CI Resources Limited

Annual Report 2011

CI Resources Limited ACN 006 788 754

Contents

CI RESOURCES LIMITED

Chairman's Letter

Dear Shareholder,

I am pleased to provide the Annual Report for CI Resources Limited ("CII" or "the Company") for the year ended 30 June 2011 for the operations of the company and its principal subsidiary Phosphate Resources Limited (PRL).

The reported Statement of Consolidated Income (Profit and Loss) reflects a Net Profit attributable to members of the company of AUD $ 4.534 M. This equates to an Earnings Per Share of 6.2 cents.

As reported in our Annual Report last year, the company is now is focussed on the activities of its subsidiary and alternative opportunities for the companies, both through diversification of existing activities and extension of value into current industry sectors.

The company has made further acquisitions of shares in PRL during the year, under the creep provisions of the Corporations Act, 2001 bringing its holding in PRL to 49.93% as at 30 June 2011. On the 4th July, 2011, the Company made a further share acquisitions in PRL taking its holding to 50.47%.

During the year the company's 100% subsidiary, Xi Feng,International Pte Ltd, divested its interest in the Hua Li mining operations in China. The company hold's no other investments.

Phosphate Resources Limited

As reported by the Chairman of PRL;

Phosphate Resources Limited has ended the 30 June 2011 financial year with a credible performance after facing the challenges with our phosphate mining operations of unseasonal weather, regulatory malaise and an unfavourable currency exchange. .

PRL has continued to record a reasonable profit level in the face of continuing economic difficulties particularly the high exchange rate which is being sustained by an overall weak global economy.

With one exception, our outlook for future years looks sound as we bed down our diversified businesses in Malaysia and Christmas Island.

The primary area of uncertainty concerns the medium future of our mining operations on Christmas Island beyond the next five years.

And as confirmed by the Managing Director of PRL; regrettably, little progress has been made in finalising our access to resources within our lease area.

We remain hopeful that the bureaucratic resistance to our continued operations on Christmas Island will eventually be overcome and we will be able to sustain the operation until 2019 being the life of the current lease.

Chairman's Letter

Acquisition of Cheekah-Kemayan Plantations Sdn Bhd

During the year, PRL completed an acquisition of the Cheekah-Kemayan palm oil mill and plantation. After approval by CII Shareholders at the EGM of the company, the acquisition proceeded and has seen the return of an after tax profit of $888,000 in its first two months of operations.

Both the Boards of PRL and CII are pleased that the company is performing above its budget and are confident that the outlook for palm oil remains robust.

The Board of CII is supportive of the activities of PRL, in considering new business opportunities, with the clear intent to increase value to shareholders through profits and capital growth for both the short term and long term of the Company.

As Chairman of CII, I would like to thank the Board of CII for their efforts over the year, and to recognise and thank the Board and management of PRL for their dedication and performance over the year.

CI RESOURCES LIMITED

Corporate directory

Directors
Mr David Somerville – Chairman

Mr Tee Lip Sin

Mr Tee Lip Jen (Appointed 18/03/2011)

Mr Phuar Kong Seng

Mr Phua Siak Yeong (Resigned 15/03/2011)

Prof. Anthony Brennan

Mr Adrian Gurgone (Appointed 18/03/2011)

Secretaries
Ms Elizabeth Lee (Appointed 08/02/2011)
Mr Desmond Kelly (Resigned 03/03/2011)
Ms Janelle Burns (Resigned 03/03/2011)

Share register
Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

Auditor
Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Solicitors
Steinepreis Paganin Lawyers
Level 4 Next Building
16 Milligan Street
Perth WA 6000

Bankers
National Australia Bank
1238 Hay Street
West Perth WA 6005

Stock exchange listings
CI Resources Limited shares are
listed on the Australian Securities Exchange

Ordinary fully paid shares (ASX code CII)

Principal registered office in Australia
884, Canning Highway
Applecross WA 6153

Telephone +61 8 6310 5040

Email info@ciresources.com.au

Website www.ciresources.com.au

Directors' report

Your directors present their report on the consolidated entity ("Group") consisting of CI Resources Limited ("CII" or "Company") and the entities it controlled at the end of, or during, the financial year ended 30 June 2011.

Directors

The following persons were directors of CI Resources Limited for the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Somerville
Mr Tee Lip Sin
Mr Phuar Kong Seng
Prof. Anthony Brennan
Mr Tee Lip Jen (Appointed 18/03/2011)
Adrian Gurgone (Appointed 18/03/2011)
Mr Phua Siak Yeong (Resigned 15/03/2011)

Principal activities

During the year, the principal activities of entities within the consolidated entity were:

- mining, processing and sale of phosphate rock, phosphate dust and chalk; and
- providing earthmoving, fuel pilotage, maintenance and stevedoring services to other Christmas Island organizations.
- running a palm oil estate, processing and sale of palm oil products.

Dividends

On 1 June 2011 an interim fully franked dividend of 1 cent per share was paid to all shareholders holding shares on the record date of 18 May 2011.

No final dividend has been declared or paid.

Review of operations

A summary of consolidated revenues and results is set out below:

	Results 2011 ***$'000s***
Revenue from continuing operations	106,754
Profit before income tax expense	13,663
Income tax expense	(6,433)
Profit attributable to members of CI Resources Limited	4,534

Review of operations (continued)

Financial Position

At the end of the financial period the consolidated entity had net cash balances of $30.5M (2010: $28.5M) and net assets of $76.8M (2010: $73.9M).

Total liabilities amounted to $76.9M (2010: $34.8M), being trade and other creditors, borrowings and taxation liabilities.

Phosphate Resources Limited

During the financial year CI Resources continued to acquire shares in Phosphate Resources Limited (PRL). In Nov 2010, CI Resources acquired a further 102,150 shares under the Creep provisions of the Corporations Act 2001, and a further 75,950 shares in June 2011 such that as at 30 June 2011 the company's PRL holding was 49.93% of total voting issued capital.

The Company is represented on the Board of PRL by Mr Tee Lip Sin, and Mr Phuar Kong Seng.

PRL reported a post-tax profit of $ 10.1 M for the year ended 30 June 2011, and has paid two dividends during this period. The Company received a total dividend of $0.8 M from PRL during the year.

Xi Feng International Pte Ltd

CI Resources holds a 100% interest in Xi Feng, during the year Xi Feng sold its interest in the Hua Li mining operations in China. The company hold's no other investments. See Note 37.

Earnings per share	**2011 Cents**	**2010 Cents**
Basic earnings per share	**6.2**	**7.9**

Significant changes in the state of affairs

On 1 May 2011 PRL acquired Cheekah-Kemayan Plantations Sdn Bhd and operating palm oil estate and crude palm oil milling facility.

In March 2011 the Company disposed of all its interest in the Hua Li mining operation in China.

There was no other significant change in the state of affairs of the company or its controlled entities during the financial year other than that referred to in the financial statements or notes thereto.

Directors' report

Matters subsequent to the end of the financial year

On the 4 July the company completed the purchase of additional shares in PRL to bring its total holding in PRL to 50.49%.

Apart from the matters set out above, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Directors note that current strategies suggest that the 2011 financial year will see the Consolidated Entity remain profitable and in line with the performance of the current year.

Further information on likely developments in the operations of the consolidated entity and the expected results of those operations have not been included in this report because the Directors believe that it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Consolidated Entity's operations are subject to environmental regulations in relation to its mining and exploration activities on Christmas Island. Licenses issue by the Commonwealth Government of Australia include general environmental conditions, air pollution control conditions and water control conditions. These conditions regulate the management of mining waste and restoration, dust, liquid chemical storage and water monitoring.

There have been no significant known breaches of the Consolidated Entity's licences.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under the *ASIC Class Order 98/0100*. The Company is an entity to which the Class Order applies.

Information on directors

MR DAVID SOMERVILLE *Chairman – Non-executive*

Experience and expertise

David Somerville holds a Bachelor of Business degree from Curtin University and a Master of Business Administration from Deakin University, he is an Associate member of CPA Australia and a Fellow of the Australian Institute of Management. Mr Somerville has an accounting background having been a senior partner in a large Western Australian accounting practice, before establishing a financial services company which listed on the Australian Securities Exchange in 2007. He has over 20 years experience in a corporate capacity across a number of companies and a number of industry sectors including financial, resources and property development.

Other directorships

Mr Somerville is also a director of Questus Limited, an ASX listed company. He held no other directorships of ASX listed companies during the last three years.

Information on directors (continued)

MR TEE LIP SIN *Director – Non-executive*
Experience and expertise
Tee Lip Sin holds an Associate Diploma in Commerce from Curtin University Australia and also a post-graduate Executive Diploma in Plantation Management from the University Malaya.

He has been involved in palm oil milling and management of palm oil plantations since 1995. Currently, he sits on the board of a number of private companies, and is also the Executive Director for the Prosper Group Of Companies which holds six palm oil mills and 50,000 acres of palm oil plantations. He also has experience in operating 35,000 acres of plantation in Indonesia.

Other directorships
Mr Tee Lip Sin held no other directorships of ASX listed companies during the last three years.

MR TEE LIP JEN *Director – Non-executive*
Experience and expertise
Mr Tee holds a Bachelor of Mechanical Engineering from the Royal Melbourne Institute of Technology (RMIT). Since graduating from Australia, Lip Jen started his career as a Process Engineer in the manufacturing industry for 2 years before expanding his experinece as a Project Engineer in a refinery plant specialising in producing downstream palm oil products.

He is currently the Assistant Chief Engineer in charge of overseeing engineering and production activities in seven palm oil mills with an estimated production output of 350,000 metric tonnes of crude palm oil per year. Apart from managing the daily activities in palm oil mills, he is also in charge of overseeing three palm oil plantation estates located in Negeri Sembilan, Malaysia with an estimated acreage of 3,400 acres.

Other directorships
Mr Tee Lip Jen held no other directorships of ASX listed companies during the last three years.

MR PHUAR KONG SENG *Director – Non-executive*
Experience and expertise
Mr Phuar Kong Seng is an entrepreneur and businessman with many years of experience in running successful businesses. He has worked in the fertiliser and chemical industries since 1979 covering a spectrum of responsibilities ranging from accounts, sale, marketing and management.

Other directorships
Mr Phuar Kong Seng held no other directorships of ASX listed companies during the last three years.

MR PHUA SIAK YEONG *Director – Non-executive (resigned 15 March 2011)*
Experience and expertise

Mr Phua Siak Yeong graduated from the University Malaya with a first class honours degree in Chemical Engineering. He obtained his MBA from the same university in 1990. He worked at Esso Singapore after graduation and then as a Marketing Executive for Bulk Chemicals Sdn Bhd from 1979 to 1983. He joined the Hong Leong Group Malaysia in 1983, involved in motorcycle manufacturing. From 1994 to 1996 Mr Phua was posted to China to manage a motorcycle manufacturing joint venture. He returned to Malaysia in 1997 to head the motorcycle research and development company in Hong Leong Group. In 2002 he was transferred to MZ Motorrad Sdn Bhd to develop the MZ brand in Malaysia. Mr Phua retired in 2008 from Hong Leong Group and was employed by Chin Yang Hydro Power Co. in China, before becoming an Executive Director of Phosphate Resources Limited in 2010.

Other directorships
Mr Phua held no other directorships of ASX listed companies during the last three years.

Information on directors (continued)

PROF. ANTHONY BRENNAN *Director – Non-executive*
Experience and expertise

Prof. Brennan holds a Bachelor of Laws degree from the University of Queensland, a Graduate Diploma in Legal Practice and has practised with one of Australia's largest private law firms as a solicitor in the area of corporate advisory, mergers and acquisitions and banking and finance. He has experience in corporate banking and finance transactions including development finance and refinance Transactions, infrastructure and project finance, loan facility and security documentation, general corporate banking matters and significant commercial property transactions.

Other directorships
Professor Brennan held no other directorships of ASX listed companies during the last three years.

MR ADRIAN GURGONE *Director – Non-executive*
Experience and expertise
Mr Gurgone is an experienced Chartered Accountant and MBA with significant experience in reporting to boards. In senior roles with Deloitte Consulting and other top-tier consulting firms, he has advised multinational and mid-cap organisations across a variety of industries globally. His experience encompasses financial and business analysis, risk management and corporate governance in a variety of industries including Mining and Resources, Education, Telcommunications, Services and Materials. Adrian has also asissted several boards in Australia and overseas in improving organisational performance and in capital allocation.

Other directorships
Mr Adrian Gurgone held no other directorships of ASX listed companies during the last three years.

Company secretaries

ELIZABETH LEE, – B Bus, FCIS, Grad.Dip. Corp. Gov. ASX Listed Entities *Company Secretary* (Appointed 8 February 2011)
Elizabeth has over 14 years experience in the areas of corporate governance and company secretarial functions. Prior to joining Questus, Elizabeth held company secretarial positions for Phosphate Resources Limited, Macmahon Holdings Limited, Corporate Compliance Partners and Lend Lease Primelife Limited. Elizabeth also performed contract company secretarial roles with Macquarie Bank Limited and Austock Group Limited. Elizabeth holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University, a Graduate Diploma in Corporate Governance from Chartered Secretaries Australia, a Graduate Diploma in Corporate governance for ASX Listed Entities from Kaplan Financial Institute and is a Fellow member of the Chartered Secretaries in Australia.

DESMOND KELLY BComm, CPA, MAICD *Company Secretary (resigned 3 March 2011)*
Des Kelly has over 30 years financial and corporate management experience focused mainly in the resources sector. He was Dominion Mining's Group Chief Accountant in that company's key growth phase in the mid-eighties and, between 1994 and 1998 held the roles of Finance Director and Managing Director of Horizon Mining NL before establishing his own corporate management consulting business.

JANELLE BURNS Bbus (Acc/Law) *Company Secretary(resigned 3 March 2011)*
Ms Burns has 20 years experience in the resources sector. She was previously the Chief Group Accountant for Gallery Gold Limited

Directors' report

Directors' interests in shares and options

As at the date of this report the interests of the Directors in the shares and options of the company were:

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr David Somerville	-	-	-	-
Mr Tee Lip Sin	-	13,779,876	-	-
Mr Tee Lip Jen	-	-	-	-
Mr Phuar Kong Seng	3,022,000	7,287,410	-	-
Mr Phua Siak Yeong	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Mr Adrian Gurgone	-	-	-	-

Meetings of directors

The number of meetings of the company's board of directors held during the year ended 30 June 2011 and the number of meetings attended by each director were:

	Full meetings of Directors	
	Held	**Attended**
Mr David Somerville	7	7
Mr Tee Lip Sin	7	7
Mr Tee Lip Jen	2	1
Mr Phuar Kong Seng	7	7
Mr Phua Siak Yeong	5	4
Prof. Anthony Brennan	7	7
Mr Adrian Gurgone	2	2

Held – denoted the number of meetings held during the time the director held office.

Retirement, election and continuation in office of directors

In accordance with the Constitution Mr Tee Lip Sin and Mr Phuar Kong Seng will retire, in rotation, as directors at the Annual General Meeting to be held in November 2011 and, being eligible, will offer themselves for re-election. Mr Tee Lip Jen and Mr Adrian Gurgone's appointments will be put forward for ratification.

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Remuneration report (Audited)

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

The information in this section has been audited as required by section 308(3c) of the Corporations Act 2001.

A Principles used to determine the nature and amount of remuneration

In order to maintain and attract directors to facilitate the efficient and effective management of the Consolidated Entity's operations, the board reviews the remuneration of directors on an annual basis and makes recommendations. The Company does not have a remuneration committee.

Aside from the discretionary bonus disclosed in the remuneration report, no other link exists, at this stage in the Company's development, between financial performance, shareholder wealth and the remuneration of Directors and Key Management Personnel.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board also ensures non-executive directors' fees and payments are appropriate and in line with the market as determined by comparison with companies of a similar size. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees

The current base remuneration was last reviewed with effect from 3 July 2007. Directors' remuneration is inclusive of committee fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $400,000.

Remuneration packages may contain the following key elements:

- Director's fees
- Consultancy fees
- Post employment benefits – superannuation
- Performance bonuses
- Other non-cash benefits

The directors are also remunerated for any additional services they render the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors with no interest in the engagement of such services.

Remuneration report (Audited) **(continued)**

Executive remuneration
The objective of the Consolidated Entity'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 with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

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

Alignment to shareholders' interests:
- focuses on exploration success as the creation of shareholder value and returns
- attracts and retains high calibre executives.

Alignment to program participants' interests:
- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The executive pay and reward framework has the following components:
- Fixed remuneration (base salary, superannuation & other non-monetary benefits)
- Variable Remuneration (incentives through participation in bonus arrangements)

The combination of these components comprises the executive's total remuneration.

Fixed Remuneration
- *Base salary*
  Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

  Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market.

  There Managing Director has a guaranteed base pay increase of 10% per annum.

- *Non-monetary benefits*
  Executives may receive benefits including memberships, car allowances and reasonable entertainment.

- *Retirement benefits*
  Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contributions.

Retirement allowances for directors
There is no provision for retirement allowances for non-executive directors.

Directors' report

Remuneration report (Audited) **(continued)**

B Details of remuneration

During the financial year to 30 June 2011 the directors and key management personnel of the company were:

Directors of CI Resources Limited

Mr David Somerville – *Non-executive Chairman*
Mr Tee Lip Sin – *Non-executive director*
Mr Tee Lip Jen – *Non-executive director (appointed 18 March 2011)*
Mr Phuar Kong Seng – *Non-executive director*
Mr Phua Siak Yeong – *Non-executive director (resigned 15 March 2011)*
Prof. Anthony Brennan – *Non-executive director*
Mr Adrian Gurgone – *Non-executive director (appointed 18 March 2011)*

Directors of Phosphate Resources Limited

Mr Clive Brown – *Non-executive Chairman*
Mr Lai Ah Hong – *Managing Director*
Mr Chan Khye Meng – *Non-executive director*
Mr Cheng Hang – *Non-executive director*
Mr Phuar Kong Seng – *Non-executive director*
Mr Tee Lip Sin – *Non-executive director*
Mr Phua Siak Yeong – *Non-executive director*

Other key management personnel of CI Resources Limited
Ms Elizabeth Lee – *Company Secretary (appointed 8 February 2011)*
Mr D J Kelly – *Joint Company Secretary (resigned 3 March 2011)*
Ms J P Burns – *Joint Company Secretary(resigned 3 March 2011)*

Other key management personnel of Phosphate Resources Limited
Mr Kevin Edwards – *Company Secretary/Chief Operating Officer*
Mr Alfred Chong – *Resident Manager/Subsidiary Director*
Mr Allan Robartson – *Financial Controller*

Directors' report

Remuneration report (Audited) **(continued)**

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following tables.

2011	**Short-term benefits**			**Post-employment benefits**		
Name	**Cash fees and consulting $**	**Bonus $**	**Non-monetary benefits $**	**Superannuation $**	**Total $**	**Performance related**
Directors of CI Resources Limited						
Mr David Somerville	58,875		4,411		63,286	-
Mr Tee Lip Sin	22,500		4,411		26,911	-
Mr Tee Lip Jen	-		1,470		1,470	-
Mr Phuar Kong Seng	22,500		4,411		26,911	-
Mr Phua Siak Yeong	28,333		3,308		31,641	-
Prof. Anthony Brennan	65,769		4,411	6,331	76,511	-
Mr Adrian Gurgone	12,833		1,470		14,303	-
Directors of Phosphate Resources Limited						
Clive Brown	150,000	-	-	16,500	166,500	-
Lai Ah Hong	409,510	73,750	38,992	53,159	575,411	12.8%
Chan Khye Meng	75,000	-	-	8,250	83,250	-
Cheng Hang	75,000	-	7,070	8,250	90,320	-
Phuar Kong Seng	75,000	-	-	-	75,000	-
Tee Lip Sin	75,000	-	-	-	75,000	-
Phua Siak Yeong	149,402	9,640	-	9,542	168,584	5.7%
Other key management personnel – CI Resources Limited						
Questus Administration Services Pty Ltd (Acctg and Secretarial) *	64,840	-	-	-	64,840	-
Elizabeth Lee	-	-	-	-	-	-
Mosman Management Pty Ltd (D Kelly & J Burns)	72,892	-		-	72,892	-
Other key management personnel – Phosphate Resources Limited						
Kevin Edwards	224,060	55,470	11,293	-	290,823	19.1%
Alfred Chong	217,009	54,920	18,079	29,912	319,920	17.2%
Allan Robartson	158,855	41,190	16,447	22,005	238,497	17.3%
Total	**1,957,378**	**234,970**	**115,773**	**153,949**	**2,462,070**	

* David Somerville is a director of Questus Administration Services Pty Ltd

The non-monetary benefits include the provision of motor vehicles and Directors and Officers insurance.

The cash bonus is based on the results for the financial year ending 30 June 2010 and in accordance with a determination at the discretion of the Board of Directors. 100% of the total bonus was paid in the current financial year ending 30 June 2011.

Directors' report

2010	**Short-term benefits**			**Post-employment benefits**		
Name	**Cash fees and consulting $**	**Bonus $**	**Non-monetary benefits $**	**Superannu-ation $**	**Total $**	**Performance related**
Directors of CI Resources Limited						
David Somerville	49,811	-	3,293	-	53,104	-
Mr Tee Lip Sin	30,000	-	3,293	-	33,293	-
Mr Phuar Kong Seng	30,000	-	3,293	-	33,293	-
Phua Siak Yeong	37,500	-	3,293	-	40,793	-
Anthony Brennan	34,615	-	1,372	3,115	39,102	-
Clive Brown	32,083	-	1,921	2,887	36,891	-
Will Teo See Khiang	15,000	-	1,647	-	16,647	-
Directors of Phosphate Resources Limited						
Clive Brown	37,500	-	-	4,125	41,625	-
Lai Ah Hong	80,705	91,924	7,692	18,989	199,310	46.1%
Willy Teo See Khiang	-	-	-	-	-	-
Chan Khye Meng	18,750	-	585	2,062	21,397	-
Cheng Hang	18,750	-	4,129	2,062	24,941	-
Anthony Brennan	-	-	-	-	-	-
Phuar Kong Seng	18,750	-	-	-	18,750	-
Tee Lip Sin	18,750	-	-	-	18,750	-
Phua Siak Yeong	8,541	-	-	512	9,053	-
Other key management personnel – CI Resources Limited						
Mosman Management Pty Ltd (D Kelly & J Burns)	90,945	-	6,586	-	97,531	-
Other key management personnel – Phosphate Resources Limited						
Kevin Edwards	53,755	77,615	1,686	-	133,056	58.3%
Alfred Chong	53,631	76,838	4,662	14,351	149,482	51.4%
Allan Robartson	38,078	57,628	2,041	10,528	108,275	53.2%
Total	**667,164**	**304,005**	**45,493**	**58,631**	**1,075,293**	

Remuneration amounts for directors and executives of Phosphate Resources represent the three months post-acquisition, being 1 April to 30 June 2010.

The non-monetary benefits include the provision of motor vehicles and Directors and Officers insurance.

The Bonus is calculated based on 5% of the net profit after tax of PRL's profit and before taking effect of movement in FX forward contracts and impairment of inter-company loans. The individual bonuses are then allocated to employees from the 5% pool at the discretion of the Directors.

There were no grants of options to any director or other key management personnel during financial year 2010 and 2011.

Remuneration report (Audited) **(continued)**

Company's Performance

Company's share price performance

The Company's share price performance shown in the below graph is a reflection of the Company's performance during the year.

The graph below shows the Company's share price performance during the financial year ended 30 June 2011.

Profit/ (Loss) per share

Below is information on the Consolidated Entity's profit/ (loss) per share for the previous four financial years and for the current year ended 30 June 2011.

	2011	2010	2009	2008	2007
Basic profit/(loss) per share (cents)	6.2	7.9	24.19	1.56	1.89

Awards

Aggregate cash bonuses of $234,970 were payable in relation to the 2010 financial year, 100% of which were vested and 0% forfeited. Of this, the total amount was paid during the 2011 financial year.

Remuneration report (Audited) **(continued)**

C Service Agreements

Remuneration and other terms of employment for the directors are not formalised in service agreements.

The agreement for the Company Secretaries of CI Resources Limited provides for the provision of consulting fees.

Remuneration and other terms of employment for executive directors and other key management personnel are formalised in service agreements. These agreements have a fixed term of three years.

Other major provisions of the agreements relating to remuneration are set out below.

Lai Ah Hong – Managing Director (PRL)

- Term of agreement – For a period of 3 years, expiring 31 March 2014. Payment of remainder of contract or 12 months, whichever is greater, for early termination.
- Components encompass cash salary ($384,562) with provision for a 10% increase annually, superannuation and provision of a motor vehicle.
- Leave provisions encompass 5 weeks annual leave, 2 weeks sick leave and 13 weeks long service leave after 10 years service.
- Bonus payments as set by Board decision.

Phua Siak Yeong – Executive Director (PRL)

- Term of agreement – For a period of 3 years, expiring 31 March 2013. Payment of 12 months salary for early termination.
- Components encompass cash salary ($150,000) and superannuation.
- Leave provisions encompass 5 weeks annual leave and 2 weeks sick leave.
- Bonus payments as set by Board decision.

Kevin Edwards – Company Secretary/COO (PRL)

- Term of agreement – For a period of 3 years, expiring 31 March 2014. Payment of remainder of contract or 12 months, whichever is greater, for early termination.
- Components encompass cash salary ($235,300) with provision for a 5% increase annually and provision of a motor vehicle.
- Leave provisions encompass 5 weeks annual leave, 2 weeks sick leave and 13 weeks long service leave after 10 years service.
- Bonus payments as set by Board decision.

Alfred Chong – Resident Manager/Subsidiary Director (PRL)

- Term of agreement – For a period of 3 years, expiring 31 March 2014. Payment of remainder of contract or 12 months, whichever is greater, for early termination.
- Components encompass cash salary ($235,000) with provision for a 5% increase annually, superannuation and provision of a motor vehicle.
- Leave provisions encompass 5 weeks annual leave, 2 weeks sick leave and 13 weeks long service leave after 10 years service.
- Bonus payments as set by Board decision.

Remuneration report (Audited) **(continued)**

<u>Allan Robartson – Financial Controller (PRL)</u>

- Term of agreement – For a period of 3 years, expiring 31 March 2014. Payment of remainder of contract or 12 months, whichever is greater, for early termination.
- Components encompass cash salary ($185,000) with provision for a 5% increase annually, superannuation and provision of a motor vehicle.
- Leave provisions encompass 5 weeks annual leave, 2 weeks sick leave and 13 weeks long service leave after 10 years service.
- Bonus payments as set by Board decision.

<u>Questus Administration Services Pty Ltd - Company Secretary and Accounting</u>

- Term of agreement – For a period of 3 years, expiring 8 June 2014.
- Base fee of $6,600 per month for the provision of company secretarial services and an hourly rate of $180 per hour for additional work outside the scope of this contract.

D Share-based compensation

There were no share based payments to directors or other key management personnel during this or the previous financial year.

E Additional information

Given CI Resources Limited is involved in investment activities, the remuneration of the persons referred to above is not dependent on the satisfaction of a performance condition.

<u>Loans to directors and executives</u>

There are no loans to directors or executives.

<u>Shares under option</u>

There are no unissued ordinary shares of CI Resources Limited under option at the date of this report.

- End of Audited Remuneration Report –

Shares issued on the exercise of options

There were no options over ordinary shares and no ordinary shares of CI Resources Limited issued during the period ended 30 June 2011 on the exercise of options.

Insurance of officers

During the period the Company paid a premium to insure the directors and officers of the Company. Under the terms of the policy the Company cannot publish amounts paid for premiums or the extent of the liabilities insured.

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

Non-audit services
The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	2011	2010
Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:		
General Accounting Advice		
- *CI Resources*	-	-
- *Other members of the Group*	15,000	-

No non-audit services were provided by the Auditors during the year ended 30 June 2010.

Auditors' Independence Declaration
A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Auditor
Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

D Somerville
Chairman
Perth, Western Australia

30 September 2011

AUDITORS INDEPENDENCE DECLARATION

Corporate Governance disclosures

During the Consolidated Entity's financial period the Group has complied with the ASX Principles and Recommendations other than in relation to the matters specified below:

Principle Ref.	Recommendation Ref.	Notification of Departure	Explanation for Departure
2	2.1	A majority of board members are not independent directors	Three of the six board members are considered to be independent including the chairman in accordance with the ASX definition. In view of the size of the Company and the nature of its activities the board considers that the current board is a cost effective and practical method of directing and managing the Company.
2	2.4	The board has not established a nomination committee	The board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the board carries out the process of determining the need for, screening and appointment of new directors. In view of the size of the Company and resources available, it is not considered that a separate nomination committee would add any substance to this process.
8	8.1	The board has not established a remuneration committee	The full board is responsible for setting remuneration levels and individual performance targets. Due to the size of the Company it is considered to be efficient and cost effective. Advice from professional independent advisors will be sought where necessary.

CI Resources Limited

Financial report – For the financial year ended 30 June 2011

Contents

CI Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

884 Canning Highway
Applecross WA 6153

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 30 September 2011. The consolidated entity has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the consolidated entity. All press releases, financial reports and other information are available on our website: www.ciresources.com.au

For queries in relation to our reporting please call +61 8 9364 5177 or e-mail info@ciresources.com.au

Consolidated of Statement Comprehensive Income
For the financial year ended 30 June 2011

	Notes	Consolidated 2011 *$'000s*	2010 *$'000s*
Revenue from continuing operations	3a	**106,754**	**20,401**
Cost of sales	3b	**(77,439)**	**(13,921)**
Gross Profit		**29,315**	**6,480**
Other income	3c	1,857	1,024
Share of net profits in associates		-	1,749
Net Gain on acquisition of Subsidiary		-	1,649
Other expenses	3d	(16,883)	(2,652)
Finance costs	3e	(626)	(151)
Profit from continuing operations before income tax		**13,663**	**8,099**
Income tax expense	4	(6,433)	(1,432)
Profit from continuing operations after income tax		**7,230**	**6,667**
Discontinued operations			
Profit / (loss) from discontinued operations after income tax	37b	1,555	(690)
Profit for the period after income tax		**8,785**	**5,977**
Other comprehensive income			
Net currency translation differences		(278)	-
Other comprehensive income for the year		(278)	-
Total comprehensive income for the year		**8,507**	**5,977**
Profit is attributable to:			
Non-controlling interest		4,251	231
Members of CI Resources Limited		4,534	5,746
		8,785	**5,977**
Total comprehensive income for the year is attributable to:			
Non-controlling interest		4,251	231
Members of CI Resources Limited		4,256	5,746
		8,507	**5,977**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent			
Basic earnings per share		4.1 cents	7.9 cents
Diluted earnings per share		4.1 cents	7.9 cents
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share		6.2 cents	8.8 cents
Diluted earnings per share		6.2 cents	8.8 cents

The above Consolidated Statement Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As at 30 June 2011

		Consolidated	
		2011	**2010**
		$'000s	***$'000s***
Current assets			
Cash and cash equivalents	6	30,523	28,522
Trade and other receivables	7	24,320	19,304
Derivative financial assets	8	5,308	5,556
Inventories	9	11,912	10,166
Total current assets		**72,063**	**63,548**
Non-current assets			
Other Financial Asset	10	10,188	22,482
Plant & equipment	11	45,593	10,860
Mine properties	12	-	5,347
Goodwill	13	7,635	-
Biological assets	14,36	12,332	-
Deferred tax assets	4	5,855	6,515
Total non-current assets		**81,603**	**45,204**
Total assets		**153,666**	**108,752**
Current liabilities			
Trade and other payables	17	12,247	5,558
Borrowings	18	6,536	1,711
Tax liability	4,19	2,836	4,074
Provisions	20	2,765	2,374
Total current liabilities		**24,384**	**13,717**
Non-current liabilities			
Payables	21	-	48
Borrowings	22	23,996	1,954
Deferred tax liabilities	4	12,034	4,705
Provisions	23	16,468	14,417
Total non-current liabilities		**52,498**	**21,124**
Total liabilities		**76,882**	**34,841**
Net assets		**76,784**	**73,911**
Equity			
Contributed equity	24	17,970	17,970
Reserves	25	1,673	364
Accumulated profits	26	13,996	12,820
		33,639	**31,154**
Non-controlling interest		43,145	42,757
Total equity		**76,784**	**73,911**

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

Consolidated Statements of changes in Equity
For the year ended 30 June 2011

Consolidated	Contributed Equity *$'000s*	Foreign currency translation Reserve *$'000s*	Acquis-ition Reserve	Retained earnings *$'000s*	Owners of the Parent *$'000s*	Non-controlling Interest *$'000s*	Total *$'000s*
1 July 2010	**17,970**	**364**	**-**	**12,820**	**31,154**	**42,757**	**73,911**
Profit for the year	-	-	-	4,534	4,534	4,251	8,785
Other comprehensive income for the year	-	(278)	-	-	(278)	-	(278)
Total comprehensive income for the year	**-**	**(278)**	**-**	**4,534**	**4,256**	**4,251**	**8,507**
Transactions with owners in their capacity as owners							
Acquisition of Minority Interest	-	-	1,587	-	1,587	(3,863)	(2,276)
Dividends paid	-	-	-	(3,358)	(3,358)	-	(3,358)
Non-controlling interest arising on acquisition of Phosphate Resources Limited	-	-	-	-	-	-	-
30 June 2011	**17,970**	**86**	**1,587**	**13,996**	**33,639**	**43,145**	**76,784**
1 July 2009	**17,970**	**364**	**-**	**13,374**	**31,708**	**-**	**31,708**
Profit for the year	**-**	**-**	**-**	**5,746**	**5,746**	**231**	**5,977**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**5,746**	**5,746**	**231**	**5,977**
Transactions with owners in their capacity as owners							
Dividends paid	-	-	-	(6,300)	(6,300)	-	(6,300)
Non-controlling interest arising on acquisition of Phosphate Resources Limited	-	-	-	-	-	42,526	42,526
30 June 2010	**17,970**	**364**	**-**	**12,820**	**31,154**	**42,757**	**73,911**

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

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2011

	Notes	Consolidated 2011 $'000s	Consolidated 2010 $'000s
Cash flows from operating activities			
Receipts from customers		101,568	17,770
Payments to suppliers and employees (inclusive of goods and services tax)		(86,168)	(8,334)
Interest received		1,928	409
Borrowing Costs		(26)	-
Income taxes paid		(8,058)	-
Net cash flows from/(used in) operating activities	33	**9,244**	**9,845**
Cash flows from investing activities			
Movement in term deposits		12,294	(11,981)
Proceeds from Sale of Subsidiary	37d	3,080	-
Purchase of property, plant and equipment		(1,468)	-
Acquisition of Subsidiary net of Cash Acquired		(44,298)	-
Acquisition of Shares in Phosphate Resources Limited		(1,386)	-
Cash acquired on acquisition of Phosphate Resources Limited		-	26,714
Dividends received		1,154	1,429
Net cash flows from/(used in) investing activities		**(30,624)**	**16,162**
Cash flows from financing activities			
Borrowings Net Movement		26,738	2,077
Dividends paid		(3,357)	(6,300)
Net cash flows from financing activities		**23,381**	**(4,223)**
Net decrease in cash and cash equivalents held		**2,001**	**21,784**
Cash and cash equivalents at the beginning of the financial year		**28,522**	**6,738**
Cash and cash equivalents at the end of the financial year	6	**30,523**	**28,522**

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

Notes to the financial statements
For the year ended 30 June 2011

1. Corporate Information

This financial report of CI Resources Limited ('company') for the year ended 30 June 2011 comprises the Company and its subsidiaries ('Group'). The financial report of CI Resources Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 30 September 2011.

The separate financial statements of the parent entity, CI Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

CI Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange

2. 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 financial year ended 30 June 2011, unless otherwise stated.

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritive pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for derivatives which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ("$'000"), unless otherwise stated.

The financial report covers the Consolidated Entity of CI Resources Limited and its controlled entities. The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of equity accounted investment on acquisition of the associate and the derivatives which have been measured at fair value.

(a) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

(i) Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The group has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2010.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2010
AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] effective 1 July 2010

The adoption of the above Standards or Interpretations does not have an impact on the financial statements or performance of the group.

Notes to the financial statements
For the year ended 30 June 2011

2. Summary of Significant Accounting Policies (continue)

(b) New accounting standards and interpretations (continue)

(i) Changes in accounting policy and disclosures (continue)

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2010
Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – The subject of amendments to the standards are set out below:
AASB 5 – Disclosures in relation to non-current assets (or disposal groups) classified as held for sale or discontinued operations
AASB 8 – Disclosure of information about segment assets
AASB 101 – Current/non-current classification of convertible instruments
AASB 107 – Classification of expenditures that does not give rise to an asset
AASB 117 – Classification of leases of land
AASB 118 – Determining whether an entity is acting as a principle or an agent
AASB 136 – Clarifying the unit of account for goodwill impairment test is not larger than an operating segment before aggregation
AASB 139 – Treating loan prepayment penalties as closely related embedded derivatives, and revising the scope exemption for forward contracts to enter into a business combination contract

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]

Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]
Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of NCI are measured at fair value.

Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), in a consistent manner i.e., allocate between consideration and post combination expenses.

Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.

Clarifies that the revised accounting for loss of significant influence or joint control (from the issue of IFRS 3 Revised) is only applicable prospectively.

(ii) Accounting Standards and Interpretations issued but not yet effective.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2011. These are outlined in the table below:
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]
AASB 124 (Revised) Related Party Disclosures (December 2009)
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]

2. Summary of Significant Accounting Policies (continue)

(b) New accounting standards and interpretations (continue)

(ii) Accounting Standards and Interpretations issued but not yet effective. (continue)

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]
AASB 10 - Consolidated Financial Statements
AASB 11 - Joint Arrangements
AASB 12 - Disclosure of Interests in Other Entities
AASB 13 – Fair value Measurements

(b) New accounting standards and interpretations (continued)

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of CI Resources Limited ("company" or "parent entity") as at 30 June 2011 and the results of its subsidiaries for the financial year then ended. Interests in associates are equity accounted and are not part of the consolidated Group.

CI Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

All controlled entities have a June financial year-end with the exception of the companies domiciled in China which have a December year-end.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Phosphate Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

2. Summary of Significant Accounting Policies (continue)

(c) Basis of consolidation (continue)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit disposal of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(d) Income tax

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

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

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

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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2. Summary of Significant Accounting Policies (continue)

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property
Freehold land and buildings are measured at cost less accumulated depreciation on buildings.

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

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets (refer to note 2(l) for accounting policy on recoverable amount).

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

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

Depreciation
The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land are depreciated on a straight line or diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciation assets are:

Class of Fixed Asset	*Depreciation Rate*
Leasehold and strata title properties	Shorter of the lease and 2%
Plant and equipment under lease:	
- the shorter of the lease term and life span	20 – 30%
Plant and equipment	13 – 40%
Mine properties	Life of mine

2. Summary of Significant Accounting Policies (continue)

(f) Property, plant and equipment (Continued)

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

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

(g) Mining tenements and exploration expenditure

Costs incurred during exploration and evaluation activities related to an area of interest are accumulated at cost.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest, or alternatively its sale, or where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to abandoned areas of interest are written off in full in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(h) Mine properties

Costs incurred prior to the start up of operations or mining assets acquired are accumulated at cost. Such costs are only carried forward to the extent that they are expected to be recouped through the successful exploitation of the known reserves.

Impairment
The carrying amount of mine properties is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these assets (refer to note 2(l) for accounting policy on recoverable amount).

(i) Restoration

Estimated rehabilitation expenditure is recognised as a provision when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provision is charged to the income statement in each accounting period, and is disclosed as a financing cost.

Other changes in the measurement of an existing restoration obligation that result from changes in the estimated timing or amount of future costs, or a change in the discount rate, are recognised as an adjustment to production costs included in cost of goods sold.

2. Summary of Significant Accounting Policies (continue)

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments of operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Derivative financial instruments

Derivative financial instruments are used by the Group to provide an economic hedge of exposures to exchange rates. The consolidated entity does not apply hedge accounting and accordingly all fair value movements on derivative financial instruments are recognised in the statement of comprehensive income.

Derivative financial instruments are stated at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain or loss is recognised in profit or loss immediately.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

(l) Impairment of non-financial assets other than goodwill

At each reporting date, the company assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Summary of Significant Accounting Policies (continue)

(m) Intangibles

Goodwill
Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to the identifiable net assets at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses recognised for goodwill are not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and Development
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies indicate that the project will deliver future economic benefits and these benefits can be measured reliably.

(n) Foreign currency transactions and balances

Functional and presentation currency
The functional currency of each of the group's entities is determined by reference to the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period

2. Summary of Significant Accounting Policies (continue)

(o) Cash and cash equivalents

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

(p) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are carried at nominal amounts due less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written-off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. An estimate for doubtful debts is determined based on the net assets of the related party.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

► Nature of the products and services
► Nature of the production processes
► Type or class of customer for the products and services
► Methods used to distribute the products or provide the services, and if applicable
► Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

2. Summary of Significant Accounting Policies (continue)

(s) Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group’s operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

(t) Revenue

Sale of goods
Revenue is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by or on behalf of the consolidated entity;
- The quantity and quality of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the consolidated entity;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
- The costs incurred, or expected to be incurred, in respect of the transaction can be measured reliably.

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

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Dividends
Revenue is recognised when the right to receive a dividend has been established.

2. Summary of Significant Accounting Policies (continue)

(u) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

(v) Employee benefits

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

(w) Provisions

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

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are recognised in income during the period in which they are incurred.

(y) Plantation development costs

Costs incurred on land clearing are capitalised as plantation development costs and is amoritsed over the economic useful life of the asset (25 years). Costs on the concession lease with a term of 60 years are capitalised and amortised over the remaining term of lease.

(z) Biological assets

Biological assets which include mature and immature oil palm plantations are stated at fair value less estimated point of sale costs except when the fair value cannot be measured reliably. In this instance, the biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses until such time as its fair value can be reliably measured.
Fresh fruit bunches (which are subsequently milled to become palm oil) is the harvested product of a biological asset and is measured at its fair value less estimated point of sale costs at the point of harvest.
Net movement in fair value less estimated point of sale costs of biological assets are included in the statement of comprehensive income in the year they arise.

2. Summary of Significant Accounting Policies (continue)

(aa) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australia Taxation Office.

(bb) Financial instruments

Recognition
Financial instruments are initially measured at fair value, which includes transaction costs, when the contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets and carried at amortised cost. Loans and receivables are included in receivables in the financial position.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation.

Impairment
The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(cc) Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in consolidated financial statements they reduce the carrying amount of the investment.

2. Summary of Significant Accounting Policies (continue)

(cc) Investments in associates (continue)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(dd) 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, net of tax, from the proceeds.

(ee) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(ff) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share 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 to have been issued for no consideration in relation to dilutive potential ordinary shares.

(gg) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2. Summary of Significant Accounting Policies (continue)

(hh) Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Assessment of mine life on Christmas Island
The Financial statements have been prepared on the basis that the resource supports continued operations for at least 5 years on the current market parameters and expectations.

Determination of mineral resources and ore reserves
The Group's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates or production costs may change the economic status of resources and may, ultimately, result in the resources being restated. Such changes in resources could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of property, plant and equipment
Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:
- Estimates of the quantities of ore reserves and mineral resources;
- Future production levels;
- Future commodity prices and foreign exchange rates; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Provisions for decommissioning and restoration costs
Decommissioning and restoration costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the appropriateness of the discount rate and the estimated future level of inflation.

2. Summary of Significant Accounting Policies (continue)

(ii) Significant accounting estimates and assumptions

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Fair value of biological assets
The fair value of the oil palm plantations is estimated by reference to independent professional valuations using the discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations is determined using the market price and the estimated yield of the agricultural produce, being FFB, net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is dependent on the age of the oil palm trees, location of the plantations, soil type and infrastructure. The market price of FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel.

	Consolidated 2011	Consolidated 2010
	$'000s	***$'000s***
3. Revenue		
a) Revenue from continuing operations		
Sales of phosphate and oil	94,803	17,737
Rendering of services	10,024	2,256
Interest income	1,927	408
	106,754	**20,401**
b) Cost of sales		
Production costs	55,290	8,835
Shipping & marketing	19,472	4,469
Depreciation	2,677	617
	77,439	**13,921**
c) Other income		
Commonwealth grants	1	5
Net gain/(loss) on disposal of assets	29	-
Net foreign exchange gains	1,827	1,019
	1,857	**1,024**

Notes to the financial statements
For the year ended 30 June 2011

3. Expenses

	Note	Consolidated 2011 $'000s	Consolidated 2010 $'000s
d) Other expenses			
Government grant expenditure		-	1
Redundancy expense		1,192	153
Depreciation		33	15
Administration		11,661	2,236
Loss on disposal of a subsidiary	37d	985	-
Bad debt expense/(recovery)		650	74
Foreign exchange loss		2,274	186
Allowance for inventory obsolescence		-	(13)
Others		88	-
		16,883	2,652

	Consolidated 2011 $'000s	Consolidated 2010 $'000s
e) Finance costs		
Interest expense	26	1
Accretion on demolition provision	600	150
	626	**151**

4. Income tax

The major components of income tax are:

Statement of Comprehensive Income

	2011	2010
Current income tax		
Current income tax charge	6,473	1,190
Adjustments in respect of current income tax of previous years	(546)	-
Deferred income tax		
Relating to origination and reversal of temporary differences	(1,129)	242
Adjustments in respect of deferred tax of previous years	1,635	-
Income tax expense reported in the **Statement of Comprehensive Income**	6,433	1,432

Notes to the financial statements
For the year ended 30 June 2011

4. Income tax (continue)

	Consolidated	
	2011	2010
	$'000s	*$'000s*
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	13,663	8,099
At the Group's statutory income tax rate of 30% (2010: 30%)	4,098	2,429
Income/expenditure not allowable for income tax purposes:		
Add:		
- Adjustments in respect of current income tax of previous years	(546)	-
- Prior year adjustment in respect of temporary difference	1,635	-
- Dividend income received	-	773
- Expenditure not allowable for income tax purposes	478	245
- Franked dividends received	(240)	(773)
- Deferred tax asset not bought to account	1,008	-
- Share of associate's net profit	-	(1,242)
Aggregate income tax expense	6,433	1,432

Notes to the financial statements
For the year ended 30 June 2011

4. Income tax (continued)

	Statement of Financial Position		*Statement of Comprehensive Income*	
	2011	**2010**	**2011**	**2010**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Consumables(i)	(1,352)	(938)	410	60
Other	(9,090)	(4)	3	(4)
Mine properties(i)	-	(1,604)	-	-
Unrealised gains(i)	(1,592)	(2,159)	(567)	302
Gross deferred income tax liabilities	(12,034)	(4,705)		
Deferred tax assets				
Provisions and accruals(i)	4,434	3,848	(586)	27
Depreciation – fixed assets(i)	1,215	1,047	(168)	(126)
Unrealised forex loss	206	-	(206)	-
Allowance for doubtful debt(i)	-	1,620	1,620	(21)
Gross deferred income tax assets	5,855	6,515		
Deferred tax income/(expense)			506	(238)

(i) Deferred tax balances acquired as part of business combination

This deferred tax asset will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the consolidation entity in realising the benefit.

The parent entity has made non-current provisions for demolition of $7,504,000 (2010: $6,904,000) and for employee redundancies of $6,009,000 (2010: $5,349,000). The future income tax benefit relating to the provision on restoration and demolition is not probable of recovery, as it is believed that when the provisions are required the parent entity may not have future taxable income to utilise the tax benefit. It is opined that 65% of the provision for employee redundancy is probable of recovery on the premise that this proportion of total employee severance will be incurred prior to mine closure.

CI Resources Limited and its wholly owned controlled entities have not entered into a tax consolidation agreement.

5. Earnings per share

	2011 Cents	2010 Cents
Basic earnings per share	**6.2**	**7.9**

	2011 Number	2010 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	**72,874,102**	**72,874,102**

	2011 *$'000s*	2010 *$'000s*
Profit used in calculating basic and diluted losses per share		
Net profit	**4,534**	**5,746**

There are no instruments (e.g., share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

	Consolidated	
	2011	2010
	$'000s	*$'000s*

6. Current assets – Cash and cash equivalents

Cash at bank and on hand	**28,890**	**26,424**
Deposits at call	**1,633**	**2,098**
	30,523	**28,522**

7. Current assets – Trade and other receivables

Debtors	**23,554**	**18,506**
Prepayments	**766**	**798**
	24,320	**19,304**

Trade receivables at 30 June 2011 is in accordance with the terms of the contract and no impairment loss is expected. There are no receivables which are past due and/or impaired.

8. Derivative financial asset

	Consolidated 2011 *$'000s*	Consolidated 2010 *$'000s*
Forward currency contracts – held for trading[(a)]	5,308	5,556
	5,308	5,556

[(a)] *Forward currency contracts – held for trading*
The Group has entered into forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

	Notional amounts $AUD		Average exchange rate	
	2011 *$'000s*	2010 *$'000s*	2011	2010
Sell US$/buy Australian $				
Consolidated				
Sell US$ maturity 0 to 12 months	25,602	35,970	0.8281	0.7173
Sell US$ maturity 12 to 24 months	-	17,646	-	0.7820
Parent				
Sell US$ maturity 0 to 12 months	25,602	35,970	0.8281	0.7173
Sell US$ maturity 12 to 24 months	-	17,646	-	0.7820

These contracts are fair valued by comparing the contracted rate to the market rates for contracts with the same length of maturity. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value gains on foreign currency derivatives during the year were $1.822 million for the Group (2010: gain of $4.019 million) and $1.822 million (2010: gain of $4.019 million) for the Company.

The group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1: the fair value is calculated using quoted price in active markets;
Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (as price) or indirectly (derived from prices); and
Level 3: the fair value is estimated using inputs for the assets or liability that are not based on observable market data.

	Level 1 '000	Level 2 '000	Level 3 '000	Total '000
Forward currency contracts – held for trading	-	5,308	-	5,308
	-	5,308	-	5,308

Transfer between categories:
There were no transfer between level 1 and level 2 during the year.

9. Inventories (current)

	Consolidated 2011 *$'000s*	Consolidated 2010 *$'000s*
Consumable materials and stores	3,854	2,565
Finished goods	8,058	7,601
	11,912	10,166

Notes to the financial statements
For the year ended 30 June 2011

10. Other Financial Asset

	Consolidated	
	2011	2010
	$'000s	*$'000s*
Trust fund term deposit	4,446	3,735
Demolition and restoration bonds	2,059	1,957
Other term deposits	3,683	16,790
	10,188	**22,482**

Under the terms of the current Workplace Agreement between the Union of Christmas Island Workers and Phosphate Resources Limited a trust fund term deposit to meet employee entitlements is maintained. This trust fund may only be used to meet employee entitlements but may be drawn down as they arise. It is supplemented by a minimum amount of $500,000 annually. The trust fund term deposit currently stands at $4,446,448 (2010: $3,735,308). The interest earned on the term deposit of $211,140 (2010: $183,751) has been added to the term deposit.

Other term deposits have varying maturities all greater than 12 months and earn interest at commercial rates..

11. Property, Plant & equipment

Leasehold Land		
At cost	26,839	-
Accumulated depreciation	(72)	-
	26,767	-
Leasehold buildings		
At cost	4,788	928
Accumulated depreciation	(1,923)	(783)
	2,865	145
Land and buildings		
At cost	383	1,237
Accumulated depreciation	(146)	(809)
	237	428
Strata title properties		
At cost	1,191	1,255
Accumulated depreciation	(211)	(163)
	980	1,092
Plant and equipment		
At cost	54,054	46,473
Accumulated depreciation and impairment	(42,924)	(40,364)
	11,130	6,109
Plant and equipment under lease		
At cost	4,371	3,768
Accumulated depreciation	(1,958)	(818)
	2,413	2,950
Construction in progress	1,201	136
Total property, plant and equipment		
At cost	92,827	53,797
Accumulated depreciation and impairment	(47,234)	(42,937)
Net carrying amount	45,593	10,860

11. Property, Plant & equipment (continued)

(a) Assets pledged as security:

Included in all balances above are assets of Phosphate Resources Limited, Phosphate Resources Properties Pty Ltd and strata title properties of Phosphate Resources (Singapore) Pte Ltd over which first and second mortgages have been granted as security. The terms of the mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The shares in Cheekah-Kemayan Plantation Sdn Bhd are pledge as a security on a USD bank loan and the assets of Cheekah-Kemayan Plantation Sdn Bhd are pledged as a security over a bank overdraft facility. The net book values of the assets pledged are:

	Consolidated	
	2011	**2010**
	$'000s	**$'000s**
	59,320	10,166

(b) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	2011	2010
Leasehold Land		
Carrying amount at beginning	-	-
Transfer from construction in progress	-	-
On acquisition of subsidiary	26,839	-
Disposals	-	-
Depreciation expense	(72)	-
	26,767	-
Leasehold buildings		
Carrying amount at beginning	145	59
Foreign exchange difference	(3)	
Transfer from construction in progress	180	-
Additions	2,675	127
Disposals	-	-
Depreciation expense	(132)	(41)
	2,865	145
Land and buildings		
Carrying amount at beginning	428	543
Transfer from construction in progress	-	-
Additions	-	-
Disposal of subsidiary	(191)	-
Depreciation expense	-	(115)
	237	428
Strata title properties		
Carrying amount at beginning	1,092	1,122
Impact of foreign exchange	(112)	(18)
Additions	-	-
Disposals	-	-
Depreciation expense	-	(12)
	980	1,092

Notes to the financial statements
For the year ended 30 June 2011

11. Property, Plant & equipment (continued)

	Consolidated 2011 $'000s	Consolidated 2010 $'000s
(b) Reconciliations (continued)		
Plant and equipment		
Carrying amount at beginning	6,109	6,850
Transfer from construction in progress	2,074	-
Impact of foreign exchange	(316)	(633)
Additions	6,390	1520
Transfer from/(to) equipment under lease	39	6
Disposals	(1,136)	-
Impairment	-	556
Depreciation expense	(2,030)	(2,190)
	11,130	6,109
Plant and equipment under lease		
Carrying amount at beginning	2,950	264
Gain / (loss) on translation of foreign exchange	-	(4)
Additions	201	-
Disposals	-	(84)
Transfer (to)/from plant and equipment	(39)	3,606
Depreciation expense	(699)	(832)
	2,413	2,950
Construction in progress		
Carrying amount at beginning	136	3,748
Additions	3,255	-
Disposals	-	-
Written off	-	-
Transferred to plant and equipment	(2,190)	(3,612)
	1,201	136

12. Mine properties

	Consolidated	
	2011	**2010**
	$'000s	***$'000s***
Mine development (at cost)	-	5,347
Carrying amount at start of year	5,347	13,262
Disposed of subsidiary (i)	(5,347)	-
Additions	-	-
Impact of foreign exchange	-	(242)
Impairment (ii)	-	(7,673)
	-	5,347

(i)
Effective 1 May 2009 a subsidiary of Phosphate Resources Limited, PRL China Pty Ltd, acquired 59.275% interest in Phosphate Resources (Hua Li) Ltd which owned a Phosphate mining project comprising three mines in China. The carrying value of these mine properties was $5,347,000 as at 30 June 2010.

During the year ended 30 June 2011 PRL China Pty Ltd sold its entire interest (59.275%) in Phosphate Resources (Hua Li) Ltd.

(ii)
Since the determination of the acquisition price of the phosphate mines in China, recoverable phosphate prices had declined in the People's Republic of China and the demand had dropped considerably.

The mining operations remained break even for 2009/10, however extensive floods in China had limited the demand for fertiliser products and the operation remained marginal.

The value of the mine properties had been calculated on the basis of the sale of shares of a minority shareholder in Phosphate Resources (Hua Li) Ltd, the company holding the mine properties. The impairment charge had been allocated in the prior year to mine development only.

13. Goodwill

Goodwill arising from business combination (Note 36)	7,635	-
	7,635	-

14. Biological Assets

	Consolidated 2011 $'000s	Consolidated 2010 $'000s
Carrying amount on acquisition of subsidiary	12,332	-
Carrying amount at end	12,332	-

Biological assets consist of mature oil palm trees.

The Group grows oil palm trees to produce palm oil. The plantation is located in Malaysia.

A valuation was conducted by Jones Lang Wootton, an independent professional valuer, on a subsidiary's oil palm estate development comprising land, ancillary facilities and biological assets, for the purposes of acquisition of the subsidiary by Phosphate Resources Limited on 30 April 2011.

The valuer has confirmed that there have been no significant changes in the value of biological assets between 30 April 2011 and 30 June 2011.

The Group is exposed to risks in respect of agricultural activity. The agricultural activity of the Group consists of the plantation development and cultivation of palm products.

The primary risk associated with this activity occurs due to the length of time between expending cash on the purchase of planting and maintenance of oil palm plantation and in harvesting, and ultimately receiving cash from sale of palm oil to third parties. The Group's strategy to manage this risk is to get adequate insurance coverage.

15. Non-current assets – Investments accounted for using the equity method

Prior to 1 April 2010 the Company had a 41.74% interest in the ordinary shares of Phosphate Resources Limited which operates a phosphate mine on Christmas Island. Post 1 April 2010 the Company increased its holding to 44.73% in PRL. Out of 6 Directors on PRL 3 Directors represent CI Resources giving CI Resources at least 50% control over PRL. The Board of Directors also have publicly announced that they have concluded that CI Resources now controls PRL. Based on above factors the Company is now considered to have a controlling interest in PRL.

	Consolidated 2011 $'000s	Consolidated 2010 $'000s
(a) Associated companies (Note 16)		
Phosphate Resources Limited	-	-
(b) Reconciliation		
At the beginning of the year	-	**25,076**
Share of associated company's profit/(loss)		
Guizhou Tianfeng Chem-Phos Company	-	-
Less: Minority interest	-	-
Phosphate Resources Limited	-	**1,748**
Equity accounted dividends	-	**(1,429)**
Increase in shareholding – Phosphate Resources	-	-
Impaired investment	-	-
Foreign currency adjustments		
Re-measurement of equity interest on acquisition of controlling interest in PRL	-	**(25,395)**
	-	-

16. Investments in controlled entities

CI Resources Limited owns 100% of Xi Feng International Pte Ltd which is incorporated in Singapore and 49.93% of Phosphate Resources Limited which is incorporated in Australia (50.47 as a 4th July 2011). The voting power in respect to Phosphate Resources is in proportion to ownership.

(a) Carrying amounts

Information relating to controlled entities is set out below:

Name of company	Principal activity	Ownership interest 2011	2010
Unlisted			
Phosphate Resources Limited and its controlled entities	Mining	49.93%	44.73%
Xifeng International Pte Ltd	Investment	100.00%	100.00%

17. Current liabilities – Trade and other payables

	Notes	Consolidated 2011 $'000s	2010 $'000s
Trade payables		11,357	5,558
Other payables		890	-
		12,247	**5,558**

18. Current liabilities – Interest bearing loans and borrowings

	Notes	2011	2010
Insurance premium funding loan		518	526
Bank loan	18 (a),(b),(c),(d)	4,656	-
Lease liability	30(a)	1,362	1,185
		6,536	**1,711**

(a) Interest rate risk and liquidity risk
Details regarding interest rate risk and liquidity risk are disclosed in Note 34.

(b) Fair value
The carrying amount of the borrowings approximates their fair value as the borrowings are at floating interest rates which move in accordance with market rates.

(c) Defaults and breaches
During the current there were no defaults or breaches on any of the loans.

(d) Financing facilities available
At reporting date, the following financing facilities had been negotiated and were available**:**

	2011	2010
Total facilities	28,454	1,026
Facilities utilised at reporting date	(27,954)	(526)
Facility unused at reporting date	500	500

19. Current liabilities – Tax liability

	Notes	Consolidated 2011 $'000s	2010 $'000s
Tax payable		**2,836**	**4,074**

20. Current liabilities – Provisions

		2011	2010
Employee entitlements		**2,765**	**2,374**

21. Non-current liabilities – Payables

		2011	2010
Other payables		**-**	**48**

22. Non-current liabilities – Borrowings

	Notes	2011	2010
Bank loan	18 (a),(b), (c),(d)	23,280	-
Lease liabilities	30(a)	676	1,954
Loans from Associates		40	-
		23,996	**1,954**

23. Non-current liabilities – Provisions

	Notes	2011	2010
Redundancy	(a)	6,499	5,349
Employee entitlements		2,465	2,164
		8,964	7,513
Decommissioning and restoration	(b)	7,504	6,904
		16,468	14,417

The amounts employees are entitled to receive if made redundant in accordance with their employment agreements are fully provided. The redundancy provision was increased by a net amount of $1,150,000 during the year ended 30 June 2011 (2010: $464,000).

(b) ***Provision for decommissioning and restoration***

Based on the Mining Lease Agreement between the Commonwealth Government and Phosphate Resources Limited a provision for decommissioning and restoration has been recognised for costs associated with:

- Demolition of all improvements specified for the removal of all debris resulting from demolition, removal of plant and equipment and leaving the leased land in a safe, clean and tidy condition at the expiry of the lease.

Estimates of the decommissioning and restoration obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the decommissioning and restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to demolition or restoration of such mines in the future.

Notes to the financial statements
For the year ended 30 June 2011

23. Non-current liabilities – Provisions (continue)

	Notes	Consolidated 2011 $'000s	Consolidated 2010 $'000s
(c) *Movement in provisions*			
Provision for decommissioning and restoration :			
Carrying amount at the beginning of the financial year		6,904	6,304
Additional provision			
Change in net present value of provision:			
- Credited to profit or loss		600	600
Carrying amount at the end of the financial year		7,504	6,904

24. Contributed equity

(a) Share capital	Number of shares	$'000s
Ordinary shares – fully paid	**72,874,102**	**17,970**

(b) Movements in ordinary share capital

Date	Details	Number of shares	$'000s
1 July 2009	Opening balance	72,874,102	17,970
30 June 2010	Closing balance	72,874,102	17,970
30 June 2011	**Closing balance**	**72,874,102**	**17,970**

(c) Ordinary shares

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

25. Reserves

	Notes	Consolidated 2011 $'000s	Consolidated 2010 $'000s
Foreign exchange translation reserve		**86**	**364**
Acquisition reserve		**1,587**	**-**
		1,673	**364**

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.
Acquisition reserve
Any gain or loss arising on acquisition of non controlling interest of subsidiaries is recognized in this reserve.

Movements in reserves

	2011 $'000s	2010 $'000s
Foreign exchange translation reserve		
Balance at the beginning of the year	**364**	**364**
FX on translation of financial report	**(278)**	**-**
Balance at the end of the period	**86**	**364**

Notes to the financial statements
For the year ended 30 June 2011

26. Retained earnings

Accumulated losses at the beginning of the year	**12,820**	**13,374**
Net profit attributable to members of CI Resources Limited	**4,534**	**5,746**
Dividends paid	**(3,358)**	**(6,300)**
Accumulated profits/(losses) at the end of the financial year	**13,996**	**12,820**

27. Key management personnel disclosures

	Consolidated	
	2011	**2010**
	$'000s	***$'000s***
(a) Key management personnel compensation		
Short term employee benefits	**2,308**	**3,792**
Post employment benefits	**153**	**228**
	2,461	**4,020**

(b) Equity instrument disclosures relating to key management personnel

Options provided as remuneration and shares issued on exercise of such options

There were no options issued to key management personnel for the financial years ended 30 June 2011 and 30 June 2010.

Option holdings

No key management personnel held options over ordinary shares in the Group during the current year ended 30 June 2011 (2010: Nil)

Share holdings

The numbers of shares in the company held during the financial year by each director and the key management personnel of the consolidated entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2011 **Name**	**Balance at the start of the period**	**Received during the period on the exercise of options**	**Other changes during the period**	**Balance at the end of the period**
Directors of CI Resources Limited				
Mr David Somerville	-	-	-	-
Mr Tee Lip Jen (i)	-	-	-	-
Mr Tee Lip Sin	13,779,876	-	-	13,779,876
Mr Phuar Kong Seng	10,309,410	-	-	10,309,410
Mr Phua Siak Yeong (ii)	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Mr Adrian Gurgone(i)	-	-	-	-
Other key management personnel				
Ms Elizabeth Lee	-	-	-	-
Mr Desmond John Kelly (iii)	-	-	-	-
Ms Janelle Burns (iii)	-	-	-	-

(i) Mr Tee Lip Jen & Mr Adrian Gurgone were appointed on the 18 March 2011
(ii) Mr Phau Siak Yeong resigned on the 15 March 2011
(iii) Mr Desmond John Kelly & Ms Janelle Burns resigned on the 3 March 2011

Other changes does not denote sale of securities, rather that the director has resigned.

27. Key management personnel disclosures (continued)

2010 Name	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
Directors of CI Resources Limited				
Mr David Somerville	-	-	-	-
Mr Clive Morris Brown	-	-	-	-
Mr Lip Sin Tee	13,779,876	-	-	13,779,876
Mr Phuar Kong Seng	10,309,410	-	-	10,309,410
Mr Phua Siak Yeong	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Mr Willy Teo(i)	2,487,762	-	(2,487,762)	-
Other key management personnel				
Mr Desmond John Kelly	-	-	-	-
Ms Janelle Burns	-	-	-	-

(i) Mr Will Teo resigned on 8 January 2010.
(ii) Other changes does not denote sale of securities, rather that the director has resigned.

(c) Loans to key management personnel

There are no loans made to directors or other key management personnel of CI Resources Limited.

(d) Other transactions with key management personnel

There were no other transactions with key management personnel.

	Notes	Consolidated 2011 *\$'000s*	Consolidated 2010 *\$'000s*
28. Remuneration of auditors			
Amounts received or due and receivable by Ernst & Young (Australia) for:			
- audit of the financial report of the parent entity and the consolidated entity		206,221	130,000
- review of the half year financial report of the consolidated entity		61,540	41,000
- other services		15,000	-
		282,761	171,000
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for the audit of the financial statements		12,688	53,000
		12,688	53,000
Amounts received or due and receivable by auditors other than Ernst & Young for:			
- an audit or review of the financial report of a controlled entity		-	40,750
			40,750
		295,449	264,750

Notes to the financial statements
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29. Contingent liabilities

As part of the conditions of sale of the stevedoring and mooring services in January 2007 the Consolidated Entity has agreed that, in the event of premature closure of the Christmas Island mine (and hence cessation of shipping of phosphate) within five years of the date of sale of the business, the purchaser will be reimbursed an amount not exceeding $200,000 for each year remaining of the five year period as at the date shipping of phosphate ceases.

There are no other contingent assets or liabilities as at the date of this report.

30. Commitments for expenditure

		Consolidated	
		2011	**2010**
	Notes	***$'000s***	***$'000s***
(a) Lease expenditure commitments			
Operating leases			
- not later than one year		274	144
- later than one year and not later than five years		217	169
- total minimum payments		491	313

Operating leases are entered into as a means of providing residential accommodation and office premises for Phosphate Resources Limited; residential accommodation for Indian Ocean Stevedores Pty Ltd and office equipment for Phosphate Resources (Singapore) Pte Ltd.

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Finance leases	***2011***		***2010***	
	Minimum Lease Payments	***Present Value of Lease Payments***	***Minimum Lease Payments***	***Present Value of Lease Payments***
CONSOLIDATED	***$'000s***	***$'000s***	***$'000s***	***$'000s***
Within one year	1,477	1,362	1,383	1,185
After one year but not more than five years	691	676	2,074	1,954
Total minimum lease payments	2,168	2,038	3,457	3,139
Less amounts representing future finance charges	(130)	-	(318)	-
Present value of minimum lease payments	2,038	2,038	3,139	3,139

Finance leases are entered into as a means of financing the acquisition of plant and equipment. Finance leases are secured against the plant & equipment being purchased.

(b) The Company provides a guarantee and indemnity to the Commonwealth Government of Australia (Commonwealth) to ensure the performance of Indian Ocean Oil Company Pty Ltd's obligations under the terms of a 20 year fuel lease arrangement.

(c) The Company has committed to undertake various environmental management targets and objectives as detailed in the Christmas Island Phosphates Environmental Management Plan.

(d) The Company has provided a bank guarantee of $1 million to the Commonwealth Government under the terms of the Mining Lease Agreement.

(e) The Company has capital commitments of $0.36 million (2010: $ Nil) for items of plant on order but not yet delivered.

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Notes to the financial statements
For the year ended 30 June 2011

31. Related party transactions

Directors and other key management personnel
Disclosures relating to directors and other key management personnel are set out in note 27.

Questus Administration Services Pty Ltd a company which David Somerville is a director of was paid $64,840 in fees for the provision of Company Secretary and Accounting services.

Controlling entities
The ultimate parent entity in the group is CI Resources Limited.

Ownership interests in related parties
Interests held in the following classes of related parties are set out in the following Notes:
Controlled entities – Note 16

32. Events occurring after reporting date

On the 4 July the company completed the purchase of additional shares in PRL to bring its total holding in PRL to 50.47%.

Apart from the matters set out above, no other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:
a) the consolidated entity's operations in future financial years, or
b) the results of those operations in future financial years, or
c) the consolidated entity's state of affairs in future financial years.

33. Reconciliation of profit(loss) from ordinary activities after income tax to net cash outflow from operating activities

		Consolidated	
		2011	**2010**
	Notes	***$'000s***	***$'000s***
Operating profit (loss) after income tax		**8,785**	**5,746**
Share of associates net (profits)/losses		**-**	**(1,748)**
Adjustment for non-cash items			
Accretion of demolition provision		**600**	**-**
Bad debts		**650**	**-**
Loss on disposal of subsidiary		**985**	**-**
Gain on acquisition of subsidiary		**-**	**(1,649)**
Depreciation		**2,776**	**617**
Unrealised foreign exchange (gain) / loss		**(190)**	**(1,020)**
Other		**-**	**-**
Change in operating assets and liabilities			
(Increase)/decrease in trade and other receivables		**(7,599)**	**(4,815)**
Movement in deferred tax balances		**112**	**-**
(Increase)/decrease in inventories		**(1,538)**	**-**
Decrease in trade creditors and accruals		**6,106**	**12,714**
Increase in provisions		**(112)**	-
Decrease/(increase) in prepayments		**31**	-
(Decrease)/increase in tax payable		**(1,362)**	-
Net cash inflow/(outflow) from operating activities		**9,244**	**9,845**

Notes to the financial statements
For the year ended 30 June 2011

34. Financial instruments and financial risk management

The Group's principal financial instruments comprise receivables, payables, finance leases, cash and short-term deposits, long-term deposits and foreign exchange derivatives.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of the Group's business.

The Group manages its exposure to key financial risks, including interest rate, currency and commodity risk in accordance with the Group's risk management procedures. The overall objective of these procedures is to:

- Ensure that net cash flows are sufficient to meet all financial commitments as and when they fall due.
- Support the delivery of the Group's financial targets whilst protecting future financial security.
- Minimise the potential adverse effects resulting from volatility on financial markets.

The Group continually monitors its forecast financial position against these criteria.

It is, and has been throughout the period under review, Group policy that no speculative trading in financial instruments be undertaken

(i) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's long term debt obligations. Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

The interest rates for term deposits are fixed and there is no material risk for interest bearing assets. There is no other financial asset or liability bearing interest rate risk except for interest bearing loans and borrowings, the sensitivity of which is disclosed below.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

At 30 June 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

		Consolidated Higher/(Lower)	
		2011	**2010**
	Notes	***$'000s***	***$'000s***
Judgments of reasonably possible movements:			
Post tax profit			
+1.0% (100 basis points)		**(305)**	**(36)**
-1.0% (100 basis points)		**305**	**36**

Reasonable possible movements in interest rates were determined based on the Group's mix of debt in Australia and foreign countries, relationship with financial institutions and review of last two years' historical movements and economic forecaster's expectations.

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CI Resources, both parent and group, is exposed to interest rate risks in Australia. To minimise the effects of the potential adversities, the management attempt to limit these effects through constant reviewing of the financial markets.

34. Financial instruments and financial risk management (continued)

(ii) Liquidity Risk

The Group’s liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Management monitors the Group’s liquidity reserve on the basis of expected cash flow. The table below reflects a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group’s ongoing operations. These assets are considered in the Group's overall liquidity risk.

Management continually reviews the Group liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

Maturity analysis of financial assets and liabilities based on contractual maturity

Consolidated

Year ended 30 June 2011	≤6 months	6-12 months	1-5 years	>5 years	Total
	$’000	$’000	$’000	$’000	$’000
Financial assets					
Cash	30,523	-	-	-	30,523
Trade and other receivables	24,320	-	-	-	24,320
Term deposits	-	10,188	-	-	10,188
Foreign exchange contracts	3,134	2,174	-	-	5,308
	57,977	**12,362**	**-**	**-**	**70,339**
Financial liabilities					
Trade and other payables	12,247	-	-	-	12,247
Insurance premium funding loan	259	259	-	-	518
Bank Loan	2,358	2,358	24,805	-	29,521
Lease Liabilities	681	681	676	-	2,038
Loans from Associates	-	-	40	-	40
	15,545	**3,298**	**25,521**	**-**	**44,364**

Year ended 30 June 2010	≤6 months	6-12 months	1-5 years	>5 years	Total
	$’000	$’000	$’000	$’000	$’000
Financial assets					
Cash	28,522	-	-	-	28,522
Trade and other receivables	19,304	-	-	-	19,304
Term deposits	-	22,482	-	-	22,482
Foreign exchange contracts	2,596	2,442	518	-	5,556
	50,422	**24,924**	**518**	**-**	**75,864**
Financial liabilities					
Trade and other payables	5,558	-	-	-	5,558
Insurance premium funding loan	263	263	-	-	526
Lease Liabilities	593	592	1,954	-	3,139
	6,414	**855**	**1,954**	**-**	**9,223**

(iii) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure.

Financial instruments that potentially subject the consolidated entity to concentrations of credit risk consist principally of cash deposits and receivables. The Group places its cash deposits and derivatives with high credit-quality financial institutions. Receivables balances are monitored on an ongoing basis with the results that the Group’s exposure to bad debts is not significant.

34. Financial instruments and financial risk management (continued)

(iv) Derivative instruments and foreign currency risk

The Group's future revenues are exposed to movements in foreign exchange rates, particularly the US dollar/Australian dollar rate. The Group may from time to time enter into foreign exchange derivative instruments to manage this exposure.

The Group has, as outlined in note 8, forward currency contracts designated as held for trading that are subject to fair value movements through profit or loss as foreign exchange rates move.

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

Judgments of reasonably possible movements:	**Post tax profit Higher/Lower**	
	2011	**2010**
	$'000s	**$'000s**
Consolidated		
AUD/USD + 10%	(2,327)	(4,876)
AUD/USD - 10%	2,560	5,360

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years historical movements.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

(v) Fair values

The Directors have performed a review of the financial assets and liabilities as at 30 June 2011 and have concluded that the fair value of those assets and liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Cash - The carrying amount is fair value due to the liquid nature of these assets.
- Receivables/payables - due to the short term nature of these financial rights and obligations, and/or market interest received/paid, their carrying values are estimated to represent their fair values.
- Derivatives - The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
- Finance lease liability – The fair value is the present value of minimum lease payments.
- Bank loan – All the bank loans of the Group are interest bearing with floating interest rates which move in accordance with the market interest rates. Therefore the fair value of the bank loans approximates their carrying value.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide shareholders and stakeholders in the future and to maintain an optimal capital structure to reduce the cost of capital.

Management are constantly adjusting the capital structure as suitable. As the market is constantly changing, management may change the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

During 2011, management paid dividends of $3,358,000 (2010: 6,300,000).

Management have no current plans to issue further shares on the market.

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35. Parent entity information

		Consolidated	
		2011	2010
	Notes	*$'000s*	*$'000s*
Current assets		**3,145**	**5,889**
Total assets		**13,215**	**14,122**
Current liabilities		**573**	**230**
Total liabilities		**573**	**230**
Issued capital		**17,970**	**17,970**
Retained earnings		**(5,328)**	**(4,079)**
Total shareholders' equity		**12,643**	**13,891**
Profit of the parent entity		**937**	**1,924**
Total comprehensive income		**937**	**1,924**

There have been no guarantees entered into by the Parent Entity in relation to any debts of its subsidiaries.

The parent has no contingent liabilities as at date of this report.

The Parent Entity has no contractual commitments for the acquisition of property, plant or equipment.

Notes to the financial statements
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36. Business combination

Acquisition of Cheekah-Kemayan Plantation SDN. BHD.

Effective 1 May 2011 Phosphate Resources Limited, acquired a 100% interest in Cheekah-Kemayan Plantations SDN. BHD. a company incorporated in Malaysia with principal activities of oil palm cultivation and palm oil processing. The total cost of the acquisition was $ 48.293 million and was settled by way of cash.

The provisional fair value of the identifiable assets acquired as at the date of the acquisition are:

	CONSOLIDATED	
	Recognised on acquisition $'000s	***Acquiree Carrying value $'000s***
Cash	2,436	2,436
Trade and other receivables	412	412
Inventory	621	622
Property, plant and equipment*	35,950	12,855
Biological assets*	12,448	2,088
Goodwill arising on acquisition	7,635	-
	59,502	18,413
Trade payables	(1,881)	(1,881)
Hire purchase	(89)	(89)
Tax payable	(124)	(124)
Deferred tax liability	(9,115)	(1,480)
	(11,209)	(3,574)
Fair value of identifiable net assets	48,293	
Direct cost of acquisition**	535	
Fair value of consideration paid:		
Cash	46,735	
Deferred consideration	1,557	
Total consideration paid	48,292	
The cash outflow on acquisition is as follows:		
Net cash acquired with the subsidiary	2,436	
Cash paid	(46,735)	
Net consolidated cash outflow	44,299	

* The fair value of property, plant and equipment and biological assets acquired as part of business combination and related deferred tax liability has been determined provisionally and based upon the best information available as the initial accounting was not complete as at the reporting date.

** Acquisition costs are disclosed under administrative expenses in this financial report.

The consolidated statement of comprehensive income includes sales revenue and net profit for the year ended 30 June 2011 of $9.99m and $0.88m respectively, as a result of the acquisition of Cheekah-Kemayan Plantations Sdn Bhd. Had the acquisition of Cheekah-Kemayan Plantations Sdn Bhd occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and profit of $60.7m and $3.8m respectively.

36. Business combination (continued)

Acquisition of control of Phosphate Resources Limited

Prior to 1 April 2010 the Company had a 41.74% interest in the share capital of PRL and therefore the Company equity accounted its investment in PRL. On 1 April 2010 the Company acquired a further 3% (102,300 shares) of the issued capital of PRL, pursuant to the Company's stated intentions to do so, using the creep provisions of the Corporations Act 2001. As a result of acquisition of these additional shares, the Company now holds 44.74% (1,531,480 shares) of PRL, which is also the Company's voting interest.

Three of the directors of CI Resources were also directors of PRL and therefore it had been concluded by the Company's and PRL's management that the Company had control over PRL from 1 April 2010.

The fair value of the identifiable assets acquired as at the date of the acquisition were:

	Consolidated
	Recognised on acquisition
	$
Cash and cash equivalents	28,146
Trade and other receivable	19,505
Inventories	10,305
Other current assets	13,393
Term Deposits	10,501
Plant property and equipment	11,477
Mine Properties	5,347
Deferred Tax Assets	4,343
	103,017
Trade and other payables	6,597
Interest bearing loans and borrowings	1,588
Income tax payable	159
Deferred tax liabilities	6,395
Provisions	17,276
Total Liabilities	32,015
Provisional fair value of identifiable net assets	71,002
Non-controlling interest	(42,526)
Cash paid for additional interest of 3%	(1,432)
Fair value of investment in subsidiary prior to acquiring controlling interest	(25,395)
Net gain on acquisition of PRL	1,649
The cash inflow in acquisition is as follows:	
Net cash acquired with the subsidiary	28,146
Cash Paid	(1,432)
	26,714

36. Business combination (continued)

The consolidated Statement of Comprehensive Income includes sales revenue and net profit for the year ended 30 June 2010 of $20,820,000 and $5,977,000 respectively, as a result of the acquisition of PRL. Had the acquisition of PRL occurred at the beginning of the reporting period, the consolidated Statement of Comprehensive Income would have included revenue and net profit of $80,269,000 and 3,155,000 respectively.

The value of the non-controlling interest was determined based on its interest in the fair value of the identifiable net assets at the date of acquisition.

37. Discontinued Operations

(a) Details of operations disposed

On 21 March Xi Feng International Pte Ltd entered into agreement with Fertiliser Futures Ltd to sell its entire interest of 18.1% in Phosphate Resources (Hua Li) Ltd ("PRL Hua Li"). The disposal was completed on 24 March 2011, on which date control of the business was passed to the acquirer.

On 18 April 2011 Phosphate Resources (China) Ltd entered into agreement with Fertiliser Futures Ltd to sell its entire interest of 59.275% in Phosphate Resources (Hua Li) Ltd ("PRL Hua Li"). The disposal was completed on 31 May 2011, on which date control of the business was passed to the acquirer.

PRL Hua Li held investment in Kaiyang County Tenglong Mineral Resources Enterprise which was engaged in exploration, mining, ore processing and sales of apatite and apatite related product. PRL Hua Li also owned direct interest in mine properties.

Due to continued difficulties, cost uncertainties and constant regulatory changes the directors of the group decided to sell group's interest in PRL Hua Li.

(b) Financial performance of operations disposed

The results of the discontinued operations for the year until disposal are presented below:

	Phosphate Resources (Hua Li) Ltd	
	2011	**2010**
	$'000s	**$'000s**
Sale of goods	4,339	626
Other revenue	2	-
REVENUE	4,341	626
COST OF SALES	(1,086)	(302)
GROSS PROFIT	3,255	324
Other expenses	(1,325)	(1,387)
Finance costs	-	-
PROFIT BEFORE INCOME TAX FROM DISCONTINUED OPERATIONS	1,930	(1,063)
INCOME TAX BENEFIT / (EXPENSE)	(375)	373
PROFIT FORM DISCONTINUED OPERATIONS	1,555	690

37. Discontinued Operations (continued)

(c) Assets and Liabilities and cash flow information of disposed group

The major class of assets and liabilities of Phosphate Resources (Hua Li) Ltd are as follows:

ASSETS	
Cash	669
Trade receivables	1,156
Inventory	414
Property, Plant and Equipment	5,406
LIABILITIES	
Trade and other payable	(1,638)
Tax liabilities	(1,273)
Net assets attributable to discontinued operations	**4,734**

The net cash flows from Phosphate Resources (Hua Li) Ltd are as follows:

Operating activities	(1,306)
Investing activities	1,912
Financing activities	-
Net cash flow	606

(d) Consideration received or receivable

Cash	3,749
Less: net assets disposed off	(4,734)
Loss on disposal before income tax	(985)
Income tax expenses	-
Loss on disposal after income tax	(985)

Net cash inflow on disposal:	
Cash and cash equivalent consideration	3,749
Less: Cash balance disposed	(669)
Reflected in the consolidated statement of cash flows	3,080

38. Segment reporting

Segment Reporting for the year ended 30 June 2011
The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operation decision makers) in assessing performance and in determining the allocation of resource.

The Group has identified its operating segments to be Mining and Farming based on the different operating businesses within the Group. Discrete financial information about each of these operating segments is reported to the chief operation decision makers on a monthly basis.

Mining operating segment primarily involves mining, processing and sale of phosphate rock, phosphate dust and chalk

Farming operating segment primarily involves oil palm cultivation and palm oil processing

38. Segment reporting (continued)

The accounting policy used by the Group in reporting segments internally are the same as those contained in Note 2 to the accounts.

Deferred tax assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment.

	Year ended 30 June 2011			
	Phosphate Sale $'000	Palm Oil Sale $'000	Unalloc. $'000	Total $'000
Revenue				
Revenue from external customers	84,817	9,986	-	94,803
Interest income	1,029		898	1,927
Stevedoring			2,242	2,242
Rendering of services			7,782	7,782
Total segment revenue	85,846	9,986	10,922	106,754
Result				
Segment net operating profit after tax (attributable to parent)	6,780	888	1,117	8,785
Depreciation and amortisation	2,005	279	492	2,776
Income tax expense	5,451	370	612	6,433
Profit/(loss) from discontinued operations after income tax (including share of Non Controlling Interest)	1,555			1,555
Assets and Liabilities				
Segment assets	73,027	62,451	18,189	153,667
Segment liabilities	52,674	13,470	10,640	76,784

Segment Reporting for the year ended 30 June 2010
The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments have been identified by management based on the manner in which the product is sold or service provided.

The company has three operating segments, that being the Sale of Phosphate, Stevedoring Services and Other.
The Other segment consists of the Oil, Australia and Singaporean operations.

Accounting policies and inter-segment transactions
The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the accounts and in the prior period except as follows:

Corporate charges
Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue so as to determine segmental results.

Income tax expense
Income tax expense is calculated based on the segment operating net profit using the notional charge of 30% (2010: 30%). No effect is given for taxable or deductible temporary differences.

38. Segment reporting (continued)

	Year ended 30 June 2010			
	Phosphate	Stevedoring	Unallocated	Total
	$'000	$'000	$'000	$'000
Revenue				
Sales to external customer	17,647	2,625	1,695	21,967
Other revenue from external customer	195	6	-	201
Inter-segment sales	(782)	(566)	-	(1,348)
Total segment revenue	17,060	2,065	1,695	20,820
Segment net operation profit/(loss) after tax	5,293	288	396	5,977
Provisions	-	-	942	942
Segment assets	101,829	5,843	1,080	108,752
Segment Liabilities	43,799	2,616	(11,574)	34,841

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown:

	Consolidated	
	2011	**2010**
	$'000s	***$'000s***
Australia	95,508	20,690
China	-	551
Malaysia	9,986	-
Other foreign countries	1,260	726
	106,754	21,967

Major customers
The Group has number of customers to which it provides the products. There are no customers of the Group who account for more than 10% of total external revenue in 2011 and 2010.

Non-Current Assets by geographical regions:

	Consolidated	
	2011	**2010**
	$'000s	***$'000s***
Australia	24,080	36,287
China	-	7,097
Malaysia	56,242	-
Other foreign countries	1,281	1,820
	81,603	45,204

39. Differences from preliminary final report

In accordance with Listing Rule 4.5A, set out below are certain differences between information contained in the Appendix 4E lodged with the ASX and this financial report.

On completion of the audit of the Consolidated Entity an adjustment to a Term Deposit was made to account for interest received

In conclusion:

The consolidated profit after income tax has increased by $7,411.

Total assets has increased by $7,411.

Total liabilities has not moved.

Directors' declaration
For the year ended 30 June 2011

In accordance with a resolution of the Directors of CI Resources Limited, I state that:

In the directors' opinion:

(a) The financial statements comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes set out on pages 24 to 71 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2011 and of their performance, for the year ended on that date; and

(a) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(d) the audited remuneration disclosures set out on pages 12 to 19 of the directors' report comply with section 300A of the Corporations Act 2001; and

The directors have been given the declarations by the chief executive officer and the chief financial officer required by section 295A of the *Corporations Act 2001*.

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

D Somerville
Chairman

Perth
30 September 2011

Directors' declaration
For the year ended 30 June 2011

Audit Report

Directors' declaration
For the year ended 30 June 2011

Audit Report

CI RESOURCES LIMITED

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders

The following substantial shareholders have lodged notices with the Company as at 30 September 2011:

Holders	Ordinary shares
Prosper Trading Sdn Bhd	13,779,876
CCM International Sdn Bhd	12,000,000
Destinasi Emas Sdn Bhd	7,287,410
Liow Boon Seng	3,750,000
Poo Ah Lam	3,675,371

Class of shares and voting rights

At 30 September 2011 there were 327 holders of ordinary shares on the Company. The voting rights attaching to the ordinary shares are:

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

- On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid is of the total amounts paid and payable, excluding amounts credited, provided that the amounts paid in advance of a call are ignored when calculating a true portion.

Distribution of share holders

Category		Ordinary shares
1 -	1,000	60
1,001 -	5,000	50
5,001 -	10,000	108
10,001 -	100,000	74
100,001 -	and over	35
		327

There were 60 holders of less than a marketable parcel of ordinary shares.

On-market buy back

There is no current on-market buy back.

Restricted securities

The Company does not have any restricted securities.

ASX Additional Information

Unquoted securities

The Company does not have any unquoted securities

Twenty largest holders of ordinary shares (as at 22 September 2011)

	Ordinary shares	
Holder name	**Number**	**%**
Phillip Securities Pte Ltd <Client Account>	33,213,519	45.58
CCM International Sdn Bhd	12,000,000	16.47
Prosper Trading Sdn Bhd	11,616,000	15.94
Mr Willy See Khiang Teo	2,866,476	3.93
Citicorp Nominees Pty Limited	1,687,717	2.32
Kluang Pty Ltd	1,280,988	1.76
Mee Yuen Yong	835,572	1.15
HSBC Custody Nominees (Australia) Limited	717,000	0.98
Rivertree Pty Ltd	711,293	0.98
Mr Philip Tuck Sang Woo	605,715	0.83
Hang Phoo Tan	500,000	0.69
DMG & Partners Securities Pte Ltd <Clients A/C>	437,325	0.60
Krishnan Ramanthan	407,673	0.56
Mr Xu Yi Hao	378,657	0.52
Fullong Worldwide Limited	311,750	0.43
Great Pioneer Consultants Ltd	311,750	0.43
ARP Holdings Pty Ltd	300,000	0.41
KSL Super Pty Ltd	210,000	0.29
DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	210,000	0.29
Masli Sadiran	207,000	0.28
	68,808,435	**94.44**

Other information

CI Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company's shares are quoted on the Australian Securities Exchange.