RIDGE
RESOURCES LTD
ACN 147 325 620

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM INCORPORATION ON 11 NOVEMBER 2010 TO 30 JUNE 2011

Corporate Information

ABN 56 147 325 620

Directors

Jeremy David Shervington
Non Executive Chairman

Alec Christopher Pismiris
Executive Director

David Nicholas Kelly
Non Executive Director

Company Secretary

Alec Christopher Pismiris

Registered Office and Principal Place of Business

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West Perth WA 6005
Telephone: (+61 8) 9481 8760
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Solicitors

Jeremy Shervington
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West Perth WA 6005
Telephone: (+61 8) 9481 8760

Bankers

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

Share Register

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000
Telephone: (+61 8) 9323 2000

Auditors

Somes & Cooke
1304 Hay Street
West Perth WA 6005
Telephone: (+61 8) 9426 4500

Website

www.ridgeresources.com.au

Stock Exchange Listing

Ridge Resources Ltd shares (Code: RID) and
20 cent options expiring 30 June 2014 (RIDO)
are listed on the Australian Securities Exchange.

Contents

Chairman's Letter

On behalf of your Board of Directors, I have pleasure in presenting the Annual Report and Financial Statements of Ridge Resources Ltd ("Ridge" or the "Company") for the period from incorporation on 11 November 2010 to 30 June 2011.

In May 2011 the Company issued a Prospectus offering both public investors and shareholders of Northern Manganese Limited (formerly Groote Resources Limited) a minimum of 12,500,000 fully paid shares at an issue price of 20 cents per share together with one free attaching option exercisable at 20 cents each on or before 30 June 2014 for every two shares offered, reserving the capacity for oversubscriptions of up to a further 2,500,000 Shares together with one free attaching options exercisable at 20 cents each on or before 30 June 2014 for every two shares offered. The offer of securities closed fully subscribed with the Company accepting oversubscriptions totalling $16,700. The Company was admitted to the Official List of ASX on 12 August 2011 with Official Quotation of the Company's securities commencing on 17 August 2011.

During the financial period the Company was incorporated and implemented its strategy of pursuing uranium opportunities. In November 2010 the Company entered into an agreement to earn a 60% interest in the Mount Alexander Project from Northern Manganese Limited through the expenditure of $1 million on the Project, and a further 10% interest through additional expenditure on the Project of $800,000. Following completion of due diligence on the Mount Alexander Project, the Company entered into a Farmin and Joint Venture Agreement with Northern Manganese Limited.

Ridge recorded an operating loss after tax of $27,411 for the period ended 30 June 2011. The result was achieved on revenue of $206 and operating expenses of $27,617. The majority of the operating expenses incurred related to administration of the Company.

The 2011/2012 financial year will see the commencement of activities relating to the evaluation the Mount Alexander Project. The Company will actively pursue further investment opportunities including drill-ready exploration projects through to advanced projects with existing resources and upside potential. Although the preference is for the major metals or bulks other commodities will be considered. Ridge's objective is to acquire further projects that complement the Company's existing projects.

The Board of Ridge is committed to pursuing a strategy that will deliver long-term growth to shareholders. Ridge has significant cash reserves with no debt, allowing the Company to pursue its ambitions of achieving growth through acquisitions in the resources sector.

I wish to extend my sincere thanks to the Board of Ridge for their contributions and efforts to date. Appreciation is also extended to our shareholders for their support and we look forward to continued success in the financial year ahead.

Yours faithfully

Jeremy Shervington
Chairman

Directors' Report

The directors of Ridge Resources Ltd ("Ridge" or "the Company") present their financial report for the period from incorporation on 11th November 2010 to 30th June 2011 ("the Balance Date").

DIRECTORS

The names and details of the Company's directors in office during the financial period and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Jeremy David Shervington *B.Juris. LLB.* **Non Executive Chairman** **Appointed 11 November 2010**

Mr Shervington operates a legal practice in Western Australia. He specialises in the laws regulating companies and the securities industry in Australia. Mr Shervington has 30 years' experience as a lawyer, gained since his admission as a Barrister and Solicitor of the Supreme Court of Western Australia. Mr Shervington has since 1985 served as a Director of various ASX listed companies as well as a number of unlisted public and private companies. Presently Mr Shervington also serves as a member of the Audit and Compliance Committee. During the past three years Mr Shervington has also served as a Director of the following other listed companies:

- Australian Zircon NL* - Appointed 16 February 1998
- Cokal Limited (formerly Altera Resources Limited) - Appointed 8 August 2006; Retired 23 December 2010
- Prairie Downs Metals Limited* - Appointed 11 October 2002
- Emerald Oil & Gas NL* - Appointed 23 January 2006
- Northern Manganese Limited (formerly Groote Resources Limited) - Appointed 11 May 2006; Retired 22 March 2010
- Horseshoe Metals Limited (formerly Shergar Limited)* - Appointed 14 December 2006
- Industrial Minerals Corporation Limited - Appointed 17 February 2004; Retired 10 March 2011
- Papillon Resources Limited (formerly Colonial Resources Limited) - Appointed 11 May 2006; Retired 27 May 2011
- Stirling Resources Limited - Appointed 13 July 2009; Retired 18 June 2010

*denotes current Directorship

Alec Christopher Pismiris *B.Com. ICSA* **Executive Director and Company Secretary** **Appointed 11 November 2010**

Mr Pismiris is currently an Executive Director of Azure Capital Limited, a company which provides corporate advisory services. He is also the Company Secretary of several companies listed on ASX and Company Secretary of several public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia and is an associate of Chartered Secretaries Australia. Mr Pismiris has over 27 years' experience in the securities, finance and mining industries. Presently Mr Pismiris also serves as a member of the Audit and Compliance Committee. During the past three years Mr Pismiris has also served as a Director of the following other listed companies:

- Prairie Downs Metals Limited* - Appointed 16 October 2002
- Horseshoe Metals Limited (formerly Shergar Limited)* - Appointed 31 May 2010
- Industrial Minerals Corporation Limited - Appointed 8 November 2006; Retired 22 April 2010
- Papillon Resources Limited (formerly Colonial Resources Limited)* - Appointed 11 May 2006
- Sundance Resources Limited - Appointed 5 July 2006; Retired 28 November 2008
- Northern Manganese Limited (formerly Groote Resources Limited) - Appointed 11 May 2006; Retired 4 March 2010

*denotes current Directorship

David Nicholas Kelly *B.Sc Hons* **Non Executive Director** **Appointed 11 April 2011**

Mr Kelly is currently an executive director of Optimum Capital Pty Ltd and has over 20 years mining experience. Mr Kelly holds a B. Sc. Hons (Major in Geology) from Victoria University of Wellington. His experience includes exploration, operations management, mine planning, project evaluation and business development with companies such as Consolidated Minerals Limited, WMC Resources Limited and Central Norseman Gold Corporation. He has spent several years in resource banking with Investec and N M Rothschild & Sons undertaking technical and operational analysis of debt and equity opportunities. During the past three years Mr Kelly has not served as a Director of any other listed companies.

Alan Gordon Coulthard **Non Executive Director** **Appointed 11 November 2010; Resigned 11 April 2011**

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

As at the date of this report, the interests of the directors in the shares and options of Ridge were:

	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
Jeremy David Shervington	1,750,000	1,750,000
Alec Christopher Pismiris	760,000	684,712
David Nicholas Kelly	500,000	500,000

CORPORATE INFORMATION

Corporate Structure

Ridge Resources Ltd is a company limited by shares that is incorporated and domiciled in Australia. Ridge has prepared a financial annual report for the period from incorporation on 11th November 2010 to 30th June 2011.

Principal Activities

The principal activities of the Company throughout the period have comprised of the following:

- negotiations to acquire an interest in the Mt Alexander Project;
- due diligence investigations relating to the acquisition of interest in the Mt Alexander Project;
- raising seed capital predominantly from directors to fund the costs of establishing the Company;
- preparing a prospectus and a listing of the Company's securities on ASX;
- seeking to identify new investment opportunities in the resources sector;
- investing cash assets in interest bearing bank accounts; and
- the general administration of the Company.

DIVIDENDS

No dividends were paid or declared during the financial period. No recommendation for payment of dividends has been made.

OPERATIONS AND HIGHLIGHTS

Ridge Resources Ltd was incorporated in Western Australia on 11 November 2010. On incorporation the Company's issued capital comprised of 3,500,000 fully paid shares issued to seed investors including directors at a price of $0.0001 each and 3,500,000 attaching options exercisable at 20 cents on or before 31 December 2015 issued at a price of $0.0029 each raising $10,500.

The Company undertook a further seed capital raising by offering 600,000 fully paid shares at an issue price of $0.0001 each and 500,000 options exercisable at 20 cents on or before 31 December 2015 at an price of $0.0029 each raising $1,510.

On 26 May 2011 the Company issued a prospectus offering for subscription up to 15,000,000 shares at an issue price of 20 cents each together with one free attaching option exercisable at 20 cents on or before 30 June 2014 for every two shares offered to raise $3,000,000 before the costs. The offer of securities comprised of:

- a Priority Offer to shareholders of Northern Manganese Limited (formerly Groote Resources Limited) of up to 2,500,000 Shares at an issue price of 20 cents per Share and up to 1,250,000 free attaching option exercisable at 20 cents on or before 30 June 2014 to raise up to $500,000 before expenses; and
- a Public Offer to public investors of up to a maximum of 12,500,000 Shares at an issue price of 20 cents per Share and up to 6,250,000 free attaching options to raise up to $2,500,000 before expenses.

On 15 November 2010 the Company entered into an agreement with Northern Manganese Limited (formerly Groote Resources Limited). Under the terms of the agreement, the Company was granted the right to earn a 60% interest in the Mount Alexander Project through the expenditure of $1 million on the Project, and a further 10% interest through additional expenditure on the Project of $800,000.

OPERATIONS AND HIGHLIGHTS (cont.)

Following completion of due diligence on the Mount Alexander Project, the Company entered into a Farmin and Joint Venture Agreement with Northern Manganese Limited (formerly Groote Resources Limited).

The Priority Offer to shareholders of Northern Manganese Limited (formerly Groote Resources Limited) and Public Offer to public investors closed fully subscribed with the Company raising $2,500,000 before the costs. The Company accepted oversubscriptions totalling $16,700.

The Company was admitted to the Official List of ASX on 12 August 2011 with Official Quotation of the Company's securities commencing on 17 August 2011.

Mount Alexander Project

The Mount Alexander Project is located approximately 20 kilometres southeast of Nanutarra and 120 kilometres to the south of Onslow, in the northwest of Western Australia (refer to Figure 1). Southern parts of the project area cover the very rugged Mount Alexander which is 405 metres above sea level and an estimated 250 to 300 metres above the surrounding plain. The district is included in the catchment of the Ashburton River; tributary creeks have eroded the metamorphic rocks of a major anticlinal structure leaving the more resistant rocks as remnant ridges on the plain.

The project is secured by Exploration Licence EL08/1987, granted on 23 February 2010 over 90 square kilometres. The registered holder of the Tenement, is Northern Manganese Limited (formerly Groote Resources Limited).

Access to the tenement is from the Northwest Coastal Highway at the Uaroo Station turnoff 20 kilometres south of Nanutarra and then to the old Coober Pedy road workings about 1.5 kilometres distant. The Coober Pedy workings are located immediately to the south of the Project. Within the licence area access is only facilitated with four wheel drive vehicle or on foot.

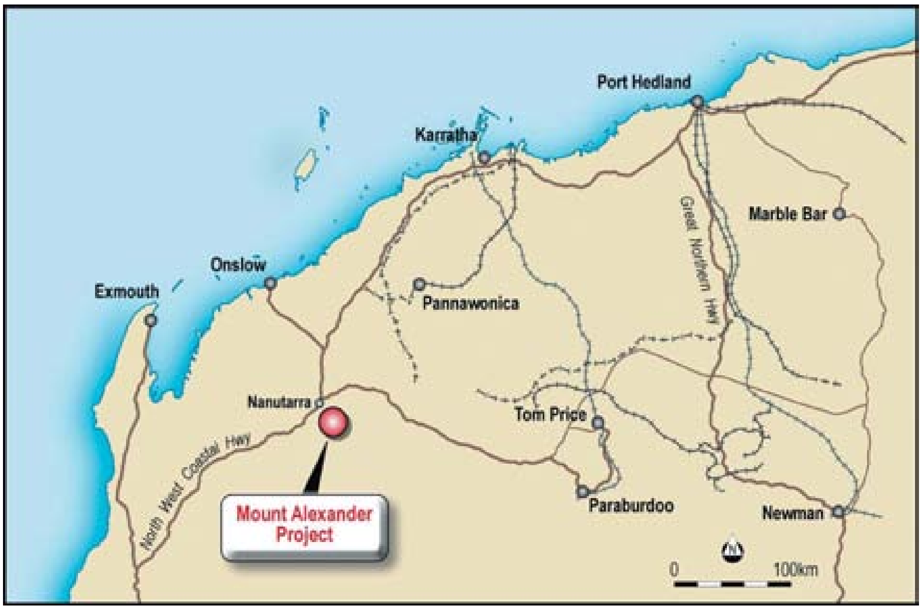

Figure 1 - Mount Alexander Project location map

The Mount Alexander Project is located within the northern part of "Yanrey Uranium Province". The metasediments of the Gascoyne Complex have been extensively intruded by sodic granitoids, an event which took place at the close of the Lower Proterozoic. The granitoids have probably provided the mineralising fluids for the mineralisation in the area representing potential sources of uranium, tin, tantalum, zinc and lead.

The dolomites banded iron formation (BIFs) and other metasedimentary rocks of the Lower Proterozoic Gascoyne Block occupy a regional synclinorial structure, bounded by the Hamersley Basin and the Archaean age Pilbarra Block to the north and the Yilgarn Block to the south. The Gascoyne Complex is separated from the Lower Proterozoic Ashburton and is overlain unconformably by rocks of the Middle Proterozoic Bangemall Group to the east. The western extension is obscured by younger sediments of the Carnarvon Basin.

Ridge Resources has captured all of the previous historical data in a digital format and purchased Quickbird remote sensing image over the project area. Ridge Resources has undertaken an assessment and evaluation of previous/historical exploration reports and datasets in detail with view to design exploration programmes that assess the uranium and base metal potential of the Project.

Mount Alexander Project (cont.)

Following this work significant anomalism identified includes:

- location of the Agip Nulceare pits in the south-west of the project area exhibiting visible uranium mineralistion and grading between 620 and 1738ppm U_3O_8 from 0.4 to 0.8m below the surface;
- confirmation of the occurrence of uranium mineralisation in quartz veining at Mount Alexander in the form of visible kasolite. The uranium occurs in association with Lead, Zinc, Copper mineralisation;
- the Coober Pedy mine, which produced silver-rich galena concentrates, located immediately to the south of the project and the northern extensions to this mineralisation are possible within the Project; and
- identification of a Tin and Tantalum anomaly identified by Kagara needs further examination.

The Mount Alexander Project, is prospective for metasomatic uranium deposits and base-metal Iron oxide copper gold (IOCG) type target such as Olympic Dam.

Tenement Schedule

30 June 2011

PROSPECT	TENEMENT	INTEREST
Mount Alexander [1]	EL08/1987	60%

Note: 1. Subject to joint venture agreement with Northern Manganese Limited (formerly Groote Resources Limited).

FINANCIAL REVIEW

Operating Results for the Period

The operating loss for the Company after income tax was $27,411. This result was in line with expectations and reflected the operating costs incurred over the financial period and comprised largely of costs associated with the general administration of the Company and compliance expenses incurred during the period.

Review of Financial Condition

During the financial period, the Company utilised funds from the seed capital raising in the following manner:

- meet the costs of due diligence investigations conducted during the period;
- evaluation of the Mount Alexander Project;
- funds for the administration of the Company; and
- meet the expenses of the offer of shares under the Prospectus dated 26 May 2011.

Cash Flows

The cash flows of the Company during the financial period consisted of:

- receipt of funds from seed capital investors;
- interest income from interest bearing bank accounts;
- payments relating to the evaluation of the Mt Alexander Project;
- payment of capital raising expenses; and
- payments to contractors and suppliers.

Shareholder Returns

	2011 $
Basic and diluted loss per share (cents)	(0.007)

Risk Management

The Board takes a pro-active approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the Board.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIR

Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the Company that occurred during the period under review.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 5 July 2011 the offer of securities pursuant to the Prospectus dated 26 May 2011 closed fully subscribed with the Company accepting oversubscriptions totalling $16,700.

On 5 August 2011 the Company issued and allotted the following new securities pursuant to the Prospectus dated 26 May 2011:

- 527,500 shares and 263,750 options to shareholders of Northern Manganese Limited (formerly Groote Resources Limited) that subscribed for securities pursuant to the Priority Offer;
- 11,972,500 shares and 5,986,250 options to investors that subscribed for securities pursuant to the Public Offer; and
- 83,500 shares and 41,750 options to investors that subscribed for securities pursuant to the Public Offer representing oversubscriptions.

In accordance with the terms of a corporate advisory mandate, Azure Capital Ltd and its nominees were issued 2,000,000 Lead Manager Options as a consequence of the Company receiving the minimum subscription of $2,500,000 raised pursuant to the Prospectus dated 26 May 2011 and the shares and options offered being granted official quotation by the ASX.

The Company was admitted to the Official List of ASX on 12 August 2011 with Official Quotation of the Company's securities commencing on 17 August 2011.

No other matter or circumstance, besides those disclosed at note 23, has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board of Directors intends to proceed with exploration and evaluation of the Mount Alexander Project. Directors will also seek to identify new investment opportunities in the resources sector, focusing on drill-ready exploration projects through to advanced projects with existing resources and upside potential.

Further information on likely developments in the operations of the Company has not been included in this report because at this stage the Directors believe it would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the period under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current period, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT

The information in this section is audited.

This Remuneration Report outlines the Director and Executive remuneration arrangements of Ridge Resources Ltd in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations. For the purpose of this report Key Management Personnel ("KMP") of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) and includes the five Executives in the Company receiving the highest remuneration.

For the purposes of this report, the term 'Executive' encompasses the Chief Executive, senior Executives, general managers and secretaries of the Company.

Details of Key Management Personnel

DIRECTORS

Jeremy David Shervington	Chairman (Non Executive)
Alec Christopher Pismiris	Director (Executive) and Company Secretary
David Nicholas Kelly	Director (Non Executive)

There were no changes between financial period end and the date of signing this report to Key Management Personnel.

Remuneration Philosophy

The Board of Directors of Ridge Resources Limited is currently responsible for determining and reviewing compensation arrangements for the Directors and potential senior executives. The Board's remuneration policy has been implemented to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The policy seeks to provide remuneration and benefits that encourage high standards of performance and demonstrate the value the Company places on its officers by being equitable, consistent with individual performance and experience, and market competitive. Such officers are given the opportunity to receive their base emolument in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost to the Company.

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy for Directors and other Key Management Personnel is to ensure that:

- remuneration packages properly reflect the duties and responsibilities of the person concerned, and
- remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration framework has regard to shareholders' interests by:

- focusing on sustained growth in share price, as well as focusing the executive on key non-financial drivers of value, and
- attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- rewarding capability and experience,
- providing a clear structure for earning rewards,
- providing recognition for contribution.

The remuneration policy is not currently linked to the Company's performance.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non Executive Director and senior Executive remuneration is separate and distinct.

REMUNERATION REPORT (cont.)

Non Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a reasonable cost to shareholders.

Structure

The Constitution specifies that the aggregate remuneration of Non Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was in the constitution adopted on 11 November 2010 which approved an aggregate remuneration of $350,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external sources as well as fees paid to Non Executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. Directors who are called upon to perform extra services beyond the Director's ordinary duties may be paid additional fees for those services.

Non Executive Directors have long been encouraged by the board to hold shares in the Company. It is considered good governance for Directors to have a stake in the Company on whose board he or she sits. The Non Executive Directors of the Company can participate in the Employee Share Option Plan which provides incentives where specified criteria are met.

Executive Director and Senior Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company, business unit and individual performance to be determined by the Board;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board obtains independent advice from external consultants on market levels of remuneration for comparable executive roles. It is the Board's policy that employment contracts are entered into with a prospective Managing Director and potential senior executives.

Fixed Remuneration

Objective

The level of fixed remuneration is set to provide a level of remuneration that is appropriate to the position and is competitive in the market. The fixed remuneration is reviewed annually by the Board with a review of individual performance, comparative remuneration in the market and external advice where appropriate.

Variable Remuneration - Short Term Incentives

Objective

The objectives of short term incentives are to link the achievement of the Company's future operational targets to be determined by the Board with the remuneration received by the executives charged with meeting those proposed targets. The short term incentives will be determined by the Board on an annual basis and are set at levels that provide sufficient incentive to executives to achieve proposed operational targets and such that the cost to the Company is reasonable in the circumstances.

REMUNERATION REPORT (cont.)

Variable Remuneration - Short Term Incentives (cont.)

Objective (cont.)

Actual short term incentive payments to executives will be dependent on the extent to which future specific targets (refer to employment contracts details disclosed in this report) set at the beginning of future calendar years are met. It is envisaged that targets determined by the Board will consist of a number of key performance indicators covering financial and non-financial, corporate and individual measures of performance and include measures such as revenue, net profit, risk management and product management.

The short term incentive payments for executives of the Company are subject to approval of the Board and are delivered as a cash bonus in the following calendar year.

There is no policy for limiting at risk remuneration.

Variable Remuneration - Long Term Incentives

Objective

The objectives of long term incentives are to:

- recognise the ability and efforts of the Directors, employees and consultants of the Company who have contributed to the success of the Company and to provide them with rewards where deemed appropriate;
- provide an incentive to the Directors, employees and consultants to achieve the long term objectives of the Company and improve the performance of the Company; and
- attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its Directors, employees and consultants.

Structure

Long term incentives granted to senior executives will be delivered in the form of options issued under an Employee Share Option Plan or performance rights issued under a Performance Rights Plan that may adopted during the coming financial period. At the commencement of each financial year, the Company and each senior executive agree upon a set of financial and non-financial objectives related to the senior executive's job responsibilities. The objectives vary but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Company Performance

It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability, total shareholder return or peer company comparison as the Company is at a very early stage in the implementation of the corporate strategy. This assessment will be developed over the next few years.

The table below shows the gross revenue, losses and earnings per share for the financial period ended 30 June 2011 for the Company.

	2011 $
Revenue and other income	206
Net loss	27,411
Loss per share (cents)	(0.007)
Share price at period end	N/A

No dividends have been declared during the periods.

REMUNERATION REPORT (cont.)

Relationship of Reward and Performance

The value of options or performance rights may represent a significant portion of an Executive's salary package. The ultimate value to the Executives of the options or performance rights depends on the share price of Ridge Resources Ltd. The share price is the key performance criteria for the long term incentive as the realised value arising from options or performance rights issued is dependent upon an increase in the share price to above the exercise price of the options or issue price of the performance rights.

Short Term Incentive to Performance

The objective of the shorter term incentive plan is to reward Executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to Executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Long Term Incentive to Performance

The objective of the long term incentive plan is to reward Executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to Executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Long term incentives are delivered in the form of options or performance rights. There are no performance conditions relating to the options, however the strike price of options are determined so as to ensure that the options only have value if there is an increase in shareholder wealth over time. There will be performance conditions relating to the performance rights which will be determined by the Board.

Remuneration of Key Management Personnel

Table: Remuneration for the financial period ended 30 June 2011

		SHORT-TERM	POST EMPLOYMENT	SHARE-BASED PAYMENTS	TOTAL	REMUNERATION CONSISTING OF OPTIONS
	Salary & Fees $	Non Monetary $	Superannuation $	Options $	$	%
Non Executive Directors						
Jeremy David Shervington 2011	5,417	-	-	-	5,417	-
David Nicholas Kelly 2011	3,750	-	337	-	4,087	-
Alan Gordon Coulthard (appointed 11 November 2010, resigned 11 April 2011) 2011	-	-	-	-	-	-
Executive Directors						
Alec Christopher Pismiris 2011	11,750	-	-	-	11,750	-
Total key management personnel compensation						
2011	20,917	-	337	-	21,254	-

REMUNERATION REPORT (cont.)

Employment Contracts

There are currently no senior executives employed under contract. It is envisaged that senior executives employed in the future will be employed under a contract of employment where either party can terminate by giving to the other not less than either one or two months' written notice.

Share-Based Compensation

There were no options or performance rights issued to directors and executives as part of their remuneration during the financial period.

Shares Issued on Exercise of Compensation Options

No shares were issued on the exercise of compensation options during the financial period.

This is the end of the audited Remuneration Report.

DIRECTORS' MEETINGS

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

	BOARD OF DIRECTORS		AUDIT & COMPLIANCE COMMITTEE	
	Attended	Attended	Eligible to Attend	Eligible to Attend
Jeremy David Shervington	1	1	-	-
Alec Christopher Pismiris	1	1	-	-
David Nicholas Kelly	1	1	-	-
Alan Gordon Coulthard	-	-	-	-

COMMITTEE MEMBERSHIP

As at the date of this report the Company had an Audit & Compliance Committee. Members of the committee are J D Shervington (Chairman) and A C Pismiris.

Other directors and officers may attend meetings of the Audit and Compliance Committee at the invitation of the Chairman. The details of the functions and membership of the Audit and Compliance Committee of the Board are included in the Statement of Corporate Governance Practices.

SHARES UNDER OPTION

At the date of this report there are 12,291,750 unissued ordinary shares in respect of which options are outstanding.

	NUMBER OF OPTIONS
Issued at incorporation, exercisable at $0.20, on or before 31 December 2015	3,500,000
Movements of share options during the period	
Issued, exercisable at $0.20, on or before 31 December 2015	500,000
Total number of options outstanding as at 30 June 2011	**4,000,000**
Movements subsequent to period end	
Issued, exercisable at $0.20, on or before 30 June 2014	6,291,750
Issued, exercisable at $0.20, on or before 31 December 2015	2,000,000
Total number of options outstanding as at the date of this report	**12,291,750**

The balance is comprised of the following:

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
30 June 2014	$0.20	6,291,750
31 December 2015	$0.20	6,000,000
Total number of options outstanding at the date of this report		**12,250,000**

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law.

PROCEEDINGS ON OR BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on half of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

NON-AUDIT SERVICES

Non-audit services provided by our auditors, Somes and Cooke, and their related entities, are set out below. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth). The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Somes and Cooke and their related entities received or are due to receive the following amounts for the provision of non-audit services:

	2011 $
Somes and Cooke: - Assurance related services - Preparation of Investigating Accountants' Report	2,500
	2,500

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 17 of this report.

Signed in accordance with a resolution of the directors.

Jeremy David Shervington
Chairman
Perth, 18th August 2011

Auditor's Independence Declaration

To those charged with governance of Ridge Resources Limited

As auditor for the audit of Ridge Resources Limited for the period ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Kevin Somes
Partner
18 August 2011

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Ridge Resources Ltd ("Ridge") adhere to strict principles of corporate governance.

The Board of Directors of Ridge is responsible for the overall corporate governance of the Company, guiding and monitoring the business and affairs of Ridge on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement is structured with reference to the Australian Stock Exchange Corporate Governance Council's ("Council") "Principles of Good Corporate Governance and Best Practice Recommendations". In accordance with the recommendations of the Council, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. Ridge's Corporate Governance Statement has been structured with reference to the Council's principles and recommendations. The following is a summary of Ridge's adherence to the Council's principles and recommendations:

Principle 1. Lay solid foundations for management and oversight

Ridge largely complies with this recommendation except the Board and senior management of Ridge actively participate in the operations of the Company due to the scale and nature of the Company's current operations.

Principle 2. Structure the Board to add value

Ridge complies with this recommendation.

Principle 3. Promote ethical and responsible decision making

Ridge complies with this recommendation.

Principle 4. Safeguard integrity in financial reporting

Ridge does not comply with this recommendation of having at least three Non Executive Directors on the Audit Committee. Ridge is a small Company with limited resources that does not have an operating business. Ridge's Audit and Compliance Committee is comprised of a Non Executive Director and Executive Director.

Principle 5. Make timely and balanced disclosure

Ridge complies with this recommendation.

Principle 6. Respect the rights of shareholders

Ridge complies with this recommendation.

Principle 7. Recognise and manage risk

Ridge complies with this recommendation.

Principle 8. Remunerate fairly and responsibly

Ridge complies with this recommendation except that it has not established a Remuneration Committee. The objective of granting options or performance rights is to ensure maximum stakeholder benefit is achieved from the retention of a high quality Board and to provide incentive for Directors to identify new commercial opportunities for the Company.

The Ridge Resources Ltd corporate governance policies and procedures are largely consistent with the Council's best practice recommendations. The process to achieve consistency with the Council's recommendations are gradual and where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the practices are appropriate for the Company due to the scale and nature of the Company's operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered.

RECOMMENDATION	SECTION
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Senior Executive Evaluation	1.3
Recommendation 1.3 Reporting on Principle 1	2.5
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chair	1.2
Recommendation 2.3 Role of the Chair and CEO	Not Applicable
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Board and Individual Director Evaluation	1.4.10
Recommendation 2.6 Reporting on Principle 2	The Directors' Report
Recommendation 3.1 Code of Conduct	2.4
Recommendation 3.2 Company Securities Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of the Audit Committee	2.1
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	2.5
Recommendation 6.1 Communications Strategy	1.4.8 and 2.5
Recommendation 6.2 Reporting on Principle 6	1.4.8 and 2.5
Recommendation 7.1 Policies on Risk Oversight and Management	2.1
Recommendation 7.2 Risk Management Report	1.4.10
Recommendation 7.3 CEO and CFO Assurance	1.4.10
Recommendation 7.4 Reporting on Principle 7	2.4
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non Executive Director Remuneration	2.2
Recommendation 8.3 Reporting on Principle 8	2.2

1. Board of Directors

1.1 Role of the Board

The Board's current role is to collectively govern and manage the Company. The Directors must act in the best interests of the Company as a whole. It is the role of the Board to govern and manage the Company in accordance with the stated objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors in the performance of their roles.

1.2 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated on page 5 in the Director's Report. Directors are appointed based on their experience and on the independence of their decision-making and judgment.

The Company's Constitution provides for the appointment of a minimum number of Directors as three and up to a maximum of seven. Currently the Company has three Directors comprising one Executive Director. The Constitution does not require a shareholding qualification for Directors.

The Company recognises the importance of Non Executive Directors and the external perspective and advice that Non Executive Directors can offer. Mr Kelly is a Non Executive Director and meets the following criteria for independence adopted by the Company.

An independent Director:

- is a Non Executive Director and:
- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an Executive capacity by the Company or another Company member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other Company member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr Shervington is a Non Executive Director and also holds the position of Chairman. Mr Shervington is a substantial shareholder of the Company and therefore does not meet the Company's criteria for independence.

Mr Pismiris is an Executive Director and also holds the position of Company Secretary. Mr Pismiris is responsible for the overall administration and financial management of the Company and therefore does not meet the Company's criteria for independence.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

(i) Leadership of the organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

(ii) Strategy formulation: working to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.

(iii) Overseeing planning activities: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long-term budgets.

(iv) Shareholder liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

(v) Monitoring, compliance and risk management: overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.

(vi) Company finances: approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.

(vii) Human resources: appointing, and, where appropriate, removing the Managing Director/Chief Executive Officer and Chief Financial Officer as well as reviewing their performance and monitoring the performance of senior management in their implementation of the Company's strategy.

(viii) Ensuring the health, safety and well-being of employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.

(ix) Delegation of authority: where appropriate delegating appropriate powers to the Company's Executives to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of any Committees of the Board.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company and if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company is able to publish the information in accordance with this policy.

1.4.5 Education and Induction

New Directors undergo an induction process in which they are given a full briefing on the Company. Information conveyed to new Directors includes:

- Details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- Formal policies on Director appointment as well as conduct and contribution expectations;
- Details of all relevant legal requirements;
- A copy of the Board Charter;
- Guidelines on how the Board processes function;
- Details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- Background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- An analysis of the Company;
- A synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- A copy of the Constitution of the Company.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

(i) Communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
(ii) Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
(iii) Making it easy for shareholders to participate in general meetings of the Company; and
(iv) Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and for shareholders to make enquiries of the Company.

1.4.9 Trading in Company Shares

The Company has a Share Trading Policy under which Directors are required to discuss their intention to trade in the Company's securities with the Chairman prior to trading. Consideration will be given in these discussions to any special circumstances (eg financial hardship).

Directors must not trade in the shares of any other entity if inside information on such entity comes to the attention of the Director by virtue of holding office as a Director of the Company.

The following guidelines are to be observed by Directors and employees of Ridge:

- Securities may be purchased or sold during the two week period immediately following the release of Ridge's, half-yearly and final results ("results announcements") (subject to observing the additional approval requirements set out below).
- Securities should not be purchased or sold during the two week period preceding any results announcements.
- Securities should not be purchased or sold preceding any material ASX announcement by Ridge, if the employee is aware that it is likely that such an announcement will be made.
- Securities should not be purchased or sold for the purpose of short term speculation.
- Securities may be purchased or sold at other times (subject to additional disclosure requirements established by the Board).

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

1.4.10 Performance Review/Evaluation

The Board intends to conduct an evaluation of its performance annually. There was no evaluation conducted during the financial period.

1.4.11 Attestations by Company Secretary

In accordance with the Board's policy, the Company Secretary is required to make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

2. Board Committees

2.1 Audit and Compliance Committee

On 26 May 2011 the Board resolved to adopt an Audit and Compliance Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company to deal with the effectiveness and efficiency of business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The Board has delegated the responsibility for the establishment and maintenance of the internal control framework and ethical standards to the Audit and Compliance Committee. The Committee's responsibilities include the following:

- Oversee and appraise the independence, quality and extent of the total audit effort;
- Perform an independent overview of the financial information prepared by Company management for shareholders and prospective shareholders;
- Evaluate the adequacy and effectiveness of the Company's risk management and financial control, and other internal control systems and evaluate the operation thereof;
- Review and endorse the annual and half year attestation statements in accordance with regulatory requirements;
- The appointment of external auditors;
- Review and implement risk management and internal control structures appropriate to the needs of Ridge;
- Monitor compliance issues applicable laws and regulations, particularly compliance with the Stock Exchange Listing Rules;
- Review all public releases to the ASX of material consequence, prior to release to the market; and
- Review of Corporate Governance Practices.

The members of the Audit and Compliance Committee at its inception were Messrs J D Shervington and A C Pismiris.

The qualifications of Audit and Compliance Committee members are as follows:

Jeremy David Shervington is Chairman of the Audit and Compliance Committee and operates a legal practice in Western Australia. He specialises in the laws regulating companies and the securities industry in Australia. Mr Shervington has 30 years' experience as a lawyer, gained since his admission as a Barrister and Solicitor of the Supreme Court of Western Australia. Mr Shervington has since 1985 served as a Director of various ASX listed companies as well as a number of unlisted public and private companies. He is chairman of the Audit and Compliance Committee.

Alec Christopher Pismiris (B Com, ICSA) has significant experience in the management and administration of public and private companies. Mr Pismiris has since 2001 served as a Director and Company Secretary of various ASX listed where as part of his role, he served as Financial Controller. Mr Pismiris is an Associate of the Chartered Secretaries & Administrators.

2.2 Remuneration Committee

The Directors have elected not to appoint a Remuneration Committee due to the scale and nature of the Company's activities.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of Directors' emoluments to the Company's performance. The outcome of the remuneration structure is:

- Reward Executives for Company and individual performance against appropriate benchmarks;
- Align the interests of the Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure remuneration is comparable to market standards.

For details of the amount of remuneration and all monetary and non-monetary components for each of the Directors during the financial period, refer to page 13 of the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Directors.

For further information in relation to the remuneration of Directors, refer to the Directors' Report.

2.3 Nomination Committee

The Directors have elected not to appoint a Nomination Committee due to the scale and nature of the Company's activities.

Subject to the provision of the Company's Constitution, the issues of Board composition and selection criteria for Directors are dealt with by the full Board. The Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

The Constitution provides for events whereby Directors may be removed from the Board. Similarly shareholders have the ability to nominate, appoint and remove Directors. In addition, the Constitution provides for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years.

Given these existing regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service is in the hands of shareholders.

2.4 Company Code of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.

This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages it employees to strive to do the same.

Responsibilities to the Community

As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs.

Responsibility to the Individual

The Company is committed to keeping private information collected during the course of its activities, confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code

The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

2.5 Shareholder Communication

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The Annual Financial Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the Company during the financial year, changes in the state of affairs of the Company and details of future developments, in addition to other disclosures required by the Corporations Act 2001;
- Developments, in addition to other disclosures required by the Corporations Act 2001;
- Release of a Half-Yearly Report to the Australian Stock Exchange Limited;
- The Company's website at www.ridgeresources.com.au; and
- Proposed major changes in the economic entity which may impact on share ownership rights are submitted to a vote of shareholders.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are responsible for voting on appointment of Directors, appointment of auditors, level of remuneration of Non Executive Directors and any matters of special business.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM
11 NOVEMBER 2010 TO 30 JUNE 2011

STATEMENT OF COMPREHENSIVE INCOME

For the period 11 November 2010 to 30 June 2011

	NOTES	2011 $
REVENUE	5	206
EXPENDITURE		
Administration and corporate expenses		(5,982)
Board expense	6	(13,254)
Compliance expenses		(8,381)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(27,411)
Income tax benefit / (expense)	7	-
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(27,411)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss for the period, net of tax		-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(27,411)
Loss is attributable to:		
Owners of Ridge Resources Ltd		(27,411)
		(27,411)
Total comprehensive loss is attributable to:		
Owners of Ridge Resources Ltd		(27,411)
		(27,411)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	25	(0.007)

The above Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	NOTES	2011 $
CURRENT ASSETS		
Cash and cash equivalents	8	9,306
Trade and other receivables	9	5,828
Prepayments	10	56,952
Other current assets	11	296,745
TOTAL CURRENT ASSETS		368,831
NON-CURRENT ASSETS		
Other non-current assets	12	412
TOTAL NON-CURRENT ASSETS		412
TOTAL ASSETS		369,243
CURRENT LIABILITIES		
Trade and other payables	13	87,899
Other current liabilities	14	296,745
TOTAL CURRENT LIABILITIES		384,644
TOTAL LIABILITIES		384,644
NET ASSETS		(15,401)
EQUITY		
Contributed equity	15	410
Reserves	16(a)	11,600
Accumulated losses	16(b)	(27,411)
TOTAL EQUITY		(15,401)

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2011

	NOTES	CONTRIBUTED EQUITY $	OPTION ISSUE RESERVE $	SHARE-BASED PAYMENTS RESERVE $	ACCUMULATED LOSSES $	TOTAL $
ON INCORPORATION		350	10,150	-	-	10,500
Loss for the period	16(b)	-	-	-	(27,411)	(27,411)
Other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		-	-	-	(27,411)	(27,411)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued	15	60	1,450	-	-	1,510
Transaction costs on share issue	15	-	-	-	-	-
Share-based payments	26	-	-	-	-	-
BALANCE AT 30 JUNE 2011		410	11,600	-	(27,411)	(15,401)

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CASH FLOWS

Period ended 30 June 2011

CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	2011 $
Payments to suppliers and employees		(2,498)
Interest received		206
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	24	(2,292)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment		-
Payments for exploration and evaluation		-
Payments on formation of company		(412)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of ordinary shares and options		12,010
Payment of share issue costs		-
NET CASH INFLOW FROM FINANCING ACTIVITIES		12,010
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,306
Cash and cash equivalents at the beginning of the financial period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	9,306

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

1. Corporate Information

The financial statements of Ridge Resources Ltd for the period from incorporation to 30 June 2011 were authorised for issue in accordance with a resolution of the directors on 18 August 2011.

Ridge Resources Ltd is a company limited by shares, domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

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

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied since the date of incorporation, unless otherwise stated. The financial statements are for the period from incorporation on 11 November 2010 to 30 June 2011. The financial statements are presented in the Australian currency.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001 (Cth).

Compliance with IFRS

The consolidated financial statements of the Ridge Resources Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

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

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(c) Revenue recognition

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(d) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. Summary of Significant Accounting Policies (cont.)

(d) Income tax (cont.)

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(h) Investments and other financial assets

Classification

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

2. Summary of Significant Accounting Policies (cont.)

(h) Investments and other financial assets (cont.)

Loans and receivables

Receivables are recognised initially at fair value which is original invoice amount and subsequently at amortised cost less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

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 date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Subsequent measurement

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

Impairment

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

(i) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of plant and equipment is calculated on a straight-line basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term.

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

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

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

(j) Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either;

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

2. Summary of Significant Accounting Policies (cont.)

(j) Exploration and evaluation expenditure (cont.)

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Any impairment losses are recognised in profit or loss.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms. They are recognised initially at fair value and subsequently at amortised cost.

(l) Provisions and employee benefits

(i) Wages and salaries and annual leave

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

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Share-based payments

The Company provides benefits to employees (including directors) of the Company 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 employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using either a binomial or Black Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where 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.

2. Summary of Significant Accounting Policies (cont.)

(n) 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.

(o) Loss per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Goods and Services Tax (GST)

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

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

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

(q) New accounting standards and interpretations

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

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Company's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The group is yet to assess its full impact. The Company has not yet decided when to adopt AASB 9.

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

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Company will apply the amended standard from 1 July 2011. The amendments are not expected to have a significant impact on the financial statements of the Company.

2. Summary of Significant Accounting Policies (cont.)

(r) Critical accounting judgements, estimates and assumptions

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

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(s) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a binomial or Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(t) Comparatives

These financial statements have been prepared for the period from incorporation to 30 June 2011 and represent the Company's inaugural financial statements. Therefore there are no comparatives presented from a previous financial period.

3. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The Board, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Price risk

Given the current level of operations, the Company is not presently exposed to price risk.

(ii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

Sensitivity analysis

At 30 June 2011, if interest rates had changed by -/+ 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been $69 lower/higher as a result of lower/higher interest income from cash and cash equivalents. The directors believe that in the current economic environment a 1.0% increase in interest rates is reasonable given comments made by the Reserve Bank of Australia.

(b) Credit risk

The maximum exposure to credit risk at balance date is the carrying amount (net of allowance for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Company is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount due to their short term nature. No financial instruments are subsequently carried at fair value.

3. Financial Risk Management (cont.)

(e) Maturity analysis

Period ended 30 June 2011	6 MONTHS $	6 - 12 MONTHS $	1 - 5 YEARS $	> 5 YEARS $	TOTAL $
Liquid financial assets					
Cash and cash equivalents	9,306	-	-	-	9,306
Trade and other receivables	5,828	-	-	-	5,828
Prepayments	56,952	-	-	-	56,952
Other	296,745	-	-	-	296,745
	368,831	-	-	-	368,831
Trade and other payables	87,899	-	-	-	87,899
Interest bearing loans and borrowings	296,745	-	-	-	296,745
	384,644	-	-	-	384,644
Net inflow/(outflow)	(15,813)	-	-	-	(15,813)

4. Segment Information

The Company operates within a single segment being the mining and exploration industry segment, with all operations located in Australia.

5. Revenue

Finance revenue	NOTES	2011 $
Interest from financial institutions		206

6. Expenses

Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense		337
Director fees		12,917
		13,254

7. Income Tax

(a) Income tax expense/(benefit)	NOTES	2011 $
Current income tax charge		-
Deferred income tax relating to utilisation/(recognition) of tax losses		-
Deferred income tax relating to origination and reversal of temporary differences		-
Income tax expense/(benefit) reported in profit or loss		-
(b) Amounts charged or credited directly to equity		
Share issue costs		-
Income tax benefit not recognised		-
Income tax expense/(benefit) reported in equity		-
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense		(27,411)
Prima facie tax benefit at the Australian tax rate of 30% (2010: 30%)		(8,223)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments		-
Other non-deductible expenses		-
Tax effect of current period tax losses for which no deferred tax asset has been recognised		8,223
Income tax expense/(benefit)		-
(d) Unrecognised deferred income tax		
Deferred Tax Liabilities (at 30%)		
Receivables		-
Prepayments		(3,417)
		(3,417)
Deferred Tax Assets (at 30%)		
Accruals		2,625
Capital raising costs		-
Other		13,669
Revenue tax losses		-
		16,294
Net deferred tax asset		12,877
Net deferred tax asset not recognised		(12,877)
		-

The Company has tax losses that are available indefinitely for offset against future taxable profits of the Company. The recoupment of available tax losses as at the 30 June 2011 is contingent upon the following:

(i) the Company deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
(ii) the conditions for deductibility imposed by tax legislation continuing to be complied with; and
(iii) there being no changes in tax legislation which would adversely affect the Company from realising the benefit from the losses.

8. Current Assets - Cash and Cash Equivalents

	NOTES	2011 $
Cash at bank and in hand		9,306
Short-term deposits		-
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows		9,306

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

9. Current Assets - Trade and Other Receivables

Other receivables		-
Government taxes receivable		5,828
		5,828

Trade receivables are non-interest bearing and are generally on 30-90 days terms. No receivables are past due and no receivables are impaired. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

10. Current Assets - Prepayments

Prepaid capital raising expenses		56,952
		56,952

11. Current Assets - Other

Share subscriptions received in advance		296,745
		296,745

At Balance Date the Company had received valid applications to subscribe for 1,482,500 shares and 741,250 options from investors pursuant to the Prospectus dated 26 May 2011.

12. Non-Current Assets

Company formation expense		412
		412

13. Current Liabilities - Trade and Other Payables

Trade payables		78,812
Other accrued expenses		9,087
		87,899

14. Current Liabilities - Other

	NOTES	2011 $
Share subscriptions received in advance		296,745
		296,745

15. Contributed Equity

(a) Contributed equity	NOTES	2011 NUMBER OF SECURITIES	$
Ordinary shares fully paid	12(b), 12(d)	4,100,000	410

(b) Movements in ordinary share capital

On incorporation		3,500,000	350
Transactions during the period - Issued as seed capital		600,000	60
Less: Transaction costs		-	-
End of the financial period		4,100,000	410

(c) Movements in options on issue		NUMBER OF OPTIONS 2011
On incorporation		3,500,000
Issued during the period - Exercisable at 20 cents, on or before 31 December 2014		500,000
End of the financial period		4,000,000

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Paid options

On incorporation 3,500,000 options exercisable at 20 cents on or before 31 December 2015 were issued for 0.29 cents each to foundation shareholders.

On 11 April 2011 500,000 options exercisable at 20 cents on or before 31 December 2015 were issued for 0.29 cents each to a seed capital investor.

15. Contributed Equity (cont.)

(f) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2011 is as follows:

	NOTES	2011 $
Cash and cash equivalents		9,306
Trade and other receivables		5,828
Prepayments		56,952
Trade and other payables		(87,899)
Working capital position		(15,813)

16. Reserves and Accumulated Losses

(a) Reserves

Option issue reserve[1]		11,600
		11,600

Movements:

Option issue reserve

On incorporation		10,150
Issues during the period		1,450
Balance at end of period		11,600

(b) Accumulated losses

On incorporation		-
Net loss for the period		(27,411)
Balance at end of period		(27,411)

(c) Nature and purpose of reserves

(i) Option issue reserve

The option issue reserve is used to record the amount subscribed in relation to 4 million options provided to capital investors.

17. Dividends

No dividends were paid during the financial period. No recommendation for payment of dividends has been made.

18. Key Management Personnel Disclosures

	NOTES	2011 $
Short term benefits		20,917
Post employment benefits		337
Other long term benefits		-
Termination benefits		-
Share-based payments		-
		21,254

(b) Equity instrument disclosures relating to key management personnel

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

During the financial period there were no options provided as remuneration and no shares issued on the exercise of such options.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial period by each director of Ridge Resources Ltd and other key management personnel of the Company, including their personally related parties, are set out below:

2011	ON INCORP-ORATION	GRANTED AS COMPEN-SATION	EXERCISED	OTHER CHANGES	BALANCE AT END OF THE PERIOD	VESTED AND EXER-CISABLE	UNVESTED
Directors of Ridge Resources Ltd							
Jeremy David Shervington	1,750,000	-	-	-	1,750,000	1,750,000	-
Alec Christopher Pismiris	1,250,000	-	-	(565,288)	684,712	684,712	-
David Nicholas Kelly	-	-	-	500,000	500,000	500,000	-
Alan Gordon Coulthard	-	-	-	-	-	-	-
Other key management personnel of the Company							

All vested options were exercisable at the end of the period.

18. Key Management Personnel Disclosures (cont.)

(iii) Share holdings

The numbers of shares in the Company held during the financial period by each director of Ridge Resources Ltd and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation. There are no nominally held shares in the balances below.

2011	ON INCORPORATION	RECEIVED DURING THE PERIOD ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE PERIOD	BALANCE AT END OF THE PERIOD
Directors of Ridge Resources Ltd				
Jeremy David Shervington	1,750,000	-	-	1,750,000
Alec Christopher Pismiris	1,250,000	-	(490,000)	760,000
David Nicholas Kelly	-	-	500,000	500,000
Alan Gordon Coulthard	-	-	-	-
Other key management personnel of the Company				

(c) Loans to key management personnel

There were no loans to key management personnel during the period.

(d) Other transactions with key management personnel

Purchases

During the financial period fees of $12,925 were accrued under normal terms and conditions to Azure Capital Limited of which Mr Pismiris is a Director, for the provision of services in his capacity as a Director and Company Secretary at normal commercial rates. At period end, $12,925 remained outstanding.

During the financial period fees of $27,979 were accrued under normal terms and conditions to Drumgaghan Pty Ltd of which Mr Shervington is a Director, including $5,417 for the provision of services in his capacity as a Director and $22,562 for legal services at normal commercial rates. At period end, $27,979 remained outstanding.

The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

19. Remuneration of Auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Audit services

	NOTES	2011 $
Somes & Cooke - audit and review of financial reports		
Total remuneration for audit services		5,000
		5,000

(b) Non-audit services

	NOTES	2011 $
Somes & Cooke - Investigating Accountants' Report		2,500
Total remuneration for other services		2,500

20. Contingencies

The Company has no contingent assets or liabilities.

21. Commitments

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	NOTES	2011 $
within one year		33,353
later than one year but not later than five years		133,412
		166,765

(b) Remuneration commitments

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the remuneration report on page 13 that are not recognised as liabilities and are not included in the key management personnel compensation.

	NOTES	2011 $
within one year		155,000
later than one year but not later than five years		-
		155,000

(c) Other commitments

Amounts disclosed as other commitments includes a commitment relating to a share-based payment comprising of an issue of 2,000,000 Lead Manager Options to Azure Capital Limited (or its nominee(s)) on the Company receiving the minimum subscription to be raised pursuant to the Prospectus dated 26 May 2011 and the Shares and Options offered granted official quotation by the ASX.

	NOTES	2011 $
within one year		242,216
later than one year but not later than five years		-
		242,216

22. Related Party Transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

23. Events Occurring After the Statement of Financial Position Date

In May 2011 the Company issued a Prospectus offering both public investors and shareholders of Northern Manganese Limited (formerly Groote Resources Limited) 12,500,000 fully paid shares at an issue price of 20 cents per share together with one free attaching option exercisable at 20 cents each on or before 30 June 2014 for every two shares offered, reserving the capacity for oversubscriptions of up to a further 2,500,000 Shares together with one free attaching options exercisable at 20 cents each on or before 30 June 2014 for every two shares offered.

On 5 July 2011 the offer of securities closed fully subscribed with the Company accepting oversubscriptions totalling $16,700.

On 5 August 2011 the Company issued and allotted the following new securities pursuant to the Prospectus dated 26 May 2011:

- 527,500 shares and 263,750 options to shareholders of Northern Manganese Limited (formerly Groote Resources Limited) that subscribed for securities pursuant to the Priority Offer;
- 11,972,500 shares and 5,986,250 options to investors that subscribed for securities pursuant to the Public Offer; and
- 83,500 shares and 41,750 options to investors that subscribed for securities pursuant to the Public Offer representing oversubscriptions.

In accordance with the terms of a corporate advisory mandate, Azure Capital Limited and its nominees were issued 2,000,000 Lead Manager Options as a consequence of the Company receiving the minimum subscription of $2,500,000 raised pursuant to the Prospectus dated 26 May 2011 and the shares and options offered being granted official quotation by the ASX.

The Company was admitted to the Official List of ASX on 12 August 2011 with Official Quotation of the Company's securities commencing on 17 August 2011.

No matter or circumstance has arisen since 30 June 2011 which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

24. Statement of Cash Flows

	NOTES	2011 $
Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the period		(27,411)
Non Cash Items		
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables		(56,952)
Decrease/(increase) in prepayments		(5,828)
Increase/(decrease) in trade and other payables		87,899
Net cash outflow from operating activities		(2,292)

25. Loss Per Share

(a) Reconciliation of earnings used in calculating loss per share	NOTES	2011 $
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share		(27,411)

(b) Weighted average number of shares used as the denominator		NUMBER OF SHARES
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share		3,674,589

(c) Information on the classification of options

As the Company has made a loss for the period ended 30 June 2011, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

26. Share-Based Payments

(a) Supplier options

During the financial period there were no options issued as consideration for services.

(b) Shares issued to suppliers

During the financial period there were no ordinary shares issued as consideration for services.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements comprising the statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and accompanying notes set out on pages 28 to 48 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the financial period ended on that date;

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

(c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the period ended 30 June 2011, comply with Section 300A of the Corporations Act 2001; and

(d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

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

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

Jeremy David Shervington
Chairman
Perth, 18th August 2011

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Independent Auditor's Report
To the members of Ridge Resources Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 opinion.

Independence

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

Opinion

In our opinion:

(a) the financial report of Ridge Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2011 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the period 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 in accordance with Australian Auditing Standards.

Opinion

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

Somes and Cooke

Somes and Cooke

K Somes

Kevin Somes
18 August 2011
Perth

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 3 August 2011.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	ORDINARY SHARES		OPTIONS	
	Number of holders	Number of shares	Number of holders	Number of options
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	282	14,100,000
5,001 - 10,000	282	2,820,000	50	393,000
10,001 - 100,000	163	5,351,500	124	3,136,250
100,001 and over	30	8,512,000	10	1,352,500
	475	**16,683,500**	**466**	**6,291,750**

There were no shareholders holding less than a marketable parcel of shares.

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		LISTED ORDINARY SHARES	
		Number of shares	Percentage of ordinary shares
1	Panga Pty Ltd	1,750,000	10.49%
2	ACP Investments Pty Ltd	500,000	3.00%
3	Mr David Nicholas Kelly	500,000	3.00%
4	Surfboard Pty Ltd	500,000	3.00%
5	Suburban Holdings Pty Ltd	400,000	2.40%
6	Australian Global Capital Pty Ltd	335,000	2.01%
7	ACP Investments Pty Ltd	250,000	1.50%
8	Ark Securities & Investments Pty Ltd	250,000	1.50%
9	Batio Pty Ltd	250,000	1.50%
10	Goldfire Enterprises Pty Ltd	250,000	1.50%
11	Landpath Pty Ltd	250,000	1.50%
12	Nefco Nominees Pty Ltd	250,000	1.50%
13	Mr Colin Kenneth Locke	220,000	1.32%
14	Baring Nominees Pty Ltd	200,000	1.20%
15	Ms Trudy Kempson	200,000	1.20%
16	Mulloway Pty Ltd	200,000	1.20%
17	Mrs Nirmali Kanthi Rockwood	200,000	1.20%
18	Mr Ryan Jehan Rockwood	200,000	1.20%
19	Zap Nominees Pty Ltd	200,000	1.20%
20	JP Morgan Nominees Australia Limited	167,000	1.00%
		7,072,000	**42.39%**

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 (Cth) are:

	FULLY PAID	
Ordinary shareholder	Number	Percentage
Panga Pty Ltd	1,750,000	10.49%

(d) Twenty largest option holders

The names of the twenty largest holders of quoted options are:

			LISTED OPTIONS
		Number of options	Percentage of total options
1	Suburban Holdings Pty Ltd	200,000	3.18%
2	Australian Global Capital Pty Ltd	167,500	2.66%
3	ACP Investments Pty Ltd	125,000	1.99%
4	Ark Securities & Investments Pty Ltd	125,000	1.99%
5	Batio Pty Ltd	125,000	1.99%
6	Goldfire Enterprises Pty Ltd	125,000	1.99%
7	Landpath Pty Ltd	125,000	1.99%
8	Nefco Nominees Pty Ltd	125,000	1.99%
9	Surfboard Pty Ltd	125,000	1.99%
10	Mr Colin Kenneth Locke	110,000	1.75%
11	Mrs Nirmali Kanthi Rockwood	100,000	1.59%
12	JP Morgan Nominees Australia Limited	83,500	1.33%
13	Invia Custodian Pty Limited	82,500	1.31%
14	Zap Nominees Pty Ltd	80,000	1.27%
15	Austin 4 Pty Ltd	75,000	1.19%
16	Australian Trade Access Pty Ltd	75,000	1.19%
17	Mr Craig Robert Dale	75,000	1.19%
18	Ms Trudi Ann Kempson	75,000	1.19%
19	Mrs Susan Ransom	70,000	1.11%
20	Mr Douglas Ross Campbell	70,000	1.11%
		2,138,500	**33.99%**

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(f) Schedule of interests in mining tenements

LOCATION	TENEMENT	PERCENTAGE HELD / EARNING
Mount Alexander [1]	EL08/1987	60%

Note: 1. Subject to joint venture agreement with Northern Manganese Limited (formerly Groote Resources Limited).

RIDGE
RESOURCES LTD
ACN 147 325 620