

TVN CORPORATION LIMITED
ABN 95 066 139 991

ANNUAL REPORT
30 June 2011

CORPORATE DIRECTORY

Directors

Chris Mardon- Managing Director
Gerry Fahey – Non-executive Director
Hugh Warner – Non-executive Chairperson
James Thompson – Non-executive Director

Company Secretary

Neil Hackett

Auditors

Stantons International
Level 1
1 Havelock Street
West Perth WA 6005

Solicitors

Mallesons Stephen Jaques
Level 10
Central Park
152 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

Registered Office

Suite 7
245 Churchill Ave
Subiaco WA 6008

Telephone: +61 8 6143 9108
Facsimile: +61 8 9388 3006

Share Registry

Computershare Limited
Level 2
45 St Georges Terrace
PERTH WA 60000

Investor Enquiries: 1300 850 505
Facsimile: (03) 9323 2033

Stock Exchange Listing

Securities of TVN Corporation Limited are listed on the Australian Securities Exchange.

ASX Code: TVN

Web Site: www.tvncorporation.com.au

Annual Report – 30 June 2011

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DIRECTORS' REPORT
30 June 2011

Your directors submit the Directors' Report and Financial Report of TVN Corporation Limited ("Company") for the year ended 30 June 2011.

Directors

The names of the directors of the Company in office for the financial year and until the date of this report are as follows:

Chris Mardon
Gerry Fahey
Hugh Warner

James Thompson was appointed a director on 6 April 2011 and continues in office at the date of this report.

Principal activities

This year has been a year of significant growth and activity for the Company. The company has grown from having a small internet marketing business into an international resources company. This growth has resulted from an active pegging campaign initiated the previous year followed up with an aggressive project acquisition period in Mongolia, culminating with the signing of an Option to Acquire the Nuurst Thermal Coal Project in Central Mongolia. Since signing the Option to Acquire the Nuurst Project, the company has undertaken two capital raisings to fund the Nuurst Project acquisition, exploration program and provide working capital. On 7 July 2011, the Company issued 76,000,000 shares at \$0.02 per share to raise \$1,520,000. On 23 August 2011, the Company issued a further 90,000,000 Shares at \$0.04 per share to raise \$3.6million. As at the date of this Report the company holds approximately \$2.9 million in cash. An additional USD1.35 million is being held in solicitor trust account pending completion of the Nuurst transaction.

Australian Projects

Pilbara Tenements E08/2110 & E08/2111

In November 2010 the Company's first Pilbara tenement (E08/2111) was granted. This was followed with a second Pilbara tenement (E08/2110) being granted in late February 2011. These two tenements provide a total of 7,840 Ha now available to explore in Western Australia. E08/2111 has potential to host manganese, copper and gold mineralization and E08/2110 has potential for iron ore mineralisation.

South East Tenements

TVN has an application for an exploration licence in place for the tenement (E74/464). This area is prospective for manganese.

New Board Member

As announced on 6 April, Mr James Thompson was appointed as a non-executive Director of the company. Mr Thompson has 18 years experience in principal investment, investment banking and corporate finance/ restructuring related activities. He is a qualified chartered accountant, admitted legal practitioner, Fellow of FINSIA and holds a Bachelor of Commerce and Bachelor of Laws. Mr Thompson will assist with the generation of new projects for the company.

Nuurst Thermal Coal Project Acquisition in Mongolia

Following extensive preliminary due diligence on many Mongolian projects during the year, on the 24th June TVN entered into an exclusive option agreement to purchase the Nuurst Thermal Coal Project in central Mongolia. Total acquisition cost of the Nuurst project will be approximately USD 1.64 million dollars including taxes and associated fees.

Project outline:

Nuurst is a 34.5 sq. km exploration licence located 120kms south of Ulaanbaatar in an area with a number of operating coal mines. Nuurst is 6km from existing rail infrastructure providing low cost access to the key Asian coal export markets.



Map sourced from: http://www.nationsonline.org/oneworld/map/mongolia_map2.htm

Figure 1; Location of the Nuurst Thermal Coal Project in Central Mongolia and its proximity to regional markets

Following a review of available historical data, Nuurst had an exploration target of 50 to 100 million tonnes thermal coal.

Throughout July and August 2011, TVN has been conducting due diligence drilling on the Nuurst Licence. Drilling to date has defined a significant coal sequence in the south western portion of the tenement. The table below outlines drilling completed to date:

Hole ID	Drilled depth m	Dip azimuth (°)	EUTM	NUTM	From	To	Downhole Coal Sequence Thickness	Cummulative Downhole Seam Thickness
NDH-01	229	-90	718100	5240800	82 m	219 m	137 m	124 m
NDH-02	314	-90	718050	5241200	114 m	306 m	192 m	148 m
NDH-04	311	-90	718001	5242010	199 m	302 m	103 m	81 m
NDH-05	200	-90	717800	5242800	220 m	317 m	97 m	37 m
NDH-06	200	-90	717800	5240400	68 m	246 m	178 m	134 m
NDH-08	300	-90	717000	5240400	109 m	271 m	162 m	119 m

Drilling to date has identified the following quality parameters for Nuurst coal:

Assay Data	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Calorific Value	Calorific Value	Calorific Value	Relative Density
	% adb	% adb	% adb	% adb	% adb	Kcal/kg adb	Kcal/kg db	Kcal/kg daf	g/cm3 ad
Overall Average of All Holes	25.42	12.97	37.92	23.69	0.92	4,117	5,538	6,678	1.45

DIRECTORS' REPORT

30 June 2011

The full extent of the coal bearing sequence can be clearly seen in the long section (Figure 2) below. This extends for over 2.4 km, in a north-south direction. Drilling across the coal sequence is extending in a westerly direction. Over the remainder of this drilling season, drilling will focus on identifying a JORC reportable resource over the southwestern portion of the tenement by the end of this calendar year.

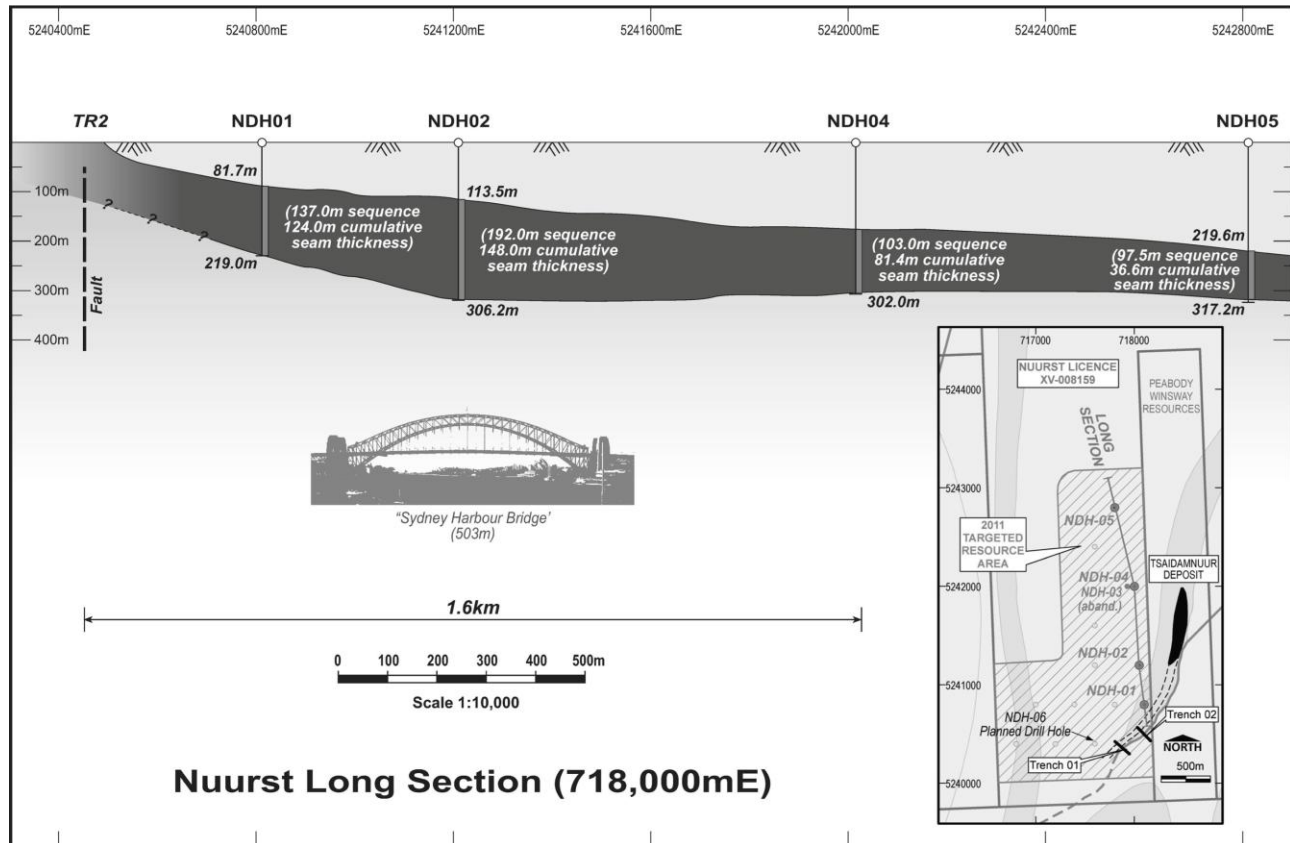


Figure 2: North – South Long section through the coal sequence on the Nuurst Project.

Competent Person Statement

The information in this report that related to exploration results is based on information obtained from the vendor and Cadastral archives in Mongolia and recent drilling and trenching activities on site. This information has been reviewed by Mr Geoff Richards of CSA Global Pty Ltd, Western Australia. Mr Richards is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in form and context in which it appears.

Dividends

No dividends were paid or proposed to be paid to members during the financial year (2010: Nil).

DIRECTORS' REPORT
30 June 2011

Review of operations and results

During the year the Company made a loss from continuing operations of \$992,322 (2009: \$501,500). Additional information on the operations and financial position of the Company is set out in the Directors' Report and Financial Report.

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Company since the previous Financial Report and during the financial year.

Matters subsequent to the end of the financial year

Other than progression of the due diligence and the drilling program for the purchase of the Nuurst Thermal Coal Project in Mongolia, share placements of 76,000,000 and 90,000,000 ordinary shares made on 7 July 2011 and 16 August 2011 to raise \$1,520,000 and \$3,600,000 (before costs) and the exercise of 15,000,000 1 cent options, since 30 June 2011 there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

- (1) the Company's operations in future financial years, or
- (2) the results of those operations in future financial years, or
- (3) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

The Company will continue with its current activities. The company continues to actively review the acquisition of additional thermal and coking coal projects in Mongolia.

Environmental regulation

With the commencement of exploration activities, the Group is subject to environmental regulations.

Information on directors

Term of office

Chris Mardon - appointed 27 March 2008 and continues in office at the date of this report

Gerry Fahey - appointed 25 September 2008 and continues in office at the date of this report

Hugh Warner - appointed 20 April 2010 and continues in office at the date of this report

James Thompson - appointed 6 April 2011 and continues in office at the date of this report

Individual director information

Chris Mardon (Managing Director, age 43)

Experience and expertise

Chris Mardon has had over 20 years of experience in the resources industry having graduated in mining engineering in 1990. He has held senior roles in resource companies and overseen feasibility studies, development and management of a number of mining operations both locally and overseas.

Other current directorships

Nil

DIRECTORS' REPORT

30 June 2011

Individual director information (continued)

Chris Mardon (Continued)

Former directorships in the last three years

Nil

Special responsibilities

Chief Executive Officer

Interests in shares and options

8,000,000 ordinary shares

33,000,000 options to acquire ordinary shares

Individual director information (continued)

Gerry Fahey (Non-executive director, age 59)

Experience and expertise

Gerry Fahey has over 35 years experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of Kanowna Belle, Golden Feather, Sunrise and Wallaby projects. Gerry is currently a Director of CSA Global Pty Ltd and a member of the Joint Ore Reserve Committee (JORC) and outgoing Chairman of the WA Branch of the Federal Council for the Australian Institute of Geoscientists (AIG).

Other current directorships

Focus Minerals Ltd (Appointed 20th April 2011)

Former directorships in the last three years

Nil

Special responsibilities

None

Interests in shares and options

2,000,000 ordinary shares

5,000,000 options to acquire ordinary shares

Hugh Warner (Non-executive director and Chairperson, age 42)

Experience and Expertise

Hugh Warner holds a Bachelor of Economics degree from the University of Western Australia. Hugh has a broad experience as a public company director having been a director of approximately 25 publicly listed companies involved in the mining, oil & gas, biotechnology and service industries.

Other Current Directorships

TPL Corporation Limited (Appointed on 17 May 2010)

Former Directorships in the Last Three Years

TVN Corporation Limited (Resigned 27 March 2008)

Special Responsibilities

None

Interests in Shares and Options

70,205,528 ordinary shares

DIRECTORS' REPORT
30 June 2011

Individual director information (continued)

James Thompson (Non-executive director, age 42)

Experience and Expertise

James Thompson has 18 years experience in principal investment, investment banking and corporate finance and restructuring related activities. He is a qualified chartered accountant, admitted legal practitioner, Fellow of FINSIA and Holds a Bachelor of Commerce and Bachelor of Laws.

Other Current Directorships

None

Former Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

35,000,000 ordinary shares

8,000,000 options to acquire ordinary shares

Company secretary

The company secretary is Neil Hackett. Neil was appointed to the position of company secretary on 19 July 2010.

Experience and Expertise

Neil Hackett has approximately 19 years company secretarial, compliance and corporate governance experience including 7 years ASX200 listed company secretary experience with diversified industrial and financial services entities. Neil holds a Bachelor of Economics and is a Fellow of Finsia, GAICD and Affiliate of Chartered Secretaries Australia.

Meetings of directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2010, and the number of meetings attended by each director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Chris Mardon	5	5
Gerry Fahey	5	5
Hugh Warner	5	5
James Thompson	2	2

DIRECTORS' REPORT
30 June 2011

Remuneration Report (Audited)

The Remuneration Report is set out under the following main headings:

- (1) Principles used to determine the nature and amount of remuneration;
- (2) Details of remuneration;
- (3) Service agreements; and
- (4) Share-based compensation.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

1 Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- (i) focuses on sustained growth in shareholder wealth; and
- (ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

- (i) rewards capability and experience; and
- (ii) provides a clear structure for earning rewards.

2 Details of remuneration

Directors' fees

Executive director

The remuneration package of the executive director, Chris Mardon, is detailed below under "Service agreements". The fees and payments to the executive director reflect the demands which are made on, and the responsibilities of, the director, and are in line with market. There is no past or current relationship between the executive director's remuneration and the financial performance of the Company. The executive director's remuneration is reviewed annually by the board to ensure that the fees and payments remain appropriate and in line with the market.

The executive director did not receive any share based payments during the financial year. 25 million options were allotted to him as part of his compensation package during the 2009 financial year. With shareholder approval given on 15 March 2010, 8,000,000 shares and 8,000,000 free attaching options exercisable at 1 cent on or before 31 December 2011 were issued to Chris Mardon on payment by him of the consideration of 0.5 cents per share.

DIRECTORS' REPORT

30 June 2011

Remuneration report (continued)

Non-executive directors

Fees to the non-executive directors are determined by the board as appropriate having regard to the market and the aggregate remuneration specified in the Company's Constitution and determined by the shareholders in general meeting. The fees are reviewed annually. There is no relationship between the executive director's remuneration and the financial performance of the Company.

2 Details of remuneration

Neither of the non-executive directors, Gerry Fahey or Hugh Warner received share based payments during the financial year. With shareholder approval given on 17 June 2011, the non-executive director, James Thompson received a share based payment by the grant of 3,000,000 options exercisable at 2 cents before 30 September 2012.

With shareholder approval given on 15 March 2010, 2,000,000 shares and 2,000,000 free attaching options were issued to Gerry Fahey on payment by him of the consideration of 5 cents per share.

Retirement allowances and benefits for directors

There are no retirement or termination allowances, profit sharing, bonuses, or other performance related remuneration or benefits paid to directors.

The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) is set out in the following table. During the financial year there were no executives other than the directors. There was no remuneration of any type to the directors, other than as reported below for the provision of director, company secretarial and management services.

DIRECTORS' REPORT
30 June 2011

Remuneration report (continued)

		Short term employee benefits					Post employment benefits		Share based payments	Total	Proportion of remuneration performance fixed	Value of options as proportion of remuneration
		Salary & fees	Cash bonuses	Non-monetary benefits	Other	Total	Super-annuation	Termination benefits	Options			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Executive director												
Chris Mardon (appointed 27 March 2008)	2011	246,573	-	5,707	1,088	253,368	7,431	-	-	260,799		
	2010	232,906	-	5,513	388	238,807	7,431	-	-	246,238		
Non-executive directors												
Ian Hobson (resigned 20 April 2010)	2011	-	-	-	-	-	-	-	-	-		
	2010	50,000	-	4,426	-	54,426	-	-	-	54,426		
Gerry Fahey (appointed 25 Sept 2008)	2011	27,523	-	5,707	-	33,230	2,477	-	-	35,707		
	2010	27,523	-	5,513	-	33,036	2,477	-	2,172	37,685		5.76
Hugh Warner (appointed 20 April 2010)	2011	66,055	-	5,707	-	71,762	5,945			77,707		
	2010	13,296	-	1,088	-	14,384	1,197			15,581		
James Thompson (appointed 6 April 2011)	2011	7,250	-	1,345	-	8,595	-	-	6,731	15,326		43.92
	2010	-	-	-	-	-	-	-	-	-		
Totals	2011	347,401	-	18,466	1,088	366,955	15,853	-	6,731	389,539		2.23
Totals	2010	323,725		16,540	388	340,653	11,105		2,172	353,930		0.61

DIRECTORS' REPORT
30 June 2011

Remuneration report (continued)

2 Details of remuneration (continued)

The fees paid to director related entities were for the provision of services of the particular director to the Company are as follows:

- (a) Reef Resources Pty Ltd, an entity associated with Chris Mardon, was paid \$164,004 (2010:\$150,337) for consulting fees.
- (b) Anglo Pacific Ventures Pty Ltd, an entity associated with Hugh Warner, was paid \$30,000 (2010:\$30,000) for rental in respect to the office provided to the Company by Anglo Pacific Ventures Pty Ltd.
- (c) Ophiolite Consultants Pty Ltd, an entity associated with James Thompson, was paid \$7,250 (2010:\$Nil) for director's fees; and
- (d) Churchill Services Pty Ltd, an entity associated with Ian Hobson, was paid \$nil (2010:\$50,000) for company secretarial services.

3 Service agreements

There is an Executive Services Agreement with Reef Resources Pty Ltd, a company associated with Chris Mardon, to discharge the function of Chief Executive Officer from 1 October 2008 until termination in accordance with the agreement. The details are:

- 1. Fee is \$164,000 per annum subject to an annual review on each 30 June;
- 2. the Company meets the insurance premium of public and professional liability cover and memberships of relevant professional organizations;
- 3. The Company reimburses costs and expenses reasonably incurred;
- 4. The Company can terminate the agreement on twelve months (12) months notice, or a \$50,000 payment in lieu of notice; and
- 5. The contractor can terminate the agreement on three (3) months notice, or shorter if agreed by the Board.

There are letters of director appointment with each director which set out the annual fixed fee and terms and conditions of the appointment including compliance with the Company's Constitution and Corporate Governance Policies; re-election, retirement and office vacancy; duties; remuneration; insurance and indemnity; disclosure of interests; and confidentiality. They serve until they resign, are removed, cease to be a director or prohibited from being a director under the provisions of the *Corporations Law 2001*, or are not re-elected to office. They are remunerated on a monthly basis with no termination payments payable.

As at the date of this report there are no executives or management personnel engaged by the Company other than the directors.

4 Share-based compensation

With shareholder approval given on 17 June 2011, James Thompson received a share based payment by the grant and vesting of 3,000,000 options exercisable at 2 cents on or before 30 September 2012. The fair value of the options totaled \$6,732.

The fair value of the options at the grant date is determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. The fair value calculation and inputs to the Black Scholes model are shown at Note 14(d).

DIRECTORS' REPORT

30 June 2011

Remuneration report (continued)

No options issued to key management personnel were cancelled or lapsed during the year.

4 Share-based compensation (continued)

12,000,000 options exercisable at \$0.01 each granted to Hugh Warner were exercised during the year. Those were issued free with a capital raising.

There were no share based payments made to directors and no options issued to key management personnel were exercised, cancelled or lapsed during the 2010 financial year.

(End of remuneration report)

Additional information

(a) Shares under option

At 30 June 2011, there were 84,500,000 ordinary shares under option with 31,000,000 options exercisable at 2 cents that expire on 30 September 2012; and 53,500,000 options exercisable at 1 cent that expire on 31 December 2011(2010: 28,000,000 ordinary shares under option exercisable at 2 cents on or before 30 September 2012 and 58,000,000 options exercisable at 1 cent on or before 31 December 2011). See note 13(b). Subsequent to 30 June 2011, 15,000,000 options exercisable at 1 cent have been issued.

17,000,000 ordinary shares were issued during the financial year on the exercise of options (2010:Nil).

(b) Insurance of officers

During the financial year the Company paid premiums of \$18,466 (2010: \$16,540) to insure the directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(c) Agreement to indemnify officers

The Company has entered into an agreement with each director to allow access to the Company's records, to provide directors and officers insurance cover and to indemnify the director against any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings. No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on behalf of the Company

No person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237 of the *Corporations Act 2001*.

DIRECTORS' REPORT
30 June 2011

Additional information (continued)

(e) Auditor

Stantons International continues in office in accordance with Section 327 of the *Corporations Act 2001*.

(f) Indemnity of Auditor

The auditor (Stantons International) has not been indemnified under any circumstance.

(g) Audit services

During the financial year \$19,018 (excluding GST) was paid or is payable for audit services provided by the auditor, Stantons International (2010: \$18,018).

(h) Non-audit services

There were no non-audit services provided by the auditor (Stantons International) during the financial year. However, the Company may in the future decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

(i) Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 16 of the Annual Report.

Signed in accordance with a resolution of the directors.
On behalf of the Directors



Chris Mardon
Director
Perth
27 September 2011

26 September 2011

Board of Directors
TVN Corporation Limited
Suite 6, 245 Churchill Avenue
PERTH WA 6008

Dear Sirs

RE: TVN CORPORATION LIMITED

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

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

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

Yours faithfully

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



J P Van Dieren
Director

CORPORATE GOVERNANCE STATEMENT

TVN Corporation Limited (the "Company") and the board are committed to achieving and demonstrating the highest standards of corporate governance. The board continues to review the framework and practices to ensure they meet the interests of shareholders. Where the Company has not adhered to the policies set out in its board charter for corporate governance it has stated that fact in the Annual Report.

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the board.

Compliance with the Corporate Governance Council Recommendations

The Company's corporate governance framework is reported against the good corporate governance and best practice recommendations released by the Australian Securities Exchange Corporate Governance Council in August 2007.

Whilst the board is committed to adoption, generally the structure of the board, the size of the Company and the scale of its activities does not require full adoption of the policies and recommendations at this time. However, when the circumstances require it, policies will be implemented and complied with as they become applicable.

The corporate governance charters and policies adopted by the board are available from the Company's registered office and website www.tvncorporation.com.au.

Main Corporate Governance Practices

A description of the Company's main current corporate governance practices are set out below. All these practices, unless otherwise stated, were in place for the entire year.

The board of directors

The board operates in accordance with the broad principles set out in its charter which is available from the Company's registered office. The charter details the board's composition and responsibilities.

Board composition

Consistent with the size of the Company and its activities, the board is comprised of four (4) directors, 3 of whom are non-executive directors, but they are not considered to be independent. The board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the board does not currently conform to its policy but it is the board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Details of the members of the board, their experience, expertise, qualifications, term of office and status are set out in the Directors' Report under the heading "Information on directors".

Board Responsibilities

The board is responsible for all functions which include responsibilities that may otherwise be delegated to other executive if that executive was in place. The functions of the board include:

- (i) providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy;
- (ii) reviewing and approving business plans and financial plans including available resources and major capital expenditure initiatives;
- (iii) overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;

CORPORATE GOVERNANCE STATEMENT

Board Responsibilities (continued)

- (iv) compliance with the Company's code of conduct;
- (v) progressing major capital works and other significant corporate projects including any acquisitions or divestments;
- (vi) monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- (vii) appointment, performance assessment and, if necessary, removal of the directors;
- (viii) ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the Chief Financial Officer and the Company Secretary;
- (ix) ensuring there are effective management processes in place and approving major corporate initiatives;
- (x) enhancing and protecting the reputation of the organisation; and
- (xi) overseeing the operation of the Company's system for compliance and risk management reporting to shareholders.

Chairperson

The Company has appointed the non-executive director, Hugh Warner, as Chairperson. The Chairperson is responsible for leading the board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, and facilitating board discussions. The Chairperson is not independent as the non-executive director takes part in the management of the Company and is a substantial shareholder.

Commitment

The number of meetings of the Company's board of directors held during the year ended 30 June 2010, and the number of meetings attended by each director is disclosed in the Directors' Report under the heading 'Meetings of directors'.

Conflict of interests

Directors must keep the board advised of any interest that could potentially conflict with those of the Company.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

Performance assessment

The annual self assessment of the Board's collective and individual performance has been undertaken. The assessment recognised the need for a director with finance and accounting skills. James Thompson was identified as having those capabilities and he was appointed on 6 April 2011.

Remuneration

The Remuneration Report outlines the director remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations*. It also provides the remuneration disclosure required by AASB124 Related Party Disclosures.

The Company currently has one executive director and three non-executive directors that are remunerated at market rates for comparable companies for the time, commitment and responsibilities.

CORPORATE GOVERNANCE STATEMENT

Remuneration (continued)

The board determines the remuneration paid to directors having regard to market practices and the size and nature of the Company and its operations, subject to the maximum aggregate remuneration approved by the shareholders at a general meeting.

The board has undertaken its annual self assessment of remuneration in compliance with its policy and the service agreement with the executive director by way of a board discussion and resolution that the remuneration be maintained at current levels.

No bonuses or retirement benefits were paid during the period to any director.

Trading in the Company's Shares

A director must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive information in relation to those securities.

As required by the ASX Listing Rules, the Company is to notify the ASX of any transaction conducted by any director in the listed securities of the Company. The Company has established procedures and protocols to be complied with if a director, officer or employee wishes to trade in TPL's securities.

Corporate reporting

The board has made the following certifications as to the Financial Report for the reporting period ended 30 June 2011:

- (i) that the Company's Financial Report is complete and presents a true and fair view, in all material respects, of the financial condition and operational results of the Company; and
- (ii) that 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 or where those policies are not adhered to that fact is stated in the Annual Report and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Board committees

The board's charter allows for the establishment of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. As at the date of this report no committees have been established as the structure of the board, the size of the Company and the scale of its activities allows all directors to participate fully in all decision making. When the circumstances require it the following committees will be instituted: audit committee, nomination committee, risk management committee and remuneration committee. Each committee has a charter that has been approved by the Board that will set the standards for the operation of the committees once established.

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. Stantons International is the external auditors of the Company. It is the policy of Stantons International to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of any fees for non-audit services, is provided in the Directors' Report and in Note 16 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Company.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

CORPORATE GOVERNANCE STATEMENT

Risk assessment and management

The board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Company's risk management policy and the operation of the risk management and compliance system are managed by the board which consists of the directors. Control procedures cover management accounting, financial reporting, project appraisal, compliance and other risk management issues.

The Company's current activities expose it to minimal risk. However, as activities increase there may be exposure to market, credit, and liquidity risks.

There is further commentary on financial risk management at Note 2 to the financial statements.

Code of conduct

The Company has a statement of values and a code of conduct which has been fully endorsed by the board and applies to all directors and any employees if and when they are engaged. The code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

The directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material affect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is included in the board charter and is available at the Company's registered office.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Shareholders that have made an election, receive a copy of the Company's Annual Report by mail. Otherwise, the Annual Report is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT**Non-Compliance with ASX Principles and Recommendations**

The Company has not complied with the ASX Principles and Recommendations as specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
1.2	Evaluation of senior executive roles has not taken place	Due to limited size and complexity of the Company and its operations, no senior executives are required or engaged at this time.
2.1	A majority of the board is not independent.	A director is independent if the director is not a member of the management and there is no relationship affecting that status. Whilst no current director is a substantial shareholder; past or present employee, professional adviser, consultant, supplier or customer with or to the Company; or have any contractual relationship with the Company other than as a director, each director is involved in the management of the Company.
2.2	There is no independent director that can act as Chair.	The Company presently does not have a Chairperson due its size and recent restructure. If and when appointed, the Chairman will be responsible for leading the board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, and facilitating board discussions.
2.4	A separate Nomination Committee has not been formed.	The board considers that the Company is not currently of a size to justify the formation of a nomination committee. The board as a whole will undertake the process of reviewing the skill base and experience of existing directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants may be engaged to identify possible new candidates for the board.
4.1, 4.2, 4.3	A separate Audit Committee has not been formed.	The board considers that the Company is not of a size, nor is its financial affairs of such complexity to justify the formation of an audit committee. The board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
7.2	The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risk.	The Company's management is undertaken by the directors without delegation and is itself responsible for the design and implementation of the risk management and internal control systems. The board is of the view that the systems are being managed effectively.
8.1	There is no separate Remuneration Committee.	The board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The board as a whole is responsible for the remuneration arrangements for directors and any executives of the Company.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Continuing operations			
Depreciation		(1,650)	(1,409)
Directors' remuneration – cash		(363,254)	(334,829)
Directors' remuneration – share based payments	14	(6,732)	(2,172)
Company secretarial – share based payment		(40,000)	-
Provision for annual leave		(1,088)	388
Legal fees		(12,091)	(13,591)
Application fees	9	-	(6,950)
Deposit on project acquisition		(142,920)	-
Project evaluation expenses		(184,326)	-
Project finder's fee		(26,704)	-
Other administrative expenses	6	(228,113)	(156,285)
Total expenses		(1,006,878)	(514,848)
Revenue	5	14,556	13,348
Loss before income tax		(992,322)	(501,500)
Income tax expense		-	-
Loss for the year		(992,322)	(501,500)
Other comprehensive income/(loss)		-	-
Total Comprehensive loss for the year		(992,322)	(501,500)
Basic and diluted loss per share (cents per share)	22	(0.22)	(0.14)

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

STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Note	2011 \$	2010 \$
Assets			
Current assets			
Cash and cash equivalents	8	394,923	367,008
Trade and other receivables	9	38,627	38,203
Prepayment	9	15,612	15,181
Total current assets		<u>449,162</u>	<u>420,392</u>
Non-current Asset			
Exploration	10	4,214	-
Plant & equipment	11	2,797	1,502
Total non-current assets		<u>7,011</u>	
Total assets		456,173	421,894
Liabilities			
Current liabilities			
Trade and other payables	12	52,776	34,072
Provisions	12	6,377	5,289
Total liabilities		59,153	39,361
Net Assets		397,020	382,533
Equity			
Contributed equity	13	291,255,874	290,255,797
Reserves	14(d)	75,302	68,570
Accumulated losses	14(e)	(290,934,156)	(289,941,834)
Total Equity		397,020	382,533

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

STATEMENT OF CHANGES IN EQUITY**For the year ended 30 June 2010**

	Issued Capital	Share Based Payments Reserve	Option Premium Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2009	289,974,751	66,398	-	(289,440,334)	600,815
Loss for the year and total recognised income and expense for the year	-	-	-	(501,500)	(501,500)
Shares issued	290,000	-	-	-	290,000
Options vested	-	2,172	-	-	2,172
Share issue costs	(8,954)	-	-	-	(8,954)
Balance at 30 June 2010	290,255,797	68,570	-	(289,941,834)	382,533

For the year ended 30 June 2011

	Issued Capital	Share Based Payments Reserve	Option Premium Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2010	290,255,797	68,570	-	(289,941,834)	382,533
Loss for the year and total recognised income and expense for the year	-	-	-	(992,322)	(992,322)
Shares issued	800,000	-	-	-	800,000
Options exercised	170,000	-	-	-	170,000
Share based payment	40,000	-	-	-	40,000
Options issued	-	6,732	-	-	6,732
Share issue costs	(9,923)	-	-	-	(9,923)
Balance at 30 June 2011	291,255,874	75,302	-	(290,934,156)	397,020

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

STATEMENT OF CASH FLOWS
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Payments to suppliers and employees (GST inclusive)		(597,608)	(506,056)
Deposit on project acquisition		(142,920)	-
Project finder's fee		(26,704)	-
Project evaluation costs		(176,543)	-
Advances and receivables associated with exploration licence applications		755	(29,187)
Sundry refund		907	-
Sale of Goods		3,988	1,205
Interest received		9,628	12,143
Net cash outflow from operating activities	21	(928,497)	(521,895)
Cash flows from investing activities			
Payments for plant & equipment	11	(2,945)	-
Net cash outflow from investing activities		(2,945)	-
Cash flows from financing activities			
Proceeds from issue of share capital	13(b)	970,000	290,000
Payment of share issue costs	13(b)	(9,923)	(8,954)
Net cash inflow from financing activities		960,077	281,046
Net increase in cash and cash equivalents		28,635	(240,849)
Cash and cash equivalents at beginning of the year		367,008	607,857
Foreign exchange differences		(720)	-
Cash and cash equivalents at end of the financial year		394,923	367,008

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

TVN Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

The Financial Report of TVN Corporation Limited ("Company") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the board of directors on 27 September 2011.

1 Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* unless stated otherwise.

The Financial Report has been prepared on the basis that the Company is a going concern. The board considers that the Company has sufficient cash resources to meet all operating costs for at least the next twelve months from the date of this report. Subsequent to 30 June 2011 the Company has raised \$5,270,000 before costs from share placements and exercise of options.

It is recommended that this Financial Report be read in conjunction with the public announcements made by TVN Corporation Limited during the year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Report of TVN Corporation Limited complies with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Where there are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 3.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(b) Revenue recognition

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

(c) Income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

1 Summary of significant accounting policies (continued)

(c) Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Other receivables

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

(f) Exploration expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(g) Trade and other payables

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

(h) Provisions

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

(i) Contributed equity

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

(j) Loss per share

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

1 Summary of significant accounting policies (continued)

(k) 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.

(l) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

(m) New accounting standards and interpretations

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2 Financial risk management

Risk management is the role and responsibility of the board.

The Company's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks

(a) Interest Rate Risk

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

	Weighted Average Interest Rate	Floating Interest Rate	Non- interest Bearing	Total
2011				
Financial Assets:				
Cash and cash equivalents	4.44%	164,640	230,283	394,923
Trade & other receivables			38,627	38,627
Total Financial Assets		164,640	268,910	433,550
Financial Liabilities				
Payables		-	52,776	52,776
Total Financial Liabilities		-	52,776	52,776
Net Financial Assets		164,640	216,134	380,774
2010				
Financial Assets:				
Cash and cash equivalents	3.03%	\$ 317,469	\$ 49,539	\$ 367,008
Trade and other receivables		-	38,203	38,203
Total Financial Assets		317,469	87,742	405,211
Financial Liabilities				
Payables		-	34,072	34,072
Total Financial Liabilities		-	34,072	34,072
Net Financial Assets		317,469	53,670	371,139

The Company's income and operating cash flows are subject to changes in the market rates. However, changes in interest rates will not have a material impact on profitability or operating cash flows. A movement in interest rates at 30 June of +/- 100 basis points will result in less than a +/- \$1,600 impact on the Company's income and operating cash flows (2010:\$3,000). The Company does not hedge against interest rate risk.

(b) Market risk

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

(c) Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

2 Financial risk management (continued)

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Company does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation which is available as required.

The material liquidity risk for the Company is the ability to raise equity in the future. The Company has current funds that are sufficient to fund the operations until at least 30 September 2012. In the past, including the immediate past, the Company has raised sufficient capital to fund its operations but is however, at the risk of financial markets to fund the operation beyond 30 September 2012.

(e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Company.

3 Critical accounting estimates and judgements

The preparation of financial reports requires the directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The issue of options to the recipient directors during the year required judgements to be made on the inputs in calculating the fair value of these share based payments.

Share based payments

The Company measures the cost of equity settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The assessed fair value of the options at the grant date is allocated equally over the period from the grant date to the vesting date. The fair value at the grant date is determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. The fair value calculation and inputs to the Black Scholes model are shown at Note 14(d).

Impairment

The Group assesses impairment at each reporting period by evaluating conditions and events specific to the Group that may be indicative triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

4 Segment information

Business and geographical segments

The Company operates in the online sales industry, is domiciled in Australia and operates within Australia. As such, no segment information is prepared by the Company. With the exploration licence applications made in respect to iron ore and manganese targets in Western Australia and the proposed Mongolian thermal coal project acquisition, the Company will operate in the resources sector if and when the exploration commences and/or the project acquisition is settled.

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income, statement of financial position and statement of cash flow.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

5 Revenue	2011	2010
	\$	\$
Sale of Goods	4,020	1,205
Interest earned	9,628	12,143
Sundry	908	-
Total Revenue	14,556	13,348

6 Other Administrative Expenses	2011	2010
	\$	\$
ASX & ASIC fees	(14,054)	(10,451)
Audit & accounting fees	(32,355)	(34,262)
Consulting fees	(5,197)	(9,749)
Insurance	(18,035)	(18,893)
Office rent and utilities	(49,487)	(34,515)
Share registry fees	(20,008)	(11,132)
Travel and accommodation	(15,946)	(21,805)
Website design & maintenance	(58,533)	(4,915)
General	(14,498)	(10,563)
Total expenses	(228,113)	(156,285)

7 Income tax

(a) Numerical reconciliation of income tax expense to prima facie tax payable	2011	2010
	\$	\$
Loss before income tax expense	(992,322)	(501,500)
Tax at the Australian tax rate of 30% (2009: 30%)	(297,696)	(150,450)
Tax effect of amounts which are not deductible (allowable) in calculating taxable income:		
Non-deductible expenses	116,231	1,591
Other deductible expenses	(4,864)	
Tax effect of amounts deductible over more than one years	(12,289)	(14,539)
Tax losses not recognised	198,618	163,398
Income tax expense	-	-

(b) Tax losses	2011	2010
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	2,238,370	1,576,310
Potential tax benefit at 30%	671,511	472,893

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

(c) Deferred tax assets	2011	2010
	\$	\$
Losses available to offset against future taxable income	671,511	472,893
Capital raising costs	20,597	34,954
Accruals	3,600	3,600
Provisions	326	(116)
Deferred tax assets not brought to account as realisation not probable	(696,034)	(511,330)
Deferred tax assets recognised in the balance sheet	-	-

8 Current assets – cash and cash equivalents	2011	2010
	\$	\$
Cash at bank and in hand	394,923	367,008
These accounts for cash at bank are interest bearing with a current floating interest rate of 4.75% per annum at balance date (2010: 3.70%).		

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

9	Current assets – other current assets	2011	2010
		\$	\$
	Receivable - GST refund	13,042	9,016
	Prepayment - Insurance	15,611	15,180
	Advances	25,586	29,187
		54,239	53,383

Applications lodged with the Department of Petroleum and Mining for licences to explore for iron ore and manganese in Western Australia include the application fees (which are expensed in the Statement of Comprehensive Income) and advances bought to account in the Statement of Financial Position. The advances are either applied to the annual rentals on grant of the licences (with GST applied thereto); or returned to the Company if an application is not granted or is withdrawn.

No receivables are past due or impaired.

10 Exploration

	2011	2010
	\$	\$
Opening book value		
Expenditure incurred	-	-
- Minier & Duck Creek Pilbara	4,214	-
Total exploration expenditure	4,214	-
Total expenditure incurred and carried forward in respect of specific projects		-
- Minier & Duck Creek Pilbara	4,214	-
Total exploration expenditure	4,214	-

The recoupment of costs carried forward in relation to area of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

11	Non-current asset - Plant & Equipment	2011	2010
		\$	\$
	Opening book value	1,502	-
	Addition at cost	2,945	4,228
	Depreciation charge	(1,650)	(2,726)
	Closing book value	2,797	1,502
	Cost or fair value	7,173	4,228
	Accumulated Depreciation	(4,376)	(2,726)
	Net book value	2,797	1,502

12	Current liabilities – trade and other payables and provisions	2011	2010
		\$	\$
	Trade, other payables and accruals	41,570	21,777
	Employee entitlement – Provision for annual leave	6,377	5,289
	Superannuation	-	1,816
	PAYG Withholding Tax	11,206	10,479
		59,153	39,361

13	Contributed equity	2011	2011	2010	2010
		Shares	\$	Shares	\$
(a)	Issued share capital				
	Ordinary shares fully paid	510,901,442	291,255,874	378,901,442	290,255,797

NOTES TO THE FINANCIAL STATEMENTS 30 June 2011

13 Contributed equity (continued)

(b) Movement in ordinary share capital

Date	Details	Number of shares	Issue price	\$
For the year ended 30 June 2010				
01/07/09	Opening Balance	320,901,442		289,974,751
18/03/10	Options Exercised	48,000,000	\$0.05	240,000
13/04/10	Options Exercised	10,000,000	\$0.05	50,000
	Cost of share issues			(8,954)
30/06/2010	Balance	378,901,442		290,255,797
For the year ended 30 June 2011				
01/07/10	Opening Balance	378,901,442		290,255,797
03/09/10	Share based payment	5,000,000	\$0.08	40,000
23/09/10	Placement	40,000,000	\$0.05	200,000
23/12/10	Placement	20,000,000	\$0.05	100,000
01/03/11	Options Exercised	17,000,000	\$0.01	170,000
22/03/10	Placement	50,000,000	\$0.01	500,000
	Cost of share issues			(9,923)
30/06/2011	Balance	510,901,442		291,255,874

5,000,000 shares were issued to the Company Secretary, Neil Hackett, on 3 September 2010 as consideration for his services in that capacity. The deemed consideration is based on the share price on the day of issue of 0.8 cents per share.

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

14 Options, reserves and accumulated losses

	2011 Options	2011 \$	2010 Options	2010 \$
(a) Options	84,500,000	75,302	86,000,000	68,570

There are no voting rights attached to the options.

(b) Movement in options

Date	Details	Number of options	Weighted ave exercise price	\$
For the year ended 30 June 2010				
30/06/2009	Opening Balance	28,000,000		66,398
25/09/2009	Options vested	-	-	2,172
18/03/2010	Options issued	48,000,000	-	-
13/04/2010	Options issued	10,000,000	-	-
30/06/2010	Balance	86,000,000		68,570
For the year ended 30 June 2011				
30/06/2010	Opening Balance	86,000,000		68,570
01/03/2011	Options exercised	(17,000,000)	-	-
22/03/2011	Options issued	12,500,000	-	-
17/06/2011	Options issued	3,000,000	-	6,732
30/06/2011	Balance	84,500,000		75,302

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

14 Options, reserves and accumulated losses (continued)

The options granted on 18 March 2010 and 13 April 2010 were issued free with the placements made on 18 March 2010 and 13 April 2010 respectively. The terms of these options are:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 December 2011 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.01 (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised; (Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced to give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

The 12,500,000 options granted on 22 March 2011 were issued as a share based payment. The terms of these options are as above. The 3,000,000 options granted on 3 June 2011 were issued as a share based payment. Other than the exercise price of 2 cents and expiry dated of 30 September 2012, the terms of these options are the same as that set out above for the 1 cent options expiring 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011
(c) Option premium reserve

	30 June 2011		30 June 2010	
	Number of options	\$	Number of options	\$
Options exercisable at 1 cent between the vesting date and expiry date				
Opening balance	58,000,000	-	-	-
Issued during period	12,500,000	-	58,000,000	-
Exercised during the period	(17,000,000)	-	-	-
Balance	53,500,000	-	58,000,000	-

12,500,000 options exercisable at 1 cent on or before 31 December 2011 were issued free with a capital raising (2010: 58,000,000 options exercisable at 1 cent on or before 31 December 2011 were issued free with capital raisings).

14 Options, reserves and accumulated losses (continued)**(d) Share based payments reserve**

	30 June 2011		30 June 20	
	Number of options	\$	Number of options	\$
Options exercisable at 2 cents between the vesting date and expiry date				
Opening balance	28,000,000	68,570	28,000,000	66,398
Expensed during period	-	-	-	2,172
Issued during the period	3,000,000	6,732	-	-
Balance	31,000,000	75,302	28,000,000	68,570

James Thompson received a share based payment by the grant and vesting on 3 June 2011 of 3,000,000 options exercisable at 2 cents on or before 30 September 2012. The fair value of the options totaled \$6,731 (0.22 cents per option) determined using a Black-Scholes model and applying the following assumptions:

Exercise price	2 cents
Expiry Date	30 September 2012
Share Price at grant date	1 cent
Risk-free interest rate	4.70%
Volatility	92.3%

Nature and Purpose of Reserves

The option premium reserve arises pursuant to an issue of options pursuant to a capital raising.

The share based payments reserve arises pursuant to an issue of shares or options as consideration for a service or an acquisition transaction.

(e) Accumulated losses	2011	2010
	\$	\$
Movements in accumulated losses were as follows:		
Opening Balance	(289,941,834)	(289,440,334)
Loss for the year	(992,322)	(501,500)
Balance	(290,934,156)	(289,941,834)

15 Dividends

There were no dividends recommended or paid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011
16 Key management personnel disclosures
(a) Key management personnel compensation

	2011	2010
	\$	\$
Short-term employee benefits	366,955	340,265
Post-employment benefits	15,853	11,105
Share based payments	6,731	2,172
	389,539	353,542

Detailed remuneration disclosures are provided in sections 1 to 4 of the Remuneration Report in the Directors' Report at pages 10 to 14.

(b) Equity instrument disclosures relating to key management personnel
(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of TVN Corporation Limited, including their personally related parties, are set out below:

2011					Vested and
Directors	Balance at	Granted	Other	Balance at	exercisable at
	the start of	during the	changes	the end of	the end of the
	the year	year		the year	year
Chris Mardon	33,000,000	-	-	33,000,000	33,000,000
Gerry Fahey	5,000,000	-	-	5,000,000	5,000,000
Hugh Warner	12,000,000	-	(12,000,000)	-	-
James Thompson	-	3,000,000	5,000,000	8,000,000	8,000,000
	50,000,000	3,000,000	(7,000,000)	46,000,000	46,000,000

The options granted during the year were share based payments.

James Thompson was appointed as a director during the year. The options held on appointment are shown in "Other changes during the year".

No options are vested and un-exercisable at the end of the reporting period.

2010					Vested and
Directors	Balance at	Granted	Other	Balance at	exercisable at
	the start of	during the	changes	the end of	the end of the
	the year	year		the year	year
Chris Mardon	25,000,000	8,000,000	-	33,000,000	33,000,000
Gerry Fahey	3,000,000	2,000,000	-	5,000,000	5,000,000
Hugh Warner	-	-	12,000,000	12,000,000	12,000,000
	28,000,000	10,000,000	12,000,000	50,000,000	50,000,000

The options granted during the year were issued free with a share placement.

Hugh Warner was appointed as a director during the year. The options held on appointment are shown in "Other changes during the year".

No options are vested and un-exercisable at the end of 2010.

No options were granted as compensation.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

16 Key management personnel disclosures (continued)

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each director of TVN Corporation Limited, including their personally related parties, are set out below:

2011 Directors	Balance at the start of the year	Granted during the year	Other changes during the year	Balance at the end of the year
Chris Mardon	8,000,000	-	-	8,000,000
Gerry Fahey	2,000,000	-	-	2,000,000
Hugh Warner	38,205,528	32,000,000	-	70,205,528
James Thompson	-	-	35,000,000	35,000,000
	48,205,528	32,000,000	35,000,000	115,205,528

There were no shares granted during the reporting period as compensation.

James Thompson was appointed as a director. The shares held on appointment are shown in "Other changes during the year".

(b) Equity instrument disclosures relating to key management personnel (continued)

2010 Directors	Balance at the start of the year	Granted during the year	Other changes during the year	Balance at the end of the year
Ian Hobson (resigned)	4,000,000	-	(4,000,000)	-
Chris Mardon	-	8,000,000	-	8,000,000
Gerry Fahey	-	2,000,000	-	2,000,000
Hugh Warner	-	-	38,205,528	38,205,528
	4,000,000	10,000,000	34,205,528	48,205,528

There were no shares granted during the 2010 year as compensation.

Hugh Warner was appointed as a director and Ian Hobson resigned as a director during the year. The shares held on appointment and resignation are shown in "Other changes during the year".

17 Remuneration of auditors

	2011 \$	2010 \$
During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Company:		
Audit services		
Audit and review of financial report and other audit work under the Corporations Act 2001	19,018	18,018
Non-audit services		
Other services provided by an entity associated with the auditor		-
Total remuneration for audit services	19,018	18,018

18 Commitments

There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability.

Project acquisition

On 24 July 2011 the Company entered into an exclusive option agreement to purchase the Nuurst Thermal Coal Project in Mongolia. The Company has paid a deposit of USD\$150,000 to conduct a three month legal, financial, technical and geological due diligence. On completion of the due diligence period, the Company can elect to acquire 100% of the project licence on payment of USD\$1,350,000.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011
18 Commitments (continued)

As part of the agreement and due diligence, the Company has contracted with a drilling contractor to supply camp accommodation and carry out a diamond drilling exploration programme for an initial 4 month term commencing 1 July 2011 with the ability to extend as required. The contractor is to be paid on drill meterage and other basis.

Exploration Commitments

The Company had certain commitments to meet minimum expenditure requirements on the granted exploration licences. Outstanding exploration, rent and rates commitments are as follows:

	2011	2010
	\$	\$
Within a year	38,605	-
Later than one year but not later than five years	154,420	-

19 Related party transactions
(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16 and the detailed remuneration disclosures to the Directors' Report.

(b) Transaction with related parties

Anglo Pacific Ventures Pty Ltd, a company associated with Hugh Warner, charges the Company for office accommodation on normal commercial terms and conditions. Anglo Pacific Ventures Pty Ltd was paid \$30,000 for the current year (2010:\$30,000).

(c) Outstanding balances arising from sales / purchases of goods and services

There were no outstanding balances at the reporting date in relation to transactions with related parties during the year.

20 Events occurring after the balance sheet date

Other than progression of the due diligence and the drilling program for the purchase of the Nuurst Thermal Coal Project in Mongolia, share placements of 76,000,000 and 90,000,000 ordinary shares made on 7 July 2011 and 16 August 2011 to raise \$1,520,000 and \$3,600,000 (before costs) and the exercise of 15,000,000 1 cent options, since 30 June 2011 there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

- (4) the Company's operations in future financial years, or
- (5) the results of those operations in future financial years, or
- (6) the Company's state of affairs in future financial years.

21 Reconciliation of comprehensive loss after income tax to net cash outflow from operating activities

	2011	2010
	\$	\$
Comprehensive loss for the year	(992,322)	(501,500)
Depreciation	1,650	1,409
Share based payment	46,732	2,172
Provision for annual leave	1,088	(388)
Changes in operating assets and liabilities:		
Increase/(decrease) in trade and other payables	14,456	6,482
Increase/(decrease) in advances	3,601	(28,187)
Decrease/(increase) in receivables & prepayments	(4,457)	(883)
Net cash outflow from operating activities	(929,252)	(521,898)

NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

22	Loss per share	2011	2010
(a)	Basic loss per share	Cents	Cents
	Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.22)	(0.14)
(b)	Diluted loss per share	2011 Cents	2010 Cents
	Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.22)	(0.14)

As the Company made a loss for the year ended 30 June 2011, the options on issue have no dilutive effect, and therefore diluted loss per share is equal to basic loss per share.

(c)	Reconciliation of loss used in calculating loss per share	2011 \$	2010 \$
	<i>Basic loss per share</i>		
	Loss from continuing operations attributable to the ordinary equity holders of the Company	(992,322)	(501,500)
	<i>Diluted loss per share</i>		
	Loss from continuing operations attributable to the ordinary equity holders of the Company	(992,322)	(501,500)
(d)	Weighted average number of shares used as the denominator	2011 Number	2010 Number
	Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	443,748,017	351,865,826
	Adjustments for calculation of diluted loss per share – Options	-	-
	Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	443,748,017	351,865,826

(e) Information concerning the classification of securities
Options

Options are considered to be potential ordinary shares but have not been included in the determination of diluted loss per share as a loss was incurred and the options are unlikely to be exercised given that the exercise price is currently higher than the ASX quoted share price. The options have not been included in the determination of basic loss per share.

DIRECTORS' DECLARATION
30 June 2011

In the directors' opinion:

- (a) the financial statements and notes set out on pages 22 to 39 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable,
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (d) the audited remuneration disclosures set out on pages 10 to 14 of the Directors' Report comply with accounting standard AASB 124 Related Party Disclosures and the *Corporations Regulations 2001*.

The directors acting in the capacity of Chief Executive Officer and Chief Financial Officer have given the declarations required by Section 295(A) of the *Corporations Act 2001*.

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



Chris Mardon
Managing Director

Perth
27 September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVN CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of TVN Corporation Limited which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

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

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of TVN Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 10 to 14 of the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion

In our opinion the remuneration report of TVN Corporation Limited for the year ended 30 June 2011 complies with section 300 A of the *Corporations Act 2001*.

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

Stantons International Audit and Consulting Pty Ltd


J P Van Dieren
Director

West Perth, Western Australia
26 September 2011

ASX Additional Information

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 26 September 2011.

(a) Substantial Shareholders

The number of shares held by substantial shareholders and their associates are:

Name	Number Held	Percentage of Issued Shares
ELLIOT HOLDINGS PTY LTD <CBM FAMILY A/C>	55,205,528	7.98

(b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the unquoted options

(c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	119,473	0.02
1,001 – 5,000	777,506	0.11
5,001 – 10,000	736,001	0.10
10,001 – 100,000	25,061,237	3.62
100,001 and over	665,207,225	96.14
Total	691,901,442	100

There were 844 holders of less than a marketable parcel of ordinary shares.

ASX Additional Information (continued)**(d) Equity Security Holders**

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of Issued Shares
ELLIOT HOLDINGS PTY LTD <CBM FAMILY A/C>	55,205,528	7.98
LEILANI INVESTMENTS PTY LTD <RICE FAMILY INVESTMENT A/C>	30,000,000	4.34
RZJ CAPITAL MANAGEMENT LLC	30,000,000	4.34
J P MORGAN NOMINEES AUSTRALIA LIMITED	25,000,000	3.61
BATAVIA CAPITAL PTY LTD <AUSTLEY A/C>	18,500,000	2.67
INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	17,307,090	2.50
MR HUGH DAVID WARNER + MRS DIANNE MICHELLE WARNER <CBM SUPERFUND A/C>	15,000,000	2.17
SAMLISA NOMINEES PTY LTD	13,950,000	2.02
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,279,132	1.92
SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	12,000,000	1.73
GOLDSHORE INVESTMENTS PTY LTD <THE GOLDSHORE A/C>	11,500,000	1.66
MR THOMAS COYLE + MRS JOYCE COYLE	11,210,000	1.62
MRS ANNE ELIZABETH GRIBBLE <PENTON A/C>	10,750,000	1.55
HOLLOWAY COVE PTY LTD <HOLLOWAY COVE S/F A/C>	10,450,000	1.51
MR CARL PHILIP MAGNUS COWARD	10,000,000	1.45
INTERSTATE INVESTMENTS PTY LTD	10,000,000	1.45
TALLTREE HOLDINGS PTY LTD <NERD FAMILY SUPER FUND A/C>	10,000,000	1.45
AUTOTRADING PTY LTD	8,000,000	1.16
MS GERALDINE ANNE MARDON	8,000,000	1.16
GOLDSHORE INVESTMENTS PTY LTD <M R DAY SUPERFUND A/C>	7,000,000	1.01
	327,151,750	47.28

(e) Unquoted Equity Security Holders*Unquoted equity securities*

	Number on Issue	Number of Holders
Options – exercisable at 1 cent before 31 December 2012	38,500,000	11
Options – exercisable at 2 cents before 30 September 2012	31,000,000	3

Tenements

Tenement Type	Tenement Number	Project/Location	Registered Holders & Interests	Date Granted
E	08/2110	Duck Creek	TVN Corporation Limited (100%)	18/02/2011
E	08/2111	Minier	TVN Corporation Limited (100%)	18/11/2010