian Gold Investments Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Court & Co.

Nexia Court & Co
Chartered Accountants

Sydney, 29 September 2010

David Gallery

David Gallery
Partner



Corporate governance statement

The Directors of Australian Gold Investments Limited (“AGV” and the “Company”) have established a framework of corporate governance, which they review on a regular basis.

In order to promote investor confidence and to assist companies meet stakeholder expectations, the Australian Securities Exchange Corporate Governance Council developed and released corporate governance guidelines for Australian entities listed on the Australian Securities Exchange (“ASX”). The second edition, Corporate Governance Principles and Recommendations (“ASX Principles and Recommendations”) was released in August 2007.

The Company’s corporate governance policies referred to below were updated during 2009 following the release in August 2007 of the second edition, ASX Principles and Recommendations. The ASX Principles and Recommendations, in conjunction with the ASX Listing Rules, require companies to disclose whether their corporate governance practices follow the Guidelines on an “if not, why not” basis. This statement outlines the main corporate governance practices adopted by the Board, which comply with the ASX Principles and Recommendations, unless otherwise stated.

The roles of the Board and management

The role of the Board is to oversee and guide the management of AGV and its business with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of all stakeholders.

The Board is responsible for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board may delegate some powers and functions to the Chief Executive Officer for the day-to-day management of the Company. Powers and functions not delegated remain with the Board.

The key responsibilities and functions of the Board include the following:

- to develop, review and monitor the Company’s long-term business strategies and provide strategic direction to management;
- to ensure policies and procedures are in place to safeguard the Company’s assets and business and to enable the Company to act ethically and prudently;
- to develop and promote a system of corporate governance which ensures the Company is properly managed and controlled;
- to identify the Company’s principal risks and ensure that it has in place appropriate systems of risk management, internal control, reporting and compliance; and
- to monitor management’s performance and the Company’s financial results on a regular basis.

The Board’s role and the Company’s corporate governance practices are continually reviewed and improved as required.

The Company’s Executive Directors are implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board.

Board structure and independence

The Company recognises the importance of having a Board comprising Directors with an appropriate range of backgrounds, skills and experience to suit the Company’s current and future strategies and requirements. The composition of the board is determined by the application of the following principles:

- persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter;
- the Chairman should ideally be independent, but in any case be Non-Executive and be elected by the Board based on his / her suitability for the position;
- all Non-Executive Directors are expected voluntarily to review their membership of the board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company; and
- Executive Directors shall be expected to retire from the board on the relinquishment of their Executive.

The Company has adopted a Policy on Assessing the Independence of Directors which is consistent with the guidelines detailed in the ASX Principles & Recommendations. The Company considers that the Board should have at least three Directors and will aim to have a majority of independent Directors (as required) but acknowledges that this may not be possible at all times due to the size of the Company.

The Company's Board Charter includes guidelines for assessing the materiality of matters which are summarised below:

- A balance sheet item is material if it has a value of more than 5% of pro-forma net assets or \$50,000, whichever is greater.
- A profit and loss item is material if it will have an impact on the current year operating results of 5% or more.
- Items are also considered material if they impact the reputation of the Company, they involve a breach of legislation or a potential breach of legislation, if they are outside the ordinary course of business, could affect the Company's rights to its assets, involve a contingent liability that would impact the balance sheet or profit and loss by 5% or more or if they have an effect on operations which is likely to result in a change in net income or dividend distribution of more than 5% upwards or downwards.
- A contract is considered material if it is one which is outside the ordinary course of business, includes exceptionally onerous provisions, any default of the contract may trigger the qualitative balance sheet or profit and loss materiality levels, is essential to the operations of the Company, contains or triggers change of control provisions or is between related parties.

The current Board includes one independent non-executive director, Paul Stephenson, and two executive directors Pnina Feldman and Sholom Feldman. As such, the Board does not currently have a majority of independent Directors. Paul Stephenson falls within the requirements of an independent Director as stipulated in the ASX Principles & Recommendations, that is, no past or current relationships exist between these Directors and the Company that may affect their status as an independent Director. Pnina Feldman is Chairperson of the Board. Sholom Feldman is the Chief Executive Officer and Company Secretary. David Austin acts as an independent alternate Director to Sholom Feldman.

A minimum of three Directors is required under the Company's Constitution. Any changes to the composition of the Board will be determined by the Board, subject to any applicable laws and the resolutions of Shareholders. The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board. At each Annual General Meeting, one third of the Directors must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

Details of the background, experience and professional skills of each Director and the Company Secretary are set out on page 2 and 3 of this report and are also available on the Company's website.

Meetings of the Board

The Board intends to meet formally at least eight times a year and on other occasions, as required. The agenda for Board meetings is prepared by the Company Secretary / Chief Executive Officer. Standard items include the Chief Executive Officer's report, financial reports, strategic matters, risk management and governance and compliance matters. Executives are available to participate in Board discussions as required.

Board access to information and independent advice

All Directors have unrestricted access to all employees of the Company and, subject to the law and the terms of Deeds of Access, Insurance and Indemnity, access to all Company records.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Board Committee. The Company will reimburse the Director for the reasonable expense of obtaining that advice.

Conflicts of Interest

In accordance with the Corporations Act, 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.

Non-Executive Directors' Committee

Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate Non-Executive Directors' Committee, nomination committee and remuneration committee is appropriate, however the responsibilities of the committees are carried out by the Board of Directors.

Company code of conduct

The Board has adopted a Company Code of Conduct to promote ethical and responsible decision making by all employees (including Directors). The Code embraces the values of honesty, integrity, accountability and equality and to strive to enhance the reputation and performance of the Company. In summary the overriding principles are:

- all employees must conduct their duties honestly and in the best interests of the Company as a whole;
- treat other stakeholders fairly and without discrimination;
- respect confidentiality and do not misuse Company information or assets;
- conduct themselves in accordance with both the letter and spirit of the law; and
- maintain a safe working environment.

A breach of the Code is subject to disciplinary action which may include termination of employment.

Securities trading policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, Officers and employees. The Guidelines for Dealing in Securities Policy adopted by the Board requires that:

- Trading in Shares by directors, senior executives and employees is limited to specific periods, following the release of an annual report and half year results. Outside of these "window" periods, all directors, senior executives and employees, must follow the Guidelines for Dealing in Securities Policy and receive clearance for any proposed dealing in the Company's shares on the ASX prior to undertaking a transaction.
- A Director must receive clearance from the Chairman before he may buy or sell Shares. If the Chairman wishes to buy or sell Shares they must first obtain clearance from the Chief Executive Officer.
- Senior executives and employees must receive clearance from the Chief Executive Officer before they may buy or sell Shares.

- Directors, senior executives and employees must be aware of and observe their obligations under the Corporations Act not to buy or sell Shares if in possession of price sensitive non-public information and that they do not communicate price-sensitive non-public information to any person who is likely to buy or sell Shares or communicate such information to another party.

Audit & Compliance Committee

Given the present size of the Company and the Board, the Audit and Compliance Committee consists of all members of the board and any relevant matters are discussed at board level. The Board believes no efficiencies or other benefits could be gained by establishing a separate Audit and Compliance Committee.

The Company's auditor is Nexia Court & Co – Chartered Accountants. They were appointed in January 2008. The auditor attends and is available to answer questions at the Company's annual general meeting.

The Company's Chief Executive Officer has provided a declaration in accordance with section 295A of the Corporations Act in writing to the Board that:

- the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Continuous disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX and has adopted a comprehensive Information Policy.

The purpose of this Information Policy is to set out the procedure for:

- protecting confidential information from unauthorised disclosure;
- identifying material price sensitive information and reporting it to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

The Company's Information Policy is reviewed periodically and updated as required.

Communications with shareholders

The Company has a Shareholder Communications Policy that promotes effective communication with shareholders and encourages presentation of information to shareholders in a clear, concise and effective manner.

The Company will communicate information on its activities and financial performance through the issue of the annual and half year financial reports, reports on activities and cash flows and through other announcements released to the ASX.

The Company posts all reports, ASX announcements, media releases and copies of newspaper reports on the Company's website at www.agil.com.au. The website will contain an archive of ASX announcements and annual reports for at least the previous 3 years (in time). The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company will ensure that the annual general meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Company requires the attendance of the external auditor at the Company's annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Risk management

Responsibility for control and risk management is delegated to the appropriate level of management with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established various financial and operational reporting procedures and other internal control and compliance systems in this regard. These include the following:

- the Chief Executive Officer is required to report on the management of risk as a standing agenda item at each Board meeting. This involves that tabling of a Risk Register which is actively monitored and updated by management.
- delegated authority limits exist in respect of financial expenditure and other business activities;
- a comprehensive annual insurance programme is undertaken;
- internal controls exist to safeguard the Company's assets and ensure the integrity of business processes and reporting systems;
- annual budgeting and monthly reporting systems for business operations is undertaken which enable the monitoring of progress against performance targets and the evaluation of trends;
- appropriate due diligence procedures are undertaken for acquisitions and divestments; and
- disaster recovery procedures and crisis management systems exist.

The Company's Chief Executive Officer has provided a declaration that the Company's financial reports 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. Additionally, the Chief Executive Officer has stated that the declaration is based on a sound system for risk management and internal compliance and control which implements the policies adopted by the Board and the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received assurance from the Chief Executive Officer that the Company's management of its material business risks are effective.

ASX LISTING RULE DISCLOSURE – EXCEPTION REPORTING

The following table discloses the extent to which AGV has followed the best practice recommendations set by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition).

Principle No	Best Practice Recommendation	Compliance	Reasons for Non-compliance
2.1	A majority of the Board should be independent directors.	Currently, the Company has one independent director and two non-independent directors.	The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's recent history and the scope and scale of the Company's operations. Persons have been selected as directors to bring specific skills and industry experience relevant to the Company.
2.4	The Board should establish a nomination committee.	The Board has not established a separate nomination committee.	Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate nomination committee is appropriate. The Board believes no efficiencies or other benefits could be gained by establishing a Non-Executive Directors' Committee
4.2	The audit committee should be structured so that it has at least three members	The Company's Audit and Compliance Committee has two members.	Given the present size of the Company and the Board, the Audit and Compliance Committee has only two members. The Board believes no efficiencies or other benefits could be gained by establishing a larger Audit and Compliance Committee.
8.1	The Board should establish a remuneration committee.	The Board has not established a remuneration committee.	Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate remuneration committee is appropriate.

Financial statements

Statement of comprehensive income

for the year ended 30 June 2010

	Note	Consolidated Entity	
		2010 \$	2009 \$
Revenue	2	124,084	134,018
General and administrative expenses		(101,537)	(93,098)
Depreciation		(128,314)	(62,274)
Management services		(247,233)	(258,010)
Corporate and legal expenses		(100,523)	(306,751)
Directors fees		(250,000)	(283,485)
Marketing expenses		(10,545)	(48,240)
Finance expenses		(2,060)	(926)
Occupancy expenses		(121,559)	(116,332)
Exploration written off	12	(201,079)	(163,460)
Travelling expenses – directors travel		(79,090)	(228,129)
Other expenses		(19,956,)	(35,708)
Share based payments expense.		(127,500)	-
Consulting services			
Loss before income tax		(1,265,312)	(1,462,395)
Income tax benefit	3	-	-
Loss after tax from continuing operations		(1,265,312)	(1,462,395)
Other comprehensive income, net of tax		-	-
Total comprehensive loss		(1,265,312)	(1,462,395)
Loss attributable to members of Australian Gold Investments Limited		(1,265,312)	(1,462,395)
Total comprehensive income attributable to members of Australian Gold Investments Limited		(1,265,312)	(1,462,395)
Basic earnings per share (cents per share)	6	(1.97)	(2.40)
Basic earnings per share from continuing operations (cents per share)		(1.97)	(2.40)
Diluted earnings per share (cents per share)		(1.97)	(2.40)
Diluted earnings per share from continuing operations (cents per share)		(1.97)	(2.40)

The accompanying notes form part of these financial statements

Statement of financial position

as at 30 June 2010

	Note	Consolidated Entity	
		2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	176,164	1,053,935
Trade and other receivables	8	83,525	55,700
TOTAL CURRENT ASSETS		259,689	1,109,635
NON-CURRENT ASSETS			
Trade and other receivables	8	-	-
Other non-current assets	9	4,590	4,377
Financial assets	11	-	-
Exploration and evaluation	12	1,710,686	1,534,937
Property, plant and equipment	13	322,667	450,981
TOTAL NON-CURRENT ASSETS		2,037,943	1,990,295
TOTAL ASSETS		2,297,632	3,099,930
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	327,825	227,311
TOTAL CURRENT LIABILITIES		327,825	227,311
NON-CURRENT LIABILITIES			
Other financial liabilities	15	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		327,825	227,311
NET ASSETS		1,969,807	2,872,619
EQUITY			
Issued capital	16	4,939,159	4,704,159
Share based payments reserve	17	1,075,500	948,000
Accumulated losses	18	(4,044,852)	(2,779,540)
TOTAL EQUITY		1,969,807	2,872,619

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2010

	Note	Share Capital Ordinary \$	Accumulated Losses \$	Share Based Payments Reserve \$	Total \$
CONSOLIDATED ENTITY					
Balance at 30 June 2008		4,704,159	(1,317,145)	948,000	4,335,014
Loss attributable to members of consolidated entity	18	-	(1,462,395)		(1,462,395)
Balance at 30 June 2009		4,704,159	(2,779,540)	948,000	2,872,619
Loss attributable to members of consolidated entity	18	-	(1,265,312)	-	(1,265,312)
Share based payment	17	-	-	127,500	127,500
Shares issued during the year	16	250,000	-	-	250,000
Transaction costs	16	(15,000)	-	-	(15,000)
Balance at 30 June 2010		4,939,159	(4,044,852)	1,075,500	1,969,807

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2010

	Note	Consolidated Entity	
		2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	-
Payments to suppliers and employees		(1,061,106)	(1,487,397)
Interest received		15,528	134,018
Other receipts		108,556	8,895
Net cash (from) operating activities	20	(937,022)	(1,344,484)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(513,255)
Exploration and evaluation expenditure		(175,749)	(772,146)
Net cash (from) investing activities		(175,749)	(1,285,401)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		250,000	-
Payment of share issue costs		(15,000)	-
Net cash from by financing activities		235,000	-
Net (decrease) in cash held		(877,771)	(2,629,885)
Cash at beginning of financial year		1,053,935	3,683,820
Cash at end of financial year	7	\$176,164	\$1,053,935

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2010

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretation, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report covers the consolidated entity ("the Group") of Australian Gold Investments Limited and controlled entities, and Australian Gold Investments Limited as an individual parent entity. Australian Gold Investments Limited (AGV Limited) is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report was authorised for issue by the Directors on 30 September 2010.

The financial report is presented in the Australian currency.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified where applicable by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts presented are Australian dollars unless otherwise stated.

Accounting policies

a. Principles of consolidation

The consolidated financial statements comprise the financial statements of Australian Gold Investments Limited and its subsidiaries at 30 June each year ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Subsidiaries are accounted for in the parent entity financial statements at cost.

b. Business combinations

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued, the value of the equity instruments is their published market price as at the date of exchange unless, in rare circumstances it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are initially measured at their fair values at acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the group's share of the fair value of the net assets acquired, the difference is recognised in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

c. **Income tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognized where the timing of the reversal of temporary differences can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Australian Gold Investments Limited and its wholly-owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. Australian Gold Investments Limited is the lead entity in the tax consolidated group.

d. Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

Depreciation on plant and equipment is provided on a prime cost basis over the estimated useful life of those assets.

The depreciation rates used for each class of depreciable assets for 2010 and 2009 are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25%

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

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

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

e. Financial Instruments.

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

(i) Financial assets at fair value through profit and loss.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designed as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the statement of financial position.

(iii) Held- to maturity Investments

Held-to maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risk and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit and loss as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity Investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented in profit and loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in profit and loss as part of revenue from continuing operations when the group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit and loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note (23).

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is reclassified from equity and recognised in profit and loss as a reclassification adjustment. Impairment losses recognised in profit and loss on equity instruments classified as available-for-sale are not reversed through profit and loss.

If there is evidence of impairment for any of the group's financial assets carried at amortised cost, the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit and loss.

f. Fair value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at balance sheet date. The quoted market price for financial assets is the current bid price and the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. The fair value of long-term debt instruments is determined using quoted market prices for similar instruments. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at balance sheet date. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

g. Impairment of non-financial assets

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

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

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

h. Exploration and Evaluation Expenditure

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

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

- (i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

i. Provisions

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

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

k. Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

l. Goods and services tax (GST)

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

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

m. Contributed equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

n. Critical accounting estimates and judgments

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

Key estimates — impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets including property, plant and equipment and identifiable intangible assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including levels of operating revenue and terminal values of assets. A material change to these key assumptions could result in a material adjustment to the carrying values of non-current assets.

No impairment has been recognised in respect of property, plant and equipment or exploration and evaluation assets for the year ended 30 June 2010.

o. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Australian Gold Investments Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

p. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

q. Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

r. Going concern basis of accounting

Notwithstanding the loss for the year, negative cash flow from operations and historical financial performance, the financial report has been prepared on a going concern basis. This assessment is based on a cash at bank balance at balance date and post balance date capital raising of \$2,030,000 cash, and the directors' understanding of expected cash outflows in the coming financial year.

Note 2: Revenue

	Consolidated Entity	
	2010 \$	2009 \$
Interest received	15,528	134,018
Other Revenue	108,556	-
	<u>124,084</u>	<u>134,018</u>

Note 3: Income tax

	Consolidated Entity	
	2010 \$	2009 \$

a. Income tax benefit

Accounting loss	(1,265,312)	(1,462,395)
Prima facie tax benefit on the loss from ordinary activities before income tax at 30% (2009: 30%) differs from the income tax provided in the financial statements as follows:		
Tax benefit at 30%	(379,594)	(438,719)
Tax effect of non-deductible expense	38,250	-
Add:		
- business related capital costs amortised	(53,585)	(53,585)
- exploration expenditure capitalised	(52,725)	(231,644)
Less:		
Deferred tax asset not brought to account	447,976	723,948
Income tax benefit attributable to operating loss	-	-

b. Unrecognised deferred tax assets

Deferred tax assets have not been recognised
In respect of the following item:

Tax losses	<u>1,280,976</u>	<u>833,623</u>
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The deductible tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Note 4: Key management personnel disclosures

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key management person	Position
Pnina Feldman	Chairperson
Sholom Feldman	Director / Chief Executive Officer
Paul Stephenson	Non-Executive Director
David Austin	Alternate Director

The key management personnel remuneration has been included in the remuneration report section of the director's report and Note 22.

Other key management personnel transactions with the Company or its controlled entities

From time to time, key management personnel of the Company or its controlled entities, or their related entities, may purchase goods from the the Group. These purchases are on the same terms and conditions as those entered into by other the Group employees or customers and are trivial or domestic in nature.

Options and rights over equity instruments granted as compensation

The movement during the reporting period in the number of options over ordinary shares in AGV Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2010

	Held at 1 July 2009	Granted as compensation	Lapsed	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Directors						
Pnina Feldman ⁽¹⁾	10,000,000	-	-	10,000,000	-	-
Sholom Feldman	-	-	-	-	-	-
Paul Stephenson	-	-	-	-	-	-
David Austin	-	-	-	-	-	-

2009

	Held at 1 July 2008	Granted as compensation	Lapsed	Held at 30 June 2009	Vested during the year	Vested and exercisable at 30 June 2009
Directors						
Pnina Feldman ⁽¹⁾	-	10,000,000	-	10,000,000	-	-
Sholom Feldman	-	-	-	-	-	-
Paul Stephenson	-	-	-	-	-	-
David Austin	-	-	-	-	-	-

No options held by key management personnel are vested but not exercisable.

(1) Performance options

- (a) 5,000,000 Performance Options issued to Pnina Feldman as executive chairperson exercisable at 20 cents each on or before 31 December 2012.
- (b) 5,000,000 Performance Options, issued to Pnina Feldman as a result of at least \$3,500,000 raised by the public offer exercisable at 30 cents each on or before 31 December 2012

Movements in shares

The movement during the reporting period in the number of ordinary shares in AGV Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2010

	Held at 1 July 2009	Acquired	Disposed	Held at 30 June 2010	Vested during the year	Vested and exercisable at 30 June 2010
Directors						
Pnina Feldman ⁽¹⁾	25,000,100	-	-	25,000,100	-	-
Sholom Feldman ⁽¹⁾	25,000,100	-	-	25,000,100	-	-
Paul Stephenson	-	-	-	-	-	-
David Austin	-	-	-	-	-	-

2009

	Held at 1 July 2008	Acquired	Disposed	Held at 30 June 2009	Vested during the year	Vested and exercisable at 30 June 2009
Directors						
Pnina Feldman ⁽¹⁾	100	25,000,000	-	25,000,100	-	-
Sholom Feldman ⁽¹⁾	100	25,000,000	-	25,000,100	-	-
Paul Stephenson	-	-	-	-	-	-
David Austin	-	-	-	-	-	-
Geoffrey Gander	-	-	-	-	-	-

(1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds:

- (c) 100 founder shares and 100 options exercisable at 20 cents each on or before 31 December 2012
- (d) 20,000,000 Shares and 20,000,000 options exercisable at 20 cents each on or before 31 December 2012 in its capacity as trustee of the 720 Unit Trust; and
- (e) 5,000,000 Shares and 5,000,000 options exercisable at 20 cents each on or before 31 December 2012 in its capacity as trustee of the L'Hayyim Trust.

Note 5: Auditor's remuneration

	Consolidated Entity	
	2010 \$	2009 \$
Remuneration of the auditor (Nexia Court & Co) of the parent entity for:		
An audit or review of the financial report of the Company		
- Current year	23,000	19,000
- Prior year	12,826	1,907
- Half-year review	9,758	8,605
Other services		
- Taxation services and advice	4,216	2,118
- Other accounting services	-	16,372
	49,800	48,002

Note 6: Earnings per share

	Consolidated Entity	
	2010 cents	2009 cents
Basic Earnings per Share		
a. Basic loss per share (cents)	(1.97)	(2.0)
Loss attributable to ordinary shareholders		
Earnings used to calculate basic EPS	(1,265,312)	(1,462,395)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	64,329,434	61,791,763
Diluted Earnings per Share		
a. Basic loss per share (cents)	(1.97)	(2.40)
Loss attributable to ordinary shareholders		
Earnings used to calculate diluted EPS	(1,265,312)	(1,462,395)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	64,329,434	61,791,763

Note 7: Cash and cash equivalents

	Consolidated Entity	
	2010	2009
	\$	\$
CURRENT		
Cash at bank	176,164	1,053,935

Note 8: Trade and other receivables

	Consolidated Entity	
	2010	2009
	\$	\$
CURRENT		
Prepaid rent	20,856	9,877
Prepaid Insurance	11,788	-
Other debtors	5,832	3,236
GST receivable	45,049	42,587
	83,525	55,700
NON-CURRENT		
Loan to Broads Dam Gold Holdings Pty Ltd	-	-
Loan to Pilbara Gold Holdings Pty Ltd	-	-
	-	-

Note 9: Other non-current assets

	Consolidated Entity	
	2010	2009
	\$	\$
NON-CURRENT		
Loan to Australian Iron Ore Pty Ltd	1,075	862
Loan to L'Hayyim Gold Pty Ltd	3,515	3,515
	4,590	4,377

Note 10: Controlled entities

	Country of incorporation	Percentage owned (%)	
		2010	2009
a. Controlled entities consolidated			
Parent entity:			
Australian Gold Investments Limited	Australia		
Subsidiaries of Australian Gold Investments Limited			
Pilbara Gold Holdings Pty Ltd	Australia	100%	100%
Broads Dam Gold Holdings Pty Ltd	Australia	100%	100%

* Percentage of voting power is in proportion to ownership

Note 11: Financial assets

	Consolidated Entity	
	2010 \$	2009 \$
NON-CURRENT		
Investment in Pilbara Gold Holdings Pty Ltd	-	-
Investment in Broads Dam Gold Holdings Pty Ltd	-	-
	-	-

Note 12: Exploration and evaluation

	Consolidated Entity	
	2010 \$	2009 \$
NON-CURRENT		
Balance as 30 June	1,534,937	762,791
Mining permits, tenement acquisition and administration and geologist expenses	175,749	772,146
Balance as 30 June	1,710,686	1,534,937
Exploration expenses written off during the year	201,079	163,460

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- the results of future exploration, and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Note 13: Property, plant and equipment

	Consolidated Entity	
	2010 \$	2009 \$
NON-CURRENT		
Mining Equipment		
At cost	513,255	513,255
Accumulated depreciation	(190,588)	(62,274)
Total written down amount	322,667	450,981

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2010	Mining Equipment \$	Total \$
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Consolidated Entity:

Carrying amount year ended 30 June 2009	450,981	450,981
Additions	-	-
Disposals	-	-
Depreciation expense	(128,314)	(128,314)
Impairment loss	-	-
Carrying amount year ended 30 June 2010	322,667	322,667

2009	Mining Equipment \$	Total \$
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Consolidated Entity:

Carrying amount year ended 30 June 2008	-	-
Additions	513,255	513,255
Disposals	-	-
Depreciation expense	(62,274)	(62,274)
Impairment loss	-	-
Carrying amount year ended 30 June 2009	450,981	450,981

Note 14: Trade and other payables

	Consolidated Entity	
	2010 \$	2009 \$
CURRENT		
Unsecured liabilities		
Trade payables	205,825	138,711
Accrued expenses	122,000	88,600
	<u>327,825</u>	<u>227,311</u>

Note 15: Other financial liabilities

	Consolidated Entity	
	2010 \$	2009 \$
NON-CURRENT		
Loan - Broads Dam Gold Holdings Pty Ltd	-	-
Loan - Pilbara Gold Holdings Pty Ltd	-	-
	<u>-</u>	<u>-</u>

Note 16: Issued capital

	Consolidated Entity	
	2010 \$	2008 \$
71,041,763 (2009: 61,791,763) fully paid ordinary shares	4,939,159	4,704,159

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

	2010 No.	2010 \$.	2009 No.	2009 \$
a. Ordinary shares				
At the beginning of reporting period	61,791,763	4,704,159	61,791,763	4,704,159
Shares issued during the year				
Shares issued for cash				
– 31 December 2009	5,000,000	250,000	-	-
Share based payments (refer note 17.)				
– 25 June 2010	4,250,000	-	-	-
	71,041,763	4,954,159	-	-
Less Cost of capital	-	(15,000)	-	-
At reporting date	71,041,763	4,939,159	61,791,763	4,704,159

Terms and Conditions of Issued CapitalOrdinary Shares

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

b. Options on issue

The following reconciles the outstanding share options at the beginning and year end of the financial year:

	2010 No.	2009 No.
Description		
At the beginning of reporting period	55,291,763	55,291,763
Granted during the financial year	-	-
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Expired during the financial year	-	-
Balance at the end of the financial year	55,291,763	55,291,763
Exercisable at the end of the financial year	55,291,763	55,291,763

Options

Each of the options entitles the holder to one fully paid ordinary share in the Company. The terms of the options on issue are:

45,291,763 exercisable at \$0.20 on or before 31 December 2012

5,000,000 performance options exercisable at \$0.20 on or before 31 December 2012

5,000,000 performance options exercisable at \$0.30 on or before 31 December 2012

27,500,100 underlying shares for each of the options were subject to a 24 month ASX imposed escrow period which expired in January 2010.

Note 17: Share based payments reserve

Share based payments reserve

The share based payments reserve records items recognised as expenses on share based payments.

	Consolidated Entity	
	2010 \$	2009 \$
55,291,763 options vested		
Balance as 1 July	948,000	948,000
Equity settled share based payments	127,500	-
Cost of capital share based payments	-	-
Balance as at 30 June	1,075,500	948,000

On 25 June 2010, the company issued 4,250,000 ordinary shares as consideration for consulting services. The share price at the date of issue was 3 cents per share, resulting in consideration for consulting services of \$127,500 to Hartleys Limited.

Note 18: Accumulated losses

	Consolidated Entity	
	2010 \$	2009 \$
Balance 1 July	(2,779,540)	(1,317,145)
Loss for the year	(1,265,312)	(1,462,395)
Balance 30 June	(4,044,852)	(2,779,540)

Note 19: Commitments for expenditure

	Consolidated Entity	
	2010 \$	2009 \$
Exploration and evaluation		
– not later than 1 year	305,120	272,620
– later than 1 year but no later than 5 years	-	-
	305,120	272,620

Note 20: Cash Flow Information

	Consolidated Entity	
	2010 \$	2009 \$
a. Reconciliation of cash flows used in operations with loss after income tax		
Loss after income tax	(1,265,312)	(1,462,395)
Non-cash flows in loss		
Depreciation	128,314	62,274
Share based payments expense	127,500	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(2,809)	8,683
Increase in prepayments	(22,767)	(325)
Increase in GST receivable	(2,462)	(42,587)
Increase in trade payables and accruals	100,514	89,866
Net cash used in operating activities	(937,022)	(1,344,484)

Note 21: Share based payments

The following share-based payment arrangements existed at 30 June 2010:

All options granted to directors in Australian Gold Investments Limited, which confer a right of one ordinary share for every option held.

	Consolidated and Parent Entity	
	2010 Number of options	2009 Number of options
Outstanding at the beginning of the year	11,000,000	11,000,000
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at year-end	11,000,000	11,000,000
Exercisable at year-end	11,000,000	11,000,000

There were no options exercised during the year ended 30 June 2010 (2009: Nil)

Note 22: Related parties transactions

Identity of related parties

The consolidated entity has related party relationships with its subsidiary and with its key management personnel

The Company and Australian Gemstone Mining Pty Limited (**AGMPL**) are parties to a management services agreement (**Management Services Agreement**) dated 1 July 2007, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Simon Pecover – Head Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Company Secretary.

In respect of each of these executives (**Key Management Personnel**), AGMPL was paid a retainer for the period ended 30 June 2010. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Simon Pecover and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provided suitable fully serviced offices to the Company at its Sydney CBD offices at Level 34, 50 Bridge St, which includes use of office space, the board room, kitchen, access to a full time receptionist, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provided additional administrative services to the Company, such as secretarial, accounting and office management services. These services were provided to the Company by AGMPL on reasonable arm's length terms as approved by the independent director(s).

(AGMPL) Services	Note	Consolidated Entity	
		2010 \$	2009 \$
Rent		121,559	116,332
Management & Secretarial		130,284	94,050
Exploration & Geological		163,577	162,667
Executive & Corporate Services		321,336	365,910
Reimbursement of Expenses		45,158	56,509
Total		781,914	795,468

The Company engaged HWL Ebsworth Lawyers to provide legal, contractual and consulting services on a fee for service basis at commercial rates. Paul Stephenson, a director of AGV, is a partner in HWL Ebsworth. During the financial year ended 30 June 2010, HWL Ebsworth was paid \$20,932 (2009: \$88,739) for these services.

Note 23: Financial instruments

a. Financial risk management

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The main risk the consolidated entity is exposed to through its financial instruments is interest rate risk.

Interest rate risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result in changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities refer Note 23 (b).

Foreign currency risk

The consolidated entity is not exposed to fluctuations in foreign currencies.

Credit risk

Neither the consolidated or parent entities have any material credit or other risk exposure to any single receivable or Group of receivables or payables under financial instruments entered into by the consolidated entity.

Liquidity risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves or unutilised borrowings are maintained.

Price risk

The consolidated entity is not exposed to any material commodity price risk.

b. Financial Instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet

	Weighted average effective interest rate		Floating interest rate		Within one year		1 to 5 years		Non-interest bearing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Consolidated Entity	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Financial assets:

Cash and cash equivalents	2.5%	5.7%	176,164	1,053,935	-	-	-	-	-	-	176,164	1,053,935
Trade and other receivables	-	-	-	-	-	-	-	-	10,422	7,613	10,422	7,613
Total financial assets	-	-	176,164	1,053,935	-	-	-	-	10,422	7,613	186,586	1,061,548

Financial liabilities:

Trade payables	-	-	-	-	-	-	-	-	205,825	138,711	205,825	138,711
Total financial liabilities	-	-	-	-	-	-	-	-	205,825	138,711	205,825	138,711

Note 24: Parent Entity Disclosures

	Note	2010 \$	2009 \$
Financial Position			
Assets			
Current assets		259,689	1,109,635
Non-current assets		<u>2,075,543</u>	<u>2,027,895</u>
Total assets		<u>2,335,232</u>	<u>3,137,530</u>
Liabilities			
Current liabilities		327,825	227,311
Non-current liabilities		<u>37,600</u>	<u>37,600</u>
Total liabilities		<u>365,425</u>	<u>264,911</u>
Equity			
Issued capital		4,939,159	4,704,159
Share based payment reserve		1,075,500	948,000
Accumulated losses		<u>(4,044,852)</u>	<u>(2,779,540)</u>
Total Equity		<u>1,969,807</u>	<u>2,872,619</u>
Financial Performance			
Profit for the year		(1,265,312)	(1,462,395)
Other comprehensive income		-	-
Total comprehensive income		<u>(1,265,312)</u>	<u>(1,462,395)</u>

Note 25: Change in accounting standards

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

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013). These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

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

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

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

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

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

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

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

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

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

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

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

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial

Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).
This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.
- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011). This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.
- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).
This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

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

Note 26: Company details

The registered office of the Company and principal place of business is:

Australian Gold Investment Limited
Level 34, 50 Bridge Street
Sydney, NSW 2000

Note 27: Contingent liabilities

The Company may be liable for bank guarantees of \$20,000 in relation to mining tenements exploration commitments.

Note 28: Segment reporting

The consolidated entity consists of one business segment operating predominately in Australia and investing in mineral exploration and identification of potential mining assets for acquisition and development.

Note 29: Subsequent events

As announced to the ASX on 21 July 2010, AGV resolved to issue the following

1. 29 million shares at an issue price of 7 cents per share to raise approximately \$2 million to advance the South Johnson bauxite project.
2. 65 million shares and 65 million options as consideration for the acquisition of assets from Volcan Australia Limited and Volcan Holdings Inc. Volcan is a related party by way of common directors.
3. 20.75 million shares to Hartleys Limited as consideration for advisory services in lieu of advisory fees.

Other than the matters above, there has not in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

Directors' declaration

The directors of the company declare that:

1. in the directors' opinion, the financial statements and accompanying notes set out on pages 32 to 61 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date;
2. note 1 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
3. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
4. the remuneration disclosures included in pages 24 to 27 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2010, comply with section 300A of the *Corporations Act 2001*; and
5. the directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Pnina Feldman

Chairperson

Dated this 29th day of September 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN GOLD INVESTMENTS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Australian Gold Investments Limited, which comprises the balance sheet as at 30 June 2010, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.



Auditor's Opinion

In our opinion:

- (a) the financial report of Australian Gold Investments Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages XX to XX of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Australian Gold Investments Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Nexia Court & Co.

Nexia Court & Co
Chartered Accountants

Sydney, 29 September 2010



David Gallery
Partner

ADDITIONAL INFORMATION – AS AT 15 SEPTEMBER 2010**(a) Distribution schedule and number of holders of equity securities as at 15 September 2010**

	1 – 1,000	1,001 5,000	– 5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (AGV)	5	26	94	199	77	401
Unlisted Options – 20c 31/12/12	-	-	-	-	1	1
Unlisted Options – 30c 31/12/12	-	-	-	-	1	1
Unlisted Options – 20c 31/12/12	-	-	-	-	9	9
Unlisted Options – 20c 31/12/12	-	-	-	-	7	7
Unlisted Options – 20c 31/12/12	-	-	-	-	7	7

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 15 September 2010 is 16.

(b) 20 largest holders of quoted equity securities as at 15 September 2010

The names of the twenty largest holders of fully paid ordinary shares (ASX code: AGV) as at 29 September 2010 are:

RANK	NAME	NUMBER	PERCENTAGE
1.	L'HAYYIM PTY LIMITED <770 UNIT A/C>	20,000,000	17.38
2.	ZENIX NOMINEES PTY LTD	19,250,000	16.73
3.	KLIP PTY LTD <BEIRNE SUPER FUND A/C>	6,530,714	5.68
4.	RENLYN BELL INVESTMENTS PTY LTD <G&R BONACCORSO FAMILY A/C>	6,250,000	5.43
5.	L'HAYYIM PTY LIMITED <L'HAYYIM A/C>	5,000,100	4.35
6.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,991,214	4.34
7.	DR SALIM CASSIM	4,970,000	4.32
8.	SPRINGTIDE CAPITAL PTY LTD <COCKATOO VALLEY INVEST A/C>	3,546,571	3.08
9.	JP MORGAN NOMINEES AUSTRALIA LIMITED	2,857,143	2.48
10.	SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	2,500,000	2.17
11.	R W ASSOCIATES PTY LTD	2,328,393	2.02
12.	MND AUSTRALIA PTY LTD <MND AUSTRALIA A/C>	2,083,333	1.81
13.	BEIRNE TRADING PTY LTD	1,506,000	1.31
14.	GANDRIA CAPITAL PTY LTD <THE TEDBLAHNKI FAMILY A/C>	1,428,571	1.24
15.	MR J & N GEORGIADIS <THE GEORGIADIS S/F A/C>	1,428,571	1.24
16.	LUPA AND COMPANY PTY LTD	1,139,285	0.99
17.	CHERYL PEARSE ENTERPRISES PTY LIMITED	1,100,000	0.96
18.	BEECHEY GLOBAL CORP LIMITED	1,000,000	0.87
19.	C W JOHNSTON PTY LTD <C W JOHNSTON SUPER FUND A/C>	1,000,000	0.87
20.	OZZITEC INCORPORATED	964,286	0.84
TOTAL: Top 20 holders of ORDINARY FULLY PAID SHARES		89,874,181	78.12
TOTAL: Remaining Holders Balance		25,167,582	21.88
GRAND TOTAL		115,041,763	100.00

Stock Exchange Listing – Listing has been granted for all ordinary fully paid shares of the Company on issue on ASX Limited.

(c) Substantial shareholders

Substantial shareholders in Australian Gold Investments Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices given to the Company are listed below:

	No. Shares Held	% of Issued Capital
L'Hayyim Pty Ltd	25,000,100	21.73
Zenix Nominees Pty Ltd	19,250,000	16.73

(d) Unquoted Securities

The number of unquoted securities on issue as at 15 September 2010:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options	5,000,000	20c	31/12/12
Unquoted Options	5,000,000	30c	31/12/12
Unquoted Options	9,291,663	20c	31/12/12
Unquoted Options	36,000,000	20c	31/12/12
Unquoted Options	46,000,100	20c	31/12/12

(e) Names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 29 September 2009

Security	Name	Number of Securities
Unlisted Options – 20c 31/12/12	Pnina Feldman	5,000,000
Unlisted Options – 30c 31/12/12	Pnina Feldman	5,000,000
Unlisted Options – 20c 31/12/12	Renlyn Bell Investments	6,250,000
Unlisted Options – 20c 31/12/12	L'Hayyim Pty Ltd	25,000,100
Unlisted Options – 20c 31/12/12	L'Hayyim Pty Ltd	25,000,100

(f) Restricted Securities as at 29 September 2009

There are 27,500,100 restricted securities on under ASX imposed escrow until January 2010.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unlisted options have no voting rights.