

## Appendix 4E

### PRELIMINARY FINAL REPORT 12 MONTHS ENDED 30 JUNE 2012

**Details of the reporting period and the previous corresponding period**

Name of entity

<b>Resource Development Group Limited</b>
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ABN	Reporting period	Previous corresponding period
33 149 028 142	12 months ended 30/06/12	12 months ended 30/06/11

**Results for announcement to the market**

Revenues from continuing activities	Up	256%	to	A\$36,367,270	
Profit from ordinary activities after tax attributable to members	Up	80%	to	A\$2,762,010	
Comprehensive income for the year attributable to members	Up	80%	to	A\$2,759,714	
Dividends	Amount per share	Franked amount per share			
Interim dividend	Nil	Nil			
Final dividend	Nil	Nil			
Record date for determining entitlements to the dividend	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">N/A</td> </tr> </table>				N/A
N/A					

## REVIEW OF OPERATIONS

Resource Development Group Limited is a vertically integrated mining services business and consists of four wholly owned operating subsidiaries, Ecologia Environmental Consultants Pty Ltd (environmental consultancy), Engenium Pty Ltd (studies and project delivery), Intellect Systems Pty Ltd (end to end IT solutions) and Pacer Corporation Pty Ltd (engineering construction contractor).

Resource Development Group Limited has a long term business strategy to create a vertically integrated resource development company, which will provide its clients in the resource and infrastructure sectors with a more expanded and diversified service offering. Via organic growth and acquisitions, Resource Development Group Limited intends to drive this expansion in Australia and offshore.

Resource Development Group Limited achieved the following significant milestones during the year:

- Acquisition of Intellect Systems Pty Ltd in October 2011
- Restarted rail services via Engenium Pty Ltd in February 2012
- Acquisition of Pacer Corporation Pty Ltd in March 2012
- Acquisition of Ecologia Environmental Consultants Pty Ltd in May 2012

Ecologia Environmental Consultants Pty Ltd (Ecologia) is an environmental consultancy servicing the Australia resource sector and during the year completed projects for blue chip miners with the provision of environmental management and biological science services. Ecologia's head office is in West Perth and the bulk of their activities was coordinated from this office and completed in the field.

Engenium Pty Ltd's (Engenium) business model is the design, management, delivery and execution of major resource projects for blue chip and mid-tier miners. All of the divisions were successful during the year in delivering their projects. Engenium's head office is in Perth, where the bulk of the activity for the year was completed. Engenium also has an office in Brisbane where rail projects were undertaken and an office in London to service an African iron ore project. The support of this project required the establishment of a UK based entity in 2011, Engenium Projects Ltd, wholly owned by Engenium Pty Ltd. Resource Development Group Limited currently co-habits the Engenium offices for efficiency and effective communications.

Intellect Systems Pty Ltd (Intellect Systems) is a specialised provider of end to end IT solutions in control systems and automation, electrical engineering and industrial IT servicing the Australia resource sector. During the year Intellect Systems serviced a wide range of clients including blue chip miners, mid tier miners, start up operations and construction contractors. Intellect Systems' head office is in Northbridge where the bulk of their activities was undertaken.

Pacer Corporation Pty Ltd (Pacer) is a provider of low cost, high value multi discipline engineering and construction solutions to the Australia resource sector. During the year Pacer serviced mid tier miners and began the delivery of a large EPC contract for a gold mine including processing plant and supporting infrastructure. Pacer's head office is in Bunbury and currently co-habits Intellect Systems Northbridge office to provide a Perth presence.

**INCOME STATEMENT**

	2012 A\$	2011 A\$
Revenue	36,367,270	14,201,899
Employee benefits expenses	(20,689,444)	(10,772,403)
Depreciation and amortisation expenses	(295,169)	(134,994)
Finance costs	(50,378)	(9,678)
Other expenses	(11,370,761)	(1,094,412)
<b>Profit before income tax expense</b>	3,961,518	2,190,412
Income tax expense	(1,199,508)	(658,115)
<b>Net profit for the year</b>	2,762,010	1,532,297
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	(2,296)	(39)
<b>Total comprehensive income for the year</b>	2,759,714	1,532,258
Basic earnings per share (cents per share)	2.64 cents	2.13 cents
Diluted earnings per share (cents per share)	2.64 cents	2.13 cents

**BALANCE SHEET**

	2012 A\$	2011 A\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,162,184	4,378,527
Trade and other receivables	16,317,940	2,964,812
Inventories	57,115	-
<b>TOTAL CURRENT ASSETS</b>	<b>19,537,239</b>	<b>7,343,339</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,743,950	733,013
Intangible assets	13,784,179	-
Deferred tax assets	1,201,574	341,536
<b>TOTAL NON-CURRENT ASSETS</b>	<b>16,729,703</b>	<b>1,074,549</b>
<b>TOTAL ASSETS</b>	<b>36,266,942</b>	<b>8,417,888</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	11,009,317	921,313
Borrowings	131,042	-
Dividends payable	2,664,305	-
Current tax liabilities	1,479,528	434,216
Provisions	1,056,583	205,294
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,340,775</b>	<b>1,560,823</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	2,226,994	-
Dividends payable	3,000,000	3,700,000
Deferred tax liabilities	20,352	2,268
Provisions	93,780	98,296
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,341,126</b>	<b>3,800,564</b>
<b>TOTAL LIABILITIES</b>	<b>21,681,901</b>	<b>5,361,387</b>
<b>NET ASSETS</b>	<b>14,585,041</b>	<b>3,056,501</b>
<b>EQUITY</b>		
Issued capital	12,074,297	3,305,471
Reserve	(2,335)	(39)
Retained earnings	2,513,079	(248,931)
<b>TOTAL EQUITY</b>	<b>14,585,041</b>	<b>3,056,501</b>

**STATEMENT OF CHANGES IN EQUITY**

	Ordinary Shares A\$	Retained Earnings A\$	Other Reserve A\$	Total A\$
<b>EQUITY</b>				
Balance as at 1 July 2010	1,200	20,707,772	-	20,708,972
Profit for the year	-	1,532,297	-	1,532,297
Shares issued during the year	3,177,807	-	-	3,177,807
Exchange differences arising on translation of foreign operations	-	-	(39)	(39)
Dividends paid or provided for	-	(22,489,000)	-	(22,489,000)
Share-based payments	126,464	-	-	126,464
Balance as at 30 June 2011	3,305,471	(248,931)	(39)	3,056,501
Balance as at 1 July 2011	3,305,471	(248,931)	(39)	3,056,501
Profit for the year	-	2,762,010	-	2,762,010
Shares issued during the year	8,768,826	-	-	8,768,826
Exchange differences arising on translation of foreign operations	-	-	(2,296)	(2,296)
Balance as at 30 June 2012	12,074,297	2,513,079	(2,335)	14,585,041

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**STATEMENT OF CASH FLOWS**

	2012 A\$	2011 A\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	35,934,974	13,812,070
Payments to suppliers and employees	(34,929,346)	(12,798,400)
Interest received	54,992	561,764
Finance costs	(43,092)	(9,678)
Income tax paid	(1,354,340)	(9,153,757)
Net cash (used in)/generated from operating activities	(336,812)	(7,588,001)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(559,563)	(292,913)
Proceeds from disposal of investments	-	5,000,000
Payment for subsidiaries, net of cash acquired	(1,992,101)	-
Dividends received	(516,123)	-
Net cash generated from/(used in) investing activities	(3,067,787)	4,707,087
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	3,500,015
Costs of share issue	-	(390,358)
Proceeds from borrowings	2,188,256	-
Dividends paid	-	(13,789,000)
Net cash provided by/(used in) financing activities	2,188,256	(10,679,343)
Net (decrease)/increase in cash held	(1,216,343)	(13,560,257)
Cash and cash equivalents at the beginning of the financial year	4,378,527	17,938,786
Effect of currency fluctuations on cash	-	(2)
Cash and cash equivalents at the end of the financial year	3,162,184	4,378,527

**Reconciliation to Cash Flow Statement**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents as per balance sheet	3,162,184	4,378,527
Cash and cash equivalents as per cash flow statement	3,162,184	4,378,527

**NOTES**

**1. BASIS OF PREPARATION**

The preliminary final report of Resource Development Group Limited (the Company) for the year ended 30 June 2012 does not include all notes of the type normally included within the annual financial report and therefore can not be expected to provide as full an understanding of the financial performance, financial position and cash flow of the Company as the full financial report.

(a) Basis of accounting

The preliminary final report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities, which the fair value basis of accounting has been applied.

All amounts are presented in Australian dollars, unless otherwise stated.

Unless otherwise detailed in this note, accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2011 annual report.

**2. REVENUE**

	2012 A\$	2011 A\$
Operating activities		
Rendering of services	26,912,440	13,856,279
Sales of goods	9,388,577	-
Bank interest receivable	66,253	345,620
	36,367,270	14,201,899

**3. FINANCIAL RESULTS**

The Group recorded a net profit of A\$2,762,010 for the year ended 30 June 2012 compared to a net profit of A\$1,532,297 for the year ended 30 June 2011.

**4. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT / (LOSS) AFTER INCOME TAX**

Reconciliation of profit for the year to net cash used in operating activities :	2012	2011
	A\$	A\$
Net profit	2,762,010	1,532,297
Adjustments for non-cash items :		
Depreciation	295,169	134,994
Loss/(Gain) on disposal of assets	-	265
Foreign exchange loss	(1,434)	611
Equity settled share based payments	-	83,637
 (Increase)/decrease in assets :		
Trade and other receivables	(9,517,056)	(1,353,857)
Other assets	(1,793,544)	(185,207)
Increase/(decrease) in liabilities :		
Trade and other payables	5,370,537	512,854
Other liabilities	2,547,506	(8,313,595)
Net cash (used in)/generated from operating activities	<u>(336,812)</u>	<u>(7,588,001)</u>



**5. DETAILS OF INDIVIDUAL AND TOTAL DIVIDENDS AND DIVIDEND PAYMENTS**

Date the final dividend is payable	N/A
Record date to determine entitlements to the dividend	N/A
Has the dividend been declared?	N/A

**Other disclosures in relation to dividends**

	2012 A\$	2011 A\$
Interim fully franked dividends declared and paid during the year:		
2012: Nil cents (2011: 27.247 cents)	-	18,789,000
Interim fully franked dividends declared but not paid during the year:		
2012: Nil cents (2011: 5.366 cents)	-	3,700,000

**6. NET ASSET BACKING**

	2012 Cents per share	2011 Cents per share
Net tangible assets per share	0.616	3.411

**7. CONTINGENT LIABILITY**

There are no known contingent liabilities.

**8. ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD**

Category of securities	Total number	Number quoted
Ordinary shares	129,971,723	129,971,723

**9. EARNINGS PER SHARE (EPS)**

	2012 A\$	2011 A\$
Reconciliation of earnings to profit or loss		
Profit / (loss)	2,762,010	1,532,297
Earnings used to calculate basic EPS	2,762,010	1,532,297
Earnings used in the calculation of dilutive EPS	2,762,010	1,532,297
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	104,602,738	71,876,937
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	104,602,738	71,876,937

**10. DETAILS OF CONTROLLED ENTITIES**

Resource Development Group Limited and its subsidiaries.  
 Wholly owned:

Engenium Pty Ltd	100%
Engenium Projects Ltd	100%
Pacer Corporation Pty Ltd	100%
Intellect Systems Pty Ltd	100%
Ecologia Environmental Consultants Pty Ltd	100%

**11. ASSOCIATES AND JOINT VENTURES**

The Company has no associates or joint ventures.

**12. FOREIGN ENTITIES**

The Company is an Australian entity and reports under Australian accounting standards.

**13. AUDIT DISPUTES AND QUALIFICATIONS**

There are no known audit disputes or qualifications.

**14. STATEMENTS IN RELATION TO ACCOUNTS AND AUDIT**

This report is based on accounts to which one of the following applies.

- |                                     |  |                          |  |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/>            | The accounts have been audited (refer audit attached report).          | <input type="checkbox"/> | The accounts have been subject to review (refer attached review report). |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed.               |

Sign here:  .....  
(Company Secretary)

Date: 31 August 2012

Print name: Ben Donovan