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**GSF CORPORATION LIMITED**

**ABN 98 084 370 669**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2011**

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## COMPANY DIRECTORY

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**DIRECTORS:**

Mr Greg O'Reilly  
Mrs Nadine Donovan  
Mr William Witham

**COMPANY  
SECRETARY:**

Mr Jerry Monzu

**REGISTERED AND  
PRINCIPAL OFFICE:**

Unit B9,  
431 Roberts Road,  
Subiaco WA 6008  
Telephone: (08) 9287 4600  
Facsimile: (08) 9287 4655

**AUDITORS:**

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

**SOLICITORS:**

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

**SHARE REGISTRY:**

Link Market Services Limited  
Level 15, ANZ Building  
324 Queen Street  
Brisbane QLD 4000  
Telephone: 1300 554 474 or +61 8280 7454

**BANKERS:**

HSBC Bank Australia Limited  
Perth Branch,  
188-190 St George's Terrace,  
Perth WA 6000

**ABN:**

98 084 370 669

**DOMICILE AND COUNTRY  
OF INCORPORATION:**

Australia

**LEGAL FORM OF ENTITY:**

Listed Public Company

Your Directors submit their report together with the financial report of GSF Corporation Limited ("the Company") for the year ended 30 June 2011.

**DIRECTORS**

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

As at the date of this report, the Company does not have an Audit, Remuneration or Nomination Committee of the Board of Directors. The full Board assumes the responsibilities of the several individual committees. Given the size of the company it is felt that separate committees cannot be warranted but as the company grows these committees may be established. The current Directors do not have any special responsibilities with the exception of Mr O'Reilly who is the Chairman.

***Mrs Nadine Donovan***

Independent Non-Executive Director

Mrs Donovan graduated with a Bachelor of Business (Accounting and Finance) from Edith Cowan University (WA) and is CPA qualified.

Mrs Donovan has 18 years experience in financial accounting and corporate compliance with publicly listed entities. Mrs Donovan has experience in the biotechnology industry, power generation and oil and gas industries. During her career she has been involved in financial accounting, budget and tax management, compliance and regulatory ASX and ASIC reporting requirements and assisted in the restructure and re-listing processes of companies. Mrs Donovan currently holds no other directorships.

***Mr Greg O'Reilly***

Independent Non-Executive Director

Mr O'Reilly has over 20 years experience in financial and commercial management in the resources development industry. He holds a Bachelor of Science and Master of Business Administration degrees from the University of Western Australia and is a member of Chartered Secretaries Australia.

He has a wide ranging experience of resource project management and has held senior positions within WMC and Gold fields as well as having been CFO of an ASX listed entity. Currently he is a director of a number of unlisted investment companies.

Special Responsibilities: Chairman

***Mr William Witham***

Independent Non-Executive Director

Mr Witham has an Honours degree in Science (Geology) from UWA, and has over 20 years experience in the fields of exploration, management, investing and regional development and an in-depth understanding of the ways in which industry, government and financial markets operate. Mr Witham has worked in many countries, with extensive experience in mineral and oil and gas exploration, management, government relations and corporate finance. He is currently the Managing Director of Waratah Resources an ASX listed Company.

***Directorships of other listed companies during the past three years***

<b>Name</b>	<b>Company</b>	<b>Commenced</b>	<b>Ceased</b>
Mrs N Donovan	Alexium International Group Limited	31 March 2008	1 March 2010
	DSF International Holdings Limited	10 November 2008	10 May 2011
Mr G O'Reilly	Gleneagle Gold Limited	30 April 2010	15 June 2011
Mr W Witham	Waratah Resources Limited	2 June 2011	-
	DSF International Holdings Limited	10 November 2008	3 December 2010
	Whinnen Resources Limited	18 January 2007	16 September 2009
	DMC Mining Limited	1 December 2006	10 October 2008
	Windy Knob Resources Limited	13 October 2006	29 February 2008

**Equity instrument disclosures relating to Directors of GSF Corporation Limited**

***Option holdings***

As at the date of this report the Directors (including their personally related parties) held the following options over ordinary shares in the Company as set out below.

**2011**

<b>Name</b>	<b>Balance at start of year</b>	<b>Granted during year as remuneration</b>	<b>Exercised during year</b>	<b>Other changes during year</b>	<b>Balance at end of year</b>	<b>Options Vested and exercisable at end of year</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

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2010

Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other changes during year	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
Mr J Mann <sup>#</sup>	1,500,000	-	-	(1,500,000)	-	-
Mr L Boyd <sup>#</sup>	-	-	-	-	-	-
Mr G Rodie <sup>#</sup>	1,000,000	-	-	(1,000,000)	-	-
Mr H Callaghan <sup>#</sup>	-	-	-	-	-	-
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
<b>Total</b>	<b>2,500,000</b>	-	-	<b>(2,500,000)</b>	-	-

<sup>#</sup>Balance at date of resignation

**Equity instrument disclosures relating to Directors of GSF Corporation Limited (continued)**

**Share holdings**

As at the date of this report the Directors (including their personally related parties) held the following ordinary shares in the Company as set out below. There were no shares granted during the reporting year as compensation.

2011

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>2,760,000</b>	-	-	<b>2,760,000</b>

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**2010**

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr G O'Reilly	2,760,000	-	-	2,760,000
Mr J Mann <sup>#</sup>	7,000,000	-	(7,000,000)	-
Mr L Boyd <sup>#</sup>	3,333,333	-	(3,333,333)	-
Mr G Rodie <sup>#</sup>	1,816,667	-	(1,816,667)	-
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
<b>Total</b>	<b>14,910,000</b>	<b>-</b>	<b>(12,150,000)</b>	<b>2,760,000</b>

# Balance at date of resignation

**COMPANY SECRETARY**

***Mr Jerry Monzu***

Mr Mon zu has over 20 years experience in publicly listed multinational corporations predominantly in the resources and mining sectors. He has previously held senior management positions in companies such as Woodside Energy and Normandy Mining.

Mr Monzu graduated with a Bachelor of Business (Accounting and Finance) from Curtin University and is a member of CPA Australia and Chartered Secretaries Australia.

**CORPORATE STRUCTURE**

GSF Corporation Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company has one subsidiary, Ocean Premium Seafood Pty Ltd (Australian registered).

**PRINCIPAL ACTIVITY**

The Company through the Board of Directors continues to seek opportunities to invest in a suitable project, principally in the resources sector. Whilst various projects were identified for potential investment the Board was unable to progress any to a point where a deal could be structured (for reasons explained in the operating review). Currently the Company has no employees.

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**OPERATING AND FINANCIAL REVIEW****Company overview**

The Group's net loss attributable to members of the Company for the financial year ended 30 June 2011 was \$156,814 (financial year ended 30 June 2010: \$192,504).

The primary loss was due to expenses relating to compliance costs and maintaining the Company's listing on the ASX.

As at 30 June 2011 the Group's consolidated cash position was \$191,980 (30 June 2010: \$321,185) and the Company had 453,424,164 shares on issue.

During the year the Board continued to review projects that it felt complimented its defined strategy of seeking exploration and mining opportunities that would add value to the Company and benefit shareholders. Although opportunities were reviewed the Board could not progress any to a point where the conditions imposed by the ASX for re-quotations of its securities could be satisfied.

On 25 June 2010 the ASX suspended the quotation of the Company's securities. The ASX advised that the Company was in breach of listing rule 12.1 (level of entities operations must be sufficient to warrant continued quotation) and 12.3 (Cash box rule).

The Board will continue to seek opportunities that will add value to the Company and comply with the listing rules of the ASX. Any new opportunities that are recommended by the Board will be presented to Shareholders via a prospectus for approval at a General Meeting. The Company will need to re-comply with Chapters 1, 2 and 11 of the listing rules.

During the period that the securities are suspended from official quotation the Directors of the Company will continue to accrue minimal Director's fees rather than have them paid (fees have already been accrued since June 2009) and the Company will continue to conserve funds. Further, the Directors fees will only be paid should a suitable project be introduced into the Company.

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**Operating Results for the year and financial position**

The Group's net loss attributable to members of the Company for the financial year ended 30 June 2011 was \$156,814 (financial year ended 30 June 2010: \$192,504).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Directors, there were no matters that significantly affected the state of affairs of the Company during the financial year, other than those referred to in the review of operations.

**DIVIDENDS**

The Directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the end of the financial year.

**UNISSUED SHARES UNDER OPTION***Unissued shares*

As at the date of this report there were 75,000,000 unissued ordinary shares under option. Details of these options are as follows:

<b><i>Date Options Granted</i></b>	<b><i>Expiry Date</i></b>	<b><i>Issue price of shares</i></b>	<b><i>Number under option</i></b>
23 July 2007	30 June 2012	\$0.03	10,000,000
30 August 2007	30 June 2012	\$0.03	65,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

There were no options issued to Directors during the year to 30 June 2011.

*Shares issued as a result of the exercise of options*

There were no options exercised during the financial year.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There were no post balance date events to report.

**LIKELY DEVELOPMENTS**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

**REMUNERATION REPORT (audited)**

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the parent and the Group receiving the highest remuneration.

This report outlines the remuneration arrangements in place for Directors and executives of GSF Corporation Limited.

**Details of key management personnel (including the highest paid executives of the Company and Group)**

- Ms Nadine Donovan – Non-Executive Director (appointed 8 October 2008, resigned 15 January 2009, reappointed 31 July 2009)
- Mr Greg O'Reilly – Non-Executive Director (appointed 13 July 2009)
- Mr William Witham – Non-Executive Director (appointed 31 July 2009)
- Mr Jerry Monzu – Company Secretary (appointed 21 January 2009)

**Remuneration Policy**

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are paid their base emolument in cash only.

To assist in achieving these objectives, the Board will link the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance. Currently the Board has not set any targets.

Remuneration paid to the Company's Directors and executives is also determined with reference to the market level of remuneration for other listed companies in Australia operating in a similar industry. This assessment is undertaken with reference to advice and comment provided by various executive search firms operating in the sector.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company.

**REMUNERATION REPORT (audited) (continued...)****Remuneration Policy (continued...)**

At the Board's discretion the nature and amount of executive and director's emoluments may be linked to the Company's financial and operational performance. Currently the Board has not set any targets.

Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Company does not have a separately established remuneration committee. The functions that would be performed by a remuneration committee are currently performed by the full Board.

*Fixed remuneration*

Fixed remuneration consists of a base remuneration package, which includes Directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for Directors and executive officers will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Total remuneration for non-executive Directors is determined by resolution of shareholders. The Board determines actual payments to Directors and reviews their remuneration annually, based on independent external advice, relativities and the duties and accountabilities of the Directors. The maximum available aggregate remuneration approved for non-executive Directors is \$200,000. Non-executive Directors do not receive any other retirement benefits other than a superannuation guarantee contribution required by government regulation, which is currently 9% of their fees.

Non-executive Directors may provide specific consulting advice to the Company upon direction from the Board. Remuneration for this work is made at market rates.

*Performance-linked remuneration*

All employees may receive bonuses and/or share options based on achievement of specific goals related to performance against individual KPIs and to the performance of the Company as a whole as determined by the Directors based on a range of factors. These factors include traditional financial considerations such as operating performance, cash consumption, deals concluded, increase in the market capitalisation of the Company and successful capital raisings and also industry-specific factors. There have been no KPIs set during the year or the prior year and as the past performance of the Company is volatile no link between Company performance and executive remuneration has been set.

## REMUNERATION REPORT (audited) continued

## Elements of director and executive remuneration

Remuneration packages may contain the following key elements:

- Short-term benefits – salary / fees, bonuses and other benefits;
- Post-employment benefits – including superannuation; and
- Share-based payments – no Employee Share Option Plan is currently in existence, however the Company may choose to remunerate Directors and executives by the grant of options in the future, subject to shareholder approval.

The Company does not have a policy in place relating to the executives limiting their exposure to risk in relation to the Company's equity instruments.

The following table discloses the remuneration of the key management personnel during the financial year from the Company:

## 2011

	Short-term benefits			Post-employment	Share-based payments	Total	Proportion related to performance
	Salary and fees \$	Bonus \$	Other benefits \$	Super-annuation \$	\$	\$	%
<b>Directors</b>							
Mr G O'Reilly <sup>(*)</sup>	12,000	-	-	-	-	12,000	-
Ms N Donovan <sup>(*)</sup>	12,000	-	-	-	-	12,000	-
Mr W Witham <sup>(*)</sup>	12,000	-	-	-	-	12,000	-
<b>Other Executives</b>							
Mr J Monzu <sup>3</sup>	51,297	-	-	-	-	51,297	-
<b>Total</b>	<b>87,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,297</b>	<b>-</b>

(\*) The current Directors have not been paid any directors fees and these amounts are accrued to be paid only upon the successful introduction of a project into GSF Corporation Limited.

## 2010

<b>Directors</b>							
Mr G O'Reilly <sup>1(*)</sup>	6,000	-	-	-	-	6,000	-
Ms N Donovan <sup>2(*)</sup>	10,000	-	-	-	-	10,000	-
Mr W Witham <sup>2(*)</sup>	10,000	-	-	-	-	10,000	-
Mr J Mann <sup>4</sup>	806	-	-	-	-	806	-
Mr L Boyd <sup>5</sup>	2,500	-	-	-	-	2,500	-
Mr G Rodie <sup>6</sup>	1,717	-	-	-	-	1,717	-
<b>Other Executives</b>							
Mr J Monzu <sup>3</sup>	56,760	-	-	-	-	56,760	-
<b>Total</b>	<b>87,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,783</b>	<b>-</b>

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**REMUNERATION REPORT (audited) continued**

(\*) The current Directors have not been paid any directors fees and these amounts are accrued to be paid only upon the successful introduction of a project into GSF Corporation Limited.

<sup>1</sup>Appointed 13 July 2009

<sup>2</sup>Appointed 31 July 2009

<sup>3</sup>Appointed 19 January 2009

<sup>4</sup>Appointed 15 August 2006, resigned 10 July 2009

<sup>5</sup>Appointed 12 July 2007, resigned 31 July 2009

<sup>6</sup>Appointed 13 July 2009, resigned 31 July 2009

**Value of options issued to Directors and executives**

No options were granted to Directors of the Company as remuneration during the years ended 30 June 2011 and 30 June 2010.

**Employment contracts**

The Company has entered into standard appointment agreements with Non Executive Directors. These agreements provide for an indefinite period of appointment subject to reappointment requirements at annual general meetings under the terms of the constitution. The employment may be terminated pursuant to the Corporations Act and the Company's Constitution, in certain prescribed circumstances (such as bankruptcy, conviction of an offence, unsound mind). The Director may resign by notice in writing at any time. There are no termination benefits specified in the agreements.

**Company performance**

The table below shows the performance of the Company over the last five years since the date of reinstatement to official quotation on the ASX on 7 November 2006.

	2011 \$	2010 \$	2009 \$	2008 \$	2007 \$
Net (loss)	(156,814)	(192,504)	(938,473)	(3,737,100)	(3,499,288)
Closing share Price	0.001	0.001	0.003	0.021	0.023

Prior to the 2007 year the Company was under a Deed of Company Arrangement and reinstated to official quotation in November 2006 after a successful capital raising.

On 25 June 2010 the ASX suspended the quotation of the Company's securities, the last traded price for GSF was 0.01 cents.

The Directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the end of the financial year.

**END OF REMUNERATION REPORT**

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**DIRECTORS' MEETINGS**

The number of Directors' meetings held and number of meetings attended by each of the Directors of the Company during the financial year were as follows:

	<i>Board of Directors</i>	
	<i>Eligible to attend</i>	<i>Attended</i>
Mr G O'Reilly	4	4
Mrs N Donovan	4	3
Mr W Witham	4	3

**INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of GSF Corporation Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company to the extent permitted by the Corporations Act 2001. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

**NON-AUDIT SERVICES**

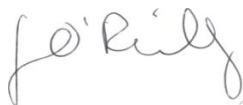
During the year no non-audit services were provided by the Company's auditor, BDO Audit (WA) Pty Ltd.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 21 of the financial report.

Dated this 15th day of September 2011.

Signed in accordance with a resolution of the Directors.



**Greg O'Reilly**  
Director

## GSF Corporation's Board and Corporate Governance

The Board of Directors of GSF Corporation Limited is responsible for the corporate governance of the Company and is committed to applying the ASX Corporate Governance Council *Corporate Governance Principles and Recommendations* ("ASX Principles") where practicable. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders. It is a requirement of the Board that the Company maintains high standards of ethics and integrity at all times.

The ASX Principles are an important regulatory guide for listed companies reporting on their corporate governance practices. Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed the ASX Principles, and if any of the recommendations have not been followed then the Company must explain why not.

The requirements under Listing Rule 4.10.3 apply to GSF Corporation for the year ended 30 June 2011 and this corporate governance statement sets out and explains any departures by the Company from the ASX Principles.

## The Role of the Board and the Board Charter

### *The Board's Duties*

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of GSF Corporation with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals. The Company currently does not have a significant business that warrants delegation of powers to a Chief Executive Officer ("CEO") of the day-to-day management of the Company and its operations, and therefore the Board currently has responsibility for the duties that would normally be carried out by management. The Charter sets out the responsibilities of a CEO if one was so appointed.

*Code of Conduct*

Directors of the Company are also subject to GSF Corporation's Code of Conduct (further discussed on page 20). The Code of Conduct is considered by the Board to be an effective way to guide the behaviour of all Directors and employees and demonstrates the Company's commitment to ethical and compliant practices.

**The Composition of GSF Corporation's Board**

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least 3 Directors;
- the Board should comprise Directors with an appropriate range of qualifications and expertise; and
- the Board shall meet regularly and follow meeting guidelines set down to ensure all Directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

As at the date of this report, the Board comprises three independent non-executive Directors. Details of the Directors are set out in the Directors' Report.

*Independence of Directors*

The Board has reviewed the position and associations of each of the three Directors in office at the date of this report and considers that all Directors are independent. In considering whether a Director is independent, the Board has regard to the independence criteria in ASX Corporate Governance Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of other Directors, as appropriate.

The Board considers that Mr O'Reilly meets the criteria in Principle 2.1. He has no material business or contractual relationship with the Company, other than as a director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, he is considered to be independent.

The Board considers that Mrs Donovan meets the criteria in Principle 2.1. She has no material business or contractual relationship with the Company, other than as a director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, she is considered to be independent.

The Board considers that Mr Witham meets the criteria in Principle 2.1. He has no material business or contractual relationship with the Company, other than as a director, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, he is considered to be independent.



The qualifications and period of office held by each Director can be found in the Director's report. The Directors will continue to monitor the composition of the Board to ensure its structure remains appropriate and consistent with effective management and good governance.

### **Appointment, Election and Re-Election of Directors**

The Constitution of the Company requires one third of the Directors, other than the Managing Director, to retire from office at each Annual General Meeting. Directors who have been appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of Directors to retire at that Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting following their appointment without submitting themselves for re-election. Retiring Directors are eligible for re-election by shareholders.

### **Nomination and Appointment of New Directors**

Recommendations of candidates for new Directors are made by the Directors for consideration by the Board as a whole. If it is necessary to appoint a new Director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board and the candidate's availability to commit to the Board's activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

### **GSF Corporation's Board Meetings**

The Board met 4 times between 1 July 2010 and 30 June 2011.

The Board meets formally at least four times each year, and from time to time meetings are convened outside the scheduled dates to consider issues of importance.

Directors' attendance at Board meetings is detailed on page 14 of this annual report.

### **Performance Review**

The Board has not adopted any formal procedures for the review of the performance of the Board, however the Board has committed to an informal assessment process, facilitated in consultation with GSF Corporation's professional advisors, which is currently considered to meet the Board's obligations sufficiently.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;
- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 5.1 and the Company's continuous disclosure policy.

**Board Members' Rights to Independent Advice**

The Board has procedures to allow Directors, in the furtherance of their duties as Directors or members of a Committee, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman.

**Audit Committee**

Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board has not established an audit committee, however meetings are held throughout the year between the Company Secretary and the Company's auditors to discuss the Company's ongoing activities and any proposed changes prior to their implementation and to seek advice in relation thereto. Accordingly the Company was not in compliance with Principle 4.1 during the financial year.

**Nomination Committee**

The functions that would be performed by a nomination committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 2.4 during the financial year. The arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

**Remuneration Committee**

The functions that would be performed by a remuneration committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 8.1 during the financial year. The arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

*Remuneration for Directors and executives*

A brief discussion on the Company's remuneration policies in respect of Directors and executives is set out in the audited Remuneration Report contained in the Directors Report. Detailed disclosure of the remuneration paid to the Company's Directors and executives is set out on page 12 also set out in Remuneration Report.

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### Integrity in Financial Reporting

Consistent with ASX Principle 7.3, the Company's financial report preparation and approval process for the financial year ended 30 June 2011 involved Mr Jerry Monzu, Company Secretary and Mr Greg O'Reilly, Chairman and Non-Executive Director providing detailed representations to the Board covering:

- compliance with the Company's accounting policies and relevant accounting standards;
- the accuracy of the financial statements and that they provide a true and fair view;
- integrity and objectivity of the financial statements; and
- effectiveness of the system of internal control.

### Risk Identification and Management

The Board accepts that taking and managing risk is central to building shareholder value and the Board is responsible for the Company's risk management strategy. Management is responsible for implementing the Board's strategy and for developing policies and procedures to assist the Board to identify, manage and mitigate the risks across GSF Corporation's operations.

The Company retains consultants with the requisite experience and qualifications to enable the Board to manage the risks to the Company. The Board reviews risks to the Company at regular Board meetings.

### Securities Trading by Directors and Employees

GSF Corporation adopted a Share Trading Policy on 15 December 2010. The policy summarises the law relating to insider trading and sets out the policy of the Company on Directors, officers, employees and consultants dealing in securities of the Company.

This policy is provided to all Directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the Company's risk management systems.

### Continuous Disclosure

GSF Corporation has established policies and procedures in order to comply with its continuous and periodic disclosure requirements under the *Corporations Act 2001* (Commonwealth) and the ASX Listing Rules. The Board has in place a formal Continuous Disclosure Policy which was adopted on 23 May 2007, and is consistent with the informal policies and practices of the Board that were in place prior to the formal adoption of the Continuous Disclosure Policy document.

The Company Secretary has primary responsibility for the disclosure of material information to ASIC and ASX and maintains a procedural methodology for disclosure, as well as for record keeping.

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The Policy also sets out what renders information material. The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

### **Shareholder Communications**

The Board's formal policy on communicating with shareholders is its Shareholder Communications Policy. The aim of the Shareholder Communications Policy is to make known GSF Corporation's methods for disclosure to shareholders and the general public. The Policy details the steps between disclosure to ASIC and ASX and communication to shareholders.

The Board reviews this policy and compliance with it on an ongoing basis.

To add further value to the Company's communications with shareholders, the external auditor will be requested to attend the Company's AGM and be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

### **Conduct and Ethics**

The GSF Corporation Code of Conduct was adopted on 23 May 2007. The Code covers a broad range of issues and refers to those practices necessary to maintain confidence in the Company's integrity, including procedures in relation to:

- compliance with the law;
- financial records;
- contributions to political parties, candidates or campaigns;
- occupational health and safety;
- confidential information;
- conflict of interest;
- efficiency;
- equal opportunity;
- corporate bribery; and
- membership to industry and professional associations.

### **Gender Diversity Policy**

The Company does not currently have a Gender Diversity policy in place and is therefore not in compliance with recommendation 3.2 of the ASX Corporate Governance Principles and Recommendations during the financial year. The Company does not have any full time employees at this time and the Board does not consider it appropriate to have such a policy at this stage of the Company's development. The Board will continue to review the development of the Company and will adopt a Gender Diversity Policy at the appropriate time.

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15<sup>th</sup> September 2011

The Board of Directors  
GSF Corporation Limited  
Unit B9, 431 Roberts Road  
Subiaco WA 6008

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD McVEIGH TO THE DIRECTORS OF  
GSF CORPORATION LIMITED

As lead auditor of GSF Corporation Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of GSF Corporation Limited and the entity it controlled during the period.



Brad McVeigh  
Director



BDO Audit (WA) Pty Ltd  
Perth, Western Australia

**STATEMENT OF COMPREHENSIVE INCOME** FOR THE YEAR ENDED 30 JUNE 2011  
**G SF CORPORATION LIMITED**

	Note	Consolidated	
		2011	2010
		\$	\$
Revenues from continuing operations	6	4,810	4,517
Administration expenses	7	(161,951)	(199,980)
Loss before income tax		(157,141)	(195,463)
Income tax expense	9	-	-
Loss after income tax from continuing operations for the year		(157,141)	(195,463)
(Loss) / Profit attributable to:			
Non Controlling Interest		(327)	(2,959)
Members of the Parent Company		(156,814)	(192,504)
		(157,141)	(195,463)
Other comprehensive loss		-	-
<b>Total comprehensive loss for the year net of tax</b>		<b>(157,141)</b>	<b>(195,463)</b>
Total comprehensive loss for the year is attributable to:			
Owners of GSF Corporation Limited		(156,814)	(192,504)
Non Controlling Interest		(327)	(2,959)
		(157,141)	(195,463)
Loss per share attributable to members of the Company			
Basic loss per share (cents)	10	(0.03)	(0.04)
Diluted loss per share (cents)	10	(0.03)	(0.04)

This statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

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**STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2011  
**GSF CORPORATION LIMITED**

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	17(a)	191,980	321,185
Trade and other receivables	11	425	1,808
Other current assets	12	5,780	5,792
<b>Total Current Assets</b>		<b>198,185</b>	<b>328,785</b>
<b>Total Assets</b>			
		<b>198,185</b>	<b>328,785</b>
<b>Current Liabilities</b>			
Trade and other payables	13	79,421	52,880
<b>Total Current Liabilities</b>		<b>79,421</b>	<b>52,880</b>
<b>Total Liabilities</b>			
		<b>79,421</b>	<b>52,880</b>
<b>Net Assets</b>			
		<b>118,764</b>	<b>275,905</b>
<b>Equity</b>			
Contributed equity	14(a)	-	-
Accumulated losses	15	(1,305,526)	(1,148,712)
Reserves	15	1,424,233	1,424,233
<b>Parent interests</b>		<b>118,707</b>	<b>275,521</b>
Non controlling interests	16	57	384
<b>Total Equity</b>		<b>118,764</b>	<b>275,905</b>

This statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

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**STATEMENT OF CHANGES IN EQUITY**

 FOR THE YEAR ENDED 30 JUNE 2011  
**GSF CORPORATION LIMITED**

	Contributed equity	Option Premium Reserve	Consolidated Accum- ulated losses	Non Controlling interest	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	-	1,424,233	(1,148,712)	384	275,905
Loss for the year	-	-	(156,814)	(327)	(157,141)
<b>Total Comprehensive Income for the year</b>	-	-	(156,814)	(327)	(157,141)
<b>Transactions with owners recorded directly in equity</b>					
Total transactions with owners:	-	-	-	-	-
<b>Balance as at 30 June 2011</b>	-	1,424,233	(1,305,526)	57	118,764
<b>Balance at 1 July 2009</b>	21,818,671	424,233	(22,774,879)	3,343	471,368
Loss for the year	-	-	(192,504)	(2,959)	(195,463)
<b>Total Comprehensive Income for the year</b>	-	-	(192,504)	(2,959)	(195,463)
<b>Transactions with owners recorded directly in equity</b>					
Total transactions with owners:					
Losses of prior years offset against issued capital	(21,818,671)	-	21,818,671	-	-
<b>Balance as at 30 June 2010</b>	-	1,424,233	(1,148,712)	384	275,905

This statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.



**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2011  
**GSF CORPORATION LIMITED**

	Note	Consolidated	
		2011	2010
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers		-	1,054
Payments to suppliers and employees		(134,014)	(133,879)
Income tax (paid)/received		995	-
Interest received		3,814	4,517
<b>Net cash flows used in operating activities</b>	17(b)	<b>(129,205)</b>	<b>(128,307)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Payment of share issue costs		-	-
Proceeds from issue of options		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>(129,205)</b>	<b>(128,307)</b>
Cash and cash equivalents at beginning of period		321,185	449,492
<b>Cash and cash equivalents at end of period</b>	17(a)	<b>191,980</b>	<b>321,185</b>

This statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

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**1. CORPORATE INFORMATION**

GSF Corporation Limited ("the Company") is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These financial statements are presented in Australian dollars. The financial report was authorised for issue by the Directors on 15 September 2011 in accordance with a resolution of the Directors.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation**

The financial Statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Accounting Interpretations. The financial Statements have been prepared on a historical cost basis.

The financial Statements are presented in Australian dollars.

The group financial statements of GSF Corporation Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

**Going Concern**

On 25 June 2010, the ASX imposed a suspension on the quotation of the Company's securities as a result of the company being in breach of listing rule 12.1 (level of an entities operations must be sufficient to warrant continued quotation) and 12.3 (cash box rule). As disclosed to the market, the directors of the company are currently assessing new projects for the company to pursue. Should the company wish to proceed with a new project, it will require a further injection of capital and re-compliance with the ASX listing rules regarding admission to official quotation. If the company is unable to complete a capital raising, this may indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

**(b) Statement of compliance****(i) New and amended standards adopted by the Group**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project;

- AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions;
- AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues; and
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

**(ii) New accounting standards and interpretations not yet adopted**

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

Reference	Title	Summary	Application date of standard	Impact on Group financial report
IFRS 10 (issued May 2011)	Consolidated Financial Statements	Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present: <ul style="list-style-type: none"> <li>• Power over investee (whether or not power used in practice)</li> <li>• Exposure, or rights, to variable returns from investee</li> <li>• Ability to use power over investee to affect the entity's returns from investee.</li> </ul>	Annual reporting periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities.
IFRS 10 (issued May 2011)	Consolidated Financial Statements	Introduces the concept of 'de facto' control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.		When this standard is first adopted for the year ended 30 June 2014 There will be no impact on the group.
IFRS 11 (issued May 2011)	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method (proportionate consolidation no longer allowed).	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, joint ventures will be accounted for in consolidated financial statements using the equity method, rather than the proportionate consolidation method. The standard is not expected to impact the group in its current form

Reference	Title	Summary	Application date of standard	Impact on Group financial report
IFRS 11 (issued May 2011)	Joint Arrangements	However, where terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets, the arrangement will be treated as a joint operation and joint venture parties will account for the assets, liabilities, revenues and expenses in accordance with the contract.		On 1 July 2012, the equity accounted investment will be derecognised and the group's share of each asset and each liability in respect of the joint operation will be recognised separately in the statement of financial position. The standard is not expected to impact the group in its current form
IFRS 13 (issued May 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. IFRS 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual reporting periods commencing on or after 1 January 2013	Due to the recent release of this standard, the entity has yet to conduct a detailed analysis of the differences between the current fair valuation methodologies used and those required by IFRS 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 July 2013.
Amendments to IAS 1 (issued June 2011)	Presentation of Items of Other Comprehensive Income	Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP.  Various name changes as follows: <ul style="list-style-type: none"> <li>1 statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income'</li> <li>2 statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'.</li> </ul>	Annual periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on amounts recognised for transactions and balances for 30 June 2014 (and comparatives). However, the statement of comprehensive income will include name changes and include subtotals for items of OCI that can subsequently be reclassified to profit or loss in future (e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses).

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Reference	Title	Summary	Application date of standard	Impact on Group financial report
AASB 124 (issued December 2009)	Related Party Disclosures	Simplifies disclosure requirements for government-related entities and clarifies the definition of a related party.	Annual reporting periods commencing on or after 1 January 2011.	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, various disclosures currently required by government entities about related party transactions with other entities that are controlled, or significantly influenced by the same government entity will no longer be required if it is costly to gather and of less value to users.
AASB 2010-6 (issued November 2010)	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Additional disclosures required for entities that transfer financial assets, including information about the nature of financial assets involved and the risks associated with them.	Annual reporting periods commencing on or after 1 July 2011	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements.
AASB 1054 (issued May 2011)	Australian Additional Disclosures	Moves additional Australian specific disclosure requirements for for-profit entities from various Australian Accounting Standards into this Standard as a result of the Trans-Tasman Convergence Project. Removes the requirement to disclose each class of capital commitment and expenditure commitment contracted for at the end of the reporting period .	Annual reporting periods commencing on or after 1 July 2011	There will be no impact on disclosures when this Standard is adopted for the first time because the entity has no capital or other expenditure commitments.
IFRS 13 (issued May 2011)	Fair Value Measurement	Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.	Annual reporting periods commencing on or after 1 January 2013	When this standard is adopted for the first time on 1 July 2012, additional disclosures will be required about fair values.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(c) Basis of consolidation**

The consolidated financial statements comprise the financial statements of GSF Corporation Limited and its subsidiary as at 30 June 2011 (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 the group controls another entity.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full.

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.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Non controlling interests not held by the Group 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 parent shareholders' equity.

**(d) Foreign currency translation*****Functional and presentation currency***

The functional currency of GSF Corporation Limited and its subsidiary is Australian dollars (\$). The presentation currency of GSF Corporation Limited is Australian dollars (\$).

***Transactions and balances***

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to the Statement of Comprehensive Income.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(e) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Statement of Financial Position.

**(f) Trade and other receivables**

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

**(g) Trade and other payables**

Trade payables and other payables are carried at amortised cost. They 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. The amounts are unsecured and are usually paid within 30 days of recognition.

**(h) Provisions and employee leave benefits**

Provisions are recognised 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(h) Provisions and employee leave benefits (continued...)*****Employee leave benefits***

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled and are included in other payables.

**(i) Contributed equity**

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

**(j) Revenue recognition**

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

***Sale of goods***

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

***Interest revenue***

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**(k) Income tax and other taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(k) Income tax and other taxes (continued...)**

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

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

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

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

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(k) Income tax and other taxes (continued...)**

Current and deferred tax Income is recognised in the Statement of Financial Position, except to the extent that it relates to items recognised in other comprehensive income or direct in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

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

*Other taxes*

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

Receivables and payables are stated inclusive of the amount of GST recoverable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

**(l) Share-based payment transactions**

The Group provides benefits to Directors, employees and consultants in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with Directors, employees and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model. There have been no share based payments during the current year.

In valuing equity-settled transactions, no account is taken to any vesting conditions, other than conditions linked to the price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity on the date the equity right is granted.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)****(l) Share-based payment transactions (continued...)**

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

**(m) Loss per share**

Basic loss per share is calculated as net profit or loss attributable to members of the parent entity, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(n) Investments in other financial assets*****Loans and receivables***

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

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**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise cash and cash equivalents, receivables and payables.

The net fair values of the financial assets and liabilities at balance date of the Group approximate the carrying amounts in the financial statements, except where specifically stated.

The Group manages its exposure to key financial risks, including interest rate, foreign currency risk, credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

**Risk exposures and responses***Interest rate risk*

The Group's exposure to market interest rates relates primarily to the Group's cash and short-term deposits.

At balance date, the Group had the following financial assets exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

<b>Consolidated</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Cash at bank and in hand	<b>191,980</b>	<b>321,185</b>

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**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued...)**

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

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	Post tax loss		Equity	
	Higher / (lower)		Higher / (lower)	
	2011	2010	2011	2010
	\$	\$	\$	\$
+1% (100 basis points)	(1,920)	(6,423)	1,920	6,423
-1% (100 basis points)	1,920	6,423	(1,920)	(6,423)

The movements are due to higher / lower interest revenue from cash balances. A sensitivity of 1% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates.

*Foreign currency risk*

At balance date the Group did not have any financial assets or liabilities subject to foreign currency exposure.

*Credit risk*

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group does not hold any credit derivatives to offset its credit exposure. The Group has a cash deposit in HSBC Australia, which have a rating of at least A1 from Standard & Poor's and the Board considers this financial institution to be sufficient in the management of credit risk with regards to funds on deposit.

*Liquidity risk*

Liquidity risk is the risk that the Group may encounter difficulty in meeting its financial obligations.

The Group's objective is to maintain adequate funding to meet its needs, currently represented by cash and short-term deposits sufficient to meet the Group's current cash requirements.

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**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued...)***Maturity analysis for financial liabilities*

Financial liabilities of the Group comprise trade and other payables, which are contractually matured within 30 days.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

***Significant accounting judgements****Taxation*

The Group's accounting policy for taxation requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgment is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

**5. SEGMENT REPORTING**

The Group does not currently have any material segments to report and is seeking to transition into the mining sector.

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**6. REVENUE FROM CONTINUING OPERATIONS**

	Consolidated	
	2011	2010
	\$	\$
<b>Revenues from continuing operations</b>		
Interest	3,814	4,517
Other revenue	996	-
Total revenues from ordinary activities	<u>4,810</u>	<u>4,517</u>

**7. EXPENSES**

Administration expenses		
Other administration expenses	161,951	199,980
	<u>161,951</u>	<u>199,980</u>

**8. AUDITORS' REMUNERATION**

	Consolidated	
	2011	2010
	\$	\$
<b>Audit services</b>		
(a) Auditors of the Company		
Audit and review of financial reports	20,957	24,100
Total remuneration of BDO Audit (WA) Pty Ltd	<u>20,957</u>	<u>24,100</u>

**9. TAXATION**

	Consolidated	
	2011	2010
	\$	\$
(a) The major components of income tax expense are:		
<b>Current income tax</b>	-	-
Under provision from prior year	-	-
Deferred income tax	-	-
Income tax (expense) reported in the income statement	<u>-</u>	<u>-</u>

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**9. TAXATION (continued...)**

(b) The prima facie tax on operating loss differs from the income tax provided in the accounts as follows:

Loss from ordinary activities before income tax expense	<b>(156,814)</b>	(192,504)
Prima facie tax benefit on loss from ordinary activities at 30%	<b>(47,044)</b>	(57,751)
Tax effect of current year losses not able to be claimed in future years	-	-
Non deductible expenses for income tax purposes (Under) / over provision from prior periods	<b>995</b>	-
Income tax benefit not recognised	<b>46,049</b>	57,751
Income tax benefit / (expense)	<u>-</u>	<u>-</u>

(c) Deferred income tax at 30 June relates to the following:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Deferred tax asset		
Cost of capital raising	-	-
Deferred tax asset not brought to account	-	-
	<u>-</u>	<u>-</u>
Deferred tax liability	-	-
	<u>-</u>	<u>-</u>

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

Additionally the Group has tax losses for which no deferred tax asset is recognised on the statement of financial position that arose in Australia of \$3,972,402 (2010: \$3,926,353) and are available indefinitely for offset against future profits subject to continuing to meet the relevant statutory tests. The Company has not formed a Tax Consolidated Group.

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**10. LOSS PER SHARE****Classification of securities as ordinary shares**

The Company has only one category of ordinary shares included in basic earnings per share.

**Classification of securities as potential ordinary shares**

There are currently no securities to be classified as dilutive potential ordinary shares on issue, as the options on issue are anti-dilutive.

	Consolidated	
	2011 Number	2010 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	<u>453,424,164</u>	453,424,164
	\$	\$
Basic loss	<u>(156,814)</u>	(192,504)

This calculation does not include instruments that could potentially dilute basic earnings per share in the future as these instruments are anti-dilutive, considered as their inclusion would reduce the loss per share. A summary of such instruments is as follows:

<i>Equity securities</i>	Number of securities	Number of potential ordinary shares
Options over ordinary shares	<u>75,000,000</u>	75,000,000

**11. OTHER RECEIVABLES**

	Consolidated	
	2011 \$	2010 \$
<b>Current</b>		
Other debtors	<u>425</u>	1,808
	<u>425</u>	1,808

Other debtors include amounts outstanding for goods and services tax (GST). These amounts are non-interest bearing and have repayment terms applicable under the relevant government authority.

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**12. PREPAYMENTS**

	Consolidated	
	2011	2010
	\$	\$
<b>Current</b>		
Prepayments	<u>5,780</u>	<u>5,792</u>

**13. TRADE AND OTHER PAYABLES**

	Consolidated	
	2011	2010
	\$	\$
<b>Current</b>		
Trade creditors	<u>79,421</u>	<u>52,880</u>
	<u>79,421</u>	<u>52,880</u>

Trade and other creditor amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Details noting the Groups exposure to risks are summarised in note 3.

**14. CONTRIBUTED EQUITY****(a) Issued capital**

	Consolidated	
	2011	2010
	\$	\$
Balance at beginning of year	21,818,671	21,818,671
Losses of prior years offset against issued capital	<u>(21,818,671)</u>	<u>(21,818,671)</u>
Ordinary shares, fully paid	<u>-</u>	<u>-</u>

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued capital.

**(b) Movements in share capital**

	2011	2010	2011	2010
	Number	Number	\$	\$
Balance at beginning of year	453,424,164	453,424,164	21,818,671	21,818,671
Issued during the year	-	-	-	-
Balance at year end	<u>453,424,164</u>	<u>453,424,164</u>	<u>21,818,671</u>	<u>21,818,671</u>

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## 14. CONTRIBUTED EQUITY (continued...)

## (c) Share based payments

	Exer- cise price	Expiry date	Balance at beginning of year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of year
			Number	Number	Number	Number	Number
<b>2011 year</b>							
Unlisted options	\$0.03	30/6/12	10,000,000	-	-	-	10,000,000
Unlisted options	\$0.03	30/6/12	65,000,000	-	-	-	65,000,000
			<b>75,000,000</b>	-	-	-	<b>75,000,000</b>
<b>2010 year</b>							
Unlisted options	\$0.03	30/6/12	10,000,000	-	-	-	10,000,000
Unlisted options	\$0.03	30/6/12	65,000,000	-	-	-	65,000,000
Unlisted options*	\$0.03	30/6/12	165,000,000	-	-	165,000,000	-
			<b>240,000,000</b>	-	-	<b>(165,000,000)</b>	<b>75,000,000</b>

\* In accordance with a service agreement between the Company and Starvale Pty Ltd, these options had an exercise price of \$0.03. The expiry date of these options was 30 June 2012. The options were subject to a vesting condition requiring that Starvale introduce and an advanced resources project to the Company. No expense was recorded against these options in the Company's accounts. On 13 July 2009 the agreement with Starvale was terminated as the vesting conditions could no longer be met by the termination date. These options expired on 22 July 2009.

**Weighted average remaining contractual life**

The weighted average remaining contractual life for the options outstanding as at 30 June 2011 is 1.0 years (2010: 2.0 years).

**Fair Value of options granted and vested**

During the financial year ended 30 June 2008, 10,000,000 and 65,000,000 share options were granted to Albion Capital Partners and Starvale Holdings Pty Ltd and the fair value of the options granted was determined using the Black-Scholes option pricing model (refer to Note 4(ii)) in the amount of \$143,361 and \$1,280,332, respectively. The following weighted average inputs to that model were used:

Grant date	23 Jul 07	30 Aug 07
Number of options over shares	10,000,000	65,000,000
Black-Scholes model fair value (rounded)	\$0.014	\$0.020
Share price at grant date	\$0.029	\$0.036
Exercise price	\$0.030	\$0.030
Expected volatility	70.0%	70.0%
Option life	2.97 years	2.90 years
Expected dividends	-	-
Risk-free rate	6.31%	6.18%

The expected volatility was determined based on historical volatility of similar companies, and with reference to the Company's stage of development.

**14. CONTRIBUTED EQUITY (continued...)****(d) Terms and conditions of contributed equity**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**(e) Capital management**

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As the equity market is constantly changing, the Company under the direction of management may issue new shares to provide for future development activity. The capital structure of the company is detailed below:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Total borrowings (note 13)	<b>79,421</b>	52,879
Less: cash and cash equivalents (note 17(a))	<b>(191,980)</b>	(321,185)
Net cash	<b>(112,559)</b>	(268,306)
Total equity	<b>118,764</b>	275,906
Total Capital	<b>6,205</b>	7,600

**15. ACCUMULATED LOSSES AND RESERVES****Accumulated losses**

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	<b>(1,148,712)</b>	(22,774,879)
Losses of prior years offset against issued capital	-	21,818,671
Net loss attributable to members of the Company	<b>(156,814)</b>	(192,504)
Balance at end of year	<b>(1,305,526)</b>	(1,148,712)

**15. ACCUMULATED LOSSES AND RESERVES (continued...)****Option premium reserve**

The option premium reserve is used to recognise the value of options issued as share-based payments.

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	1,424,233	1,424,233
Issue of options	-	-
Exercise of options	-	-
Balance at end of year	<u>1,424,233</u>	<u>1,424,233</u>

**16. NON CONTROLLING INTERESTS**

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Contributed equity	49	49
Retained profits	8	335
	<u>57</u>	<u>384</u>

**17. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the year as shown in the cash flow statement are reconciled to the related item in the statement of financial position as follows:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	<u>191,980</u>	<u>321,185</u>

Cash at bank attracts floating interest at current market rates of 0.5% for 30 June 2011 (2010 1.50%).

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## 17. NOTES TO THE STATEMENT OF CASH FLOWS (continued...)

## (b) Reconciliation of operating loss after income tax to net cash used in operating activities

	Consolidated	
	2011	2010
	\$	\$
Operating loss after income tax	(156,814)	(192,505)
<i>Adjustments for:</i>		
Minority interest share of profit / (loss)	(327)	(2,959)
<b><i>Changes in assets and liabilities</i></b>		
(Increase) / decrease in receivables	1,383	37,836
(Increase) / decrease in prepayments	(1,169)	3,404
Increase / (decrease) in creditors	27,722	25,917
Net cash (used in) operating activities	<u>(129,205)</u>	<u>(128,307)</u>

## 18. KEY MANAGEMENT PERSONNEL DISCLOSURES

## (a) Directors and other key management personnel

The Directors and other key management of GSF Corporation Limited during the financial year and to the date of this report were:

- Ms Nadine Donovan – Non-Executive Director (appointed 31 July 2009)
- Mr Greg O'Reilly – Non-Executive Director (appointed 13 July 2009)
- Mr William Witham – Non-Executive Director (appointed 31 July 2009)
- Mr Jerry Monzu – Company Secretary

There were no other key management personnel during the financial year.

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## 18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)

## (b) Compensation of key management personnel

	Consolidated	
	2011	2010
	\$	\$
Short-term employee benefits	87,297	87,783
Post-employment benefits	-	-
Share-based payments	-	-
	<u>87,297</u>	<u>87,783</u>

## (c) Equity instrument disclosures relating to key management personnel

## Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director and key management personnel of GSF Corporation Limited, including their personally related parties, are set out below.

## 2011

Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other changes during year	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
Mr J Monzu	-	-	-	-	-	-
Total	-	-	-	-	-	-

## 18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)

(c) Equity instrument disclosures relating to key management personnel  
(continued...)

## Option holdings

2010

Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other changes during year	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
Mr J Mann <sup>#</sup>	1,500,000	-	-	(1,500,000)	-	-
Mr L Boyd <sup>#</sup>	-	-	-	-	-	-
Mr G Rodie <sup>#</sup>	1,000,000	-	-	(1,000,000)	-	-
Mr H Callaghan <sup>#</sup>	-	-	-	-	-	-
Mr G O'Reilly	-	-	-	-	-	-
Ms N Donovan	-	-	-	-	-	-
Mr W Witham	-	-	-	-	-	-
Mr J Monzu	-	-	-	-	-	-
Total	2,500,000	-	-	(2,500,000)	-	-

<sup>#</sup> Balance at date of resignation



## 18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)

## (c) Equity instrument disclosures relating to key management personnel (continued...)

## Share holdings

The number of shares in the Company held during the financial year by each director and key management personnel of GSF Corporation Limited, including their personally related parties, is set out below. There were no shares granted during the reporting year as compensation.

## 2011

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
Mr J Monzu	-	-	-	-
Total	<b>2,760,000</b>	-	-	<b>2,760,000</b>

## 2010

Name	Balance at start of year	Received during year on exercise of options	Other changes during year	Balance at end of year
	Number	Number	Number	Number
Mr J Mann <sup>#</sup>	7,000,000	-	(7,000,000)	-
Mr L Boyd <sup>#</sup>	3,333,333	-	(3,333,333)	-
Mr G Rodie <sup>#</sup>	1,816,667	-	(1,816,667)	-
Mr G O'Reilly	2,760,000	-	-	2,760,000
Ms N Donovan	-	-	-	-
Mr W Witham	-	-	-	-
Mr J Monzu	-	-	-	-
Total	<b>14,910,000</b>	-	<b>(12,150,000)</b>	<b>2,760,000</b>

# Balance at date of resignation

**18. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued...)****(d) Other transactions with key management personnel**

During the year the Company paid \$ 51,297 to Monzu Corporate Consulting an entity in which Mr Monzu has a relevant interest.

As at 30 June 2011 the Directors of GSF were owed \$62,000 for directors fees accrued but not paid (2010 \$26,000). The Directors fees will only become payable should a project be successfully introduced into the Company. There were no other amounts owing to Directors, director-related parties and or other related parties at 30 June 2011.

**19. COMMITMENTS AND CONTINGENCIES****(a) Commitments**

The Group had no commitments for expenditure as at 30 June 2011.

**(b) Contingencies**

The Group had no contingent liabilities as at 30 June 2011.

**20. DIVIDENDS**

No dividend has been declared or paid during the current financial year or the prior financial year.

The Group does not have any franking credits available for current or future years as it is not in a tax paying position.

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## 21. PARENT ENTITY INFORMATION

The following information relates to the parent entity, GSF Corporation Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

**Statement of Financial Position**

	Parent	
	2011	2010
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	178,499	307,549
Trade and other receivables	610	1,808
Other current assets	5,780	5,791
<b>Total Current Assets</b>	<u>184,889</u>	<u>315,148</u>
<b>Non - Current Assets</b>		
Receivables	13,456	11,948
Other assets	51	51
<b>Total Current Assets</b>	<u>13,507</u>	<u>11,999</u>
<b>Total Assets</b>	<u>198,396</u>	<u>327,147</u>
<b>Current Liabilities</b>		
Trade and other payables	79,447	51,724
<b>Total Current Liabilities</b>	<u>79,447</u>	<u>51,724</u>
<b>Total Liabilities</b>	<u>79,447</u>	<u>51,724</u>
<b>Net Assets</b>	<u>118,949</u>	<u>275,423</u>
<b>Equity</b>		
Contributed equity	-	-
Accumulated losses	(1,305,284)	(1,148,810)
Reserves	1,424,233	1,424,233
<b>Parent interests</b>	<u>118,949</u>	<u>275,423</u>
Non controlling interests	-	-
<b>Total Equity</b>	<u>118,949</u>	<u>275,423</u>

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## 21. PARENT ENTITY INFORMATION (continued...)

Statement of Comprehensive Income

	Parent	
	2011 \$	2010 \$
Revenues from continuing operations	3,813	4,516
Administration expenses	(160,286)	(193,941)
Loss before income tax	(156,473)	(189,425)
Income tax expense	-	-
Loss after income tax from continuing operations for the year	(156,473)	(189,425)
(Loss) / Profit attributable to:		
Non Controlling Interest	-	-
Members of the Parent Company	(156,473)	(189,425)
Other comprehensive loss	-	-
<b>Total comprehensive loss for the year net of tax</b>	<b>(156,473)</b>	<b>(189,425)</b>

The subsidiary is accounted for in the consolidated accounts as set out in Note 2(c).

**Subsidiary**

	Country of Incorporation	Percentage interest		Investment	
		2011	2010	2011	2010
		%	%	\$	\$
Ocean Premium Seafood Pty Ltd	Australia	51	51	51	51

## 22. SUBSEQUENT EVENTS

There were no post balance date events to report.

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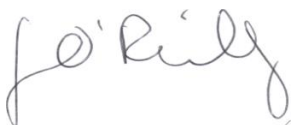
## **DIRECTORS' DECLARATION**

---

In accordance with a resolution of the Directors of GSF Corporation Limited, I state that:

1. In the opinion of the Directors:
  - (a) the financial statements, notes and the additional disclosures included in the Directors' report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The remuneration disclosures included in pages 10 to 13 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2011, comply with section 300A of the Corporations Act 2001.
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

**On behalf of the Board**



**Greg O'Reilly**  
**Director**

Perth, 15 September 2011

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GSF CORPORATION LIMITED

### Report on the Financial Report

We have audited the accompanying financial report of GSF Corporation Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

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

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

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

## Auditor's Opinion

In our opinion:

- (a) the financial report of GSF Corporation Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2 (a).

## Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the fact that, as disclosed in Note 2(a) in the financial report, the company's securities have been suspended from quotation from the ASX. Should the company wish to proceed with a new project, it will require a further injection of capital. If the company is unable to complete a capital raising, this may indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and whether its assets will be realised at the values carried in the accounts.

## Report on the Remuneration Report

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

## Auditor's Opinion

In our opinion, the Remuneration Report of GSF Corporation Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Brad McVeigh  
Director

Perth, Western Australia  
Dated this 15<sup>th</sup> day of September 2011

## ASX Additional Information

Additional information as required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at **20 September 2011**.

### Distribution of equity securities

Ranges	Investors	Number of shares	% Issued Capital
1 - 1,000	492	131,348	0.03
1,001 - 5,000	51	116,229	0.03
5,001 - 10,000	45	367,248	0.08
10,001 - 100,000	422	23,056,885	5.09
100,001 - 9,999,999,999	439	429,752,454	94.78
<b>Total</b>	<b>1,449</b>	<b>453,424,164</b>	<b>100.00</b>

There were 1,270 holders holding less than a marketable parcel of ordinary shares based on the last known price of 0.1cent per share, at the date that the Company's securities were last traded being 25 June 2010.

### Quoted and unquoted equity securities

Equity Security	Quoted	Unquoted
Ordinary Shares	453,424,164	-
Option Expiry <u>30/06/2012 at \$0.03</u>	-	75,000,000

### Restricted equity securities

There are no restricted securities.

### Voting rights

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

### Stock Exchange

The Company is listed on the Australian Securities Exchange and has been allocated the code "GSF". The "Home Exchange" is Perth.

### On-market buy-back

There is no current on-market buy-back.



## ASX Additional Information Cont.....

### Twenty largest shareholders of quoted shares

	Name	Shares Held	Percentage
1	Mr Peter Macskasy Barnes <Barter Investment A/C>	20,462,260	4.51%
2	Mr Vincenzo Brizzi & Mrs Rita Lucia Brizzi <Brizzi Family S/F A/C>	13,920,300	3.07%
3	Mr Wayne Gregory Loxton & Mrs Donna Joy Loxton <W&D Loxton Superannuation Fund>	13,750,000	3.03%
4	Aymon Pacific Pty Ltd <Jerezos Discretionary A/C>	12,400,000	2.73%
5	Mr Clarke Barnett Dudley	11,000,000	2.43%
6	Austfish Pty Ltd <Austfish Unit A/C>	10,998,605	2.43%
7	Equipment Company of Australia Pty Limited	10,000,000	2.21%
8	Jacobs Corporation Pty Ltd	10,000,000	2.21%
9	Wisepans Investments Pty Ltd < Leon Davies Investment A/C>	8,543,333	1.88%
10	Westrade Resources Pty Ltd <Sheppard Super A/C>	8,200,000	1.81%
11	Caughlan Superannuation Fund Pty Limited <Caughlan Super Fund A/C>	7,948,000	1.75%
12	Willingvale Pty Ltd	7,000,000	1.54%
13	Cunningham Peterson Sharbanee Securities Pty Ltd	5,000,000	1.10%
14	Mr Matthew Hetherington	5,000,000	1.10%
15	Jakory Pty Ltd <Dempsey S/F A/C>	5,000,000	1.10%
16	Mr Nick Otty	5,000,000	1.10%
17	SHL Pty Ltd	5,000,000	1.10%
18	Sumita Pty Ltd	5,000,000	1.10%
19	Perma-Seal Australia Pty Ltd <Super Fund A/C>	4,700,000	1.04%
20*	Aymon Pacific Pty Ltd	4,500,000	0.99%
20*	Clement Ray + Ravinder Ray <Clement Ray Superannuation Fund A/C>	4,500,000	0.99%
	<b>TOTAL</b>	<b>177,922,498</b>	<b>39.22%</b>

\*These two holders occupy equal twentieth place

#### Substantial Shareholders

There are no substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001.

#### Other information

GSF Corporation Limited is incorporated and domiciled in Australia, and is publicly listed company limited by shares.