NOVA RESOURCES LIMITED

(FORMERLY TEMBUSU INVESTMENTS LIMITED)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Contents of the Financial Statements
For The Year Ended 31 December 2011

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Company Information
For the year ended 31 December 2011

DIRECTORS	Chung Dongwook – Deputy Chairman Chan Fook Meng - CEO and interim chairman Nazim Khan - non-executive Christopher Morgan - non-executive
SECRETARIES:	MQ Services Limited Victoria Place 31 Victoria Street Hamilton, HM10 Bermuda
REGISTERED OFFICE:	Victoria Place 31 Victoria Street Hamilton HM10 Bermuda
REGISTERED NUMBER:	39768
NOMINATED ADVISER	Daniel Stewart & Company Plc Becket House, 36 Old Jewry London EC2R 8DD
AUDITORS:	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
BANKERS:	Emirates NBDPJSC 2 Basil Street Knightsbridge London SW3 1AA

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Company Information (Continued...)
For The Year Ended 31 December 2011

LEGAL ADVISERS:	Pritchard Englefield 14 New Street, London EC2M 4HE, United Kingdom DX 88 London
REGISTRAR:	Computershare Investor Services (ChannelIsland) Ltd Queensway House Hilgrove Street Jersey JE1 1ES Channel Islands
WEBSITE ADDRESS:	www.novaresourceslimited.com

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Chairman's Statement

Introduction

The Board presents the audited financial statements for the Group for the year ended 31 December 2011.

Results Highlights

The operating loss on ordinary activities of the Group for the year amounted to £274,831 (2010: £207,788) and the loss after tax for the year was £156,223 (2010: £259,850).
The loss per share for the year was 0.23p (2010: 0.433p).
At 31 December 2011, the Company had cash and cash equivalents of £470,639.

At 31 December2011, 21,415,861 ordinary shares inEuropean Islamic Investment Bank Plc("EIIB") are held by the Company. The EIIB shares are traded on the AIM market of the London Stock Exchange. At 31 December 2011, the investment in EIIB was valued at the market bid price resulting in a fair value profit adjustment through the income statement of £117,788.

Group Development

During the year, we raised £200,000 by way of a share subscription, to enhance the funds available to us. In February 2012, we raised a facility, in which funds may be raised secured by Convertible Loan Notes of £510,000, plus £60,000 by way of additional convertibles and £765,000 by issuing new shares. A further £210,000 was raised later in that month, again through the issue of new shares.

In November, we incorporated Nova Mongolia Corp Pte Ltd in Singapore: initially we held 70% of the issued shares, but acquired the rest in February 2012, satisfied by new shares. In December that company acquired Salins Limited, a company incorporated in the British Virgin Islands, which in turn owned ZHCH Mining LLC, a company incorporated in Mongolia which is engaged in the haulage of natural resources from mines in Mongolia including coal.

In December 2011 we loaned Hoddle Limited ('Hoddle'), a company whose subsidiaries or related companies are also engaged in the transportation of coal in Mongolia, USD500,000; we have been granted exclusivity with respect to the shares of Hoddle in that the owner of these shares has agreed not to sell and will terminate all discussions relating to the sale of, any of the shares of Hoddle to any third party until 30 September 2012.

The Company has secured a loan of US$2million for the acquisition of trucks and to provide further working capital. The terms of the loan are to be finalised by August 2012.

The Group is taking shape with the above acquisitions, in accordance with our Investing Policy (see following paragraphs). We consider that we have sufficient resources to achieve our goals and support routine expenditure. Further developments will be notified to shareholders as they arise.

Investing Policy

The Company's Investing Policy is to focus on building up businesses, or alternatively identifying and acquiring quoted and unquoted businesses, that are involved in providing services and facilities to support, assist and serve the natural resources industries, in particular exploration, mining and extraction of resources. The services and facilities that are to be within the scope of the investing strategy will include transportation, logistics, processing, testing and storage. The investing strategy will extend to companies and businesses that are engaged in trading of natural resource products and commodities, including but not limited to coal, owning natural resources, mines and tenements and exploration and extraction rights for natural resources of any kind, developing and construction of infrastructure for transportation, including building roads and building and owning plants for the conversion and processing of coal to useable fuel in each case in any part of the world.

The Company's investment strategy will continue to include real estate, investment and development, including the operation of businesses that can be combined with real estate interests based in Asia,

Chairman's Statement (continued)

Investing Policy (Continued…)

though other geographical areas will be considered should appropriate opportunities occur which could benefit the Company.

By actively investing in businesses with complementary areas of expertise, which may for example include in relation to the natural resource sector, including exploration, processing, inspection, testing, aviation, maintenance and similar activities and in the real estate sector, real estate, education, hotels, mortgage financing and other such activities, the Directors believe that it is possible to generate considerable opportunities for the cross selling of services between the different operations and countries. The Directors also intend to continue to make minority investments in such businesses where it would be a passive investor, but where those investments provide the opportunity for enhancing the growth prospects of the Company.

With regard to the acquisitions that the Company expects to make, the Directors may adopt earn-out structures, with specific performance targets being set for the sellers of the businesses acquired, and with suitable metrics applied.

The Company may invest by way of hiring appropriate persons to build up a business or by outright acquisition or by the acquisition of assets, including intellectual property, of a relevant business, partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the Company or project in question. The Company's investments may take the form of equity, joint venture debt, convertible instruments, licence rights, or other financial instruments as the Director deem appropriate.

The Company will be both an active and a passive investor and the Directors will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time and the Company will consider possible opportunities anywhere in the world.

There are no borrowing limits in the Articles of Association of the Company. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

There are no restrictions in the type of investment that the Company might make nor on the type of opportunity that may be considered other than set out in this Investing Policy.

As the Company's ordinary shares are traded on AIM this provides a facility for shareholders to realise their investment in the Company. In addition, the Directors may consider from time to time other means of facilitating returns to shareholders including dividends, share repurchases, demergers, schemes of arrangement or liquidation.

....
Chan Fook Meng
Chairman

Date:

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Report of the Directors
For the year ended 31 December 2011

The Directors present their report with the financial statements of the Group for the year ended 31 December 2011.

PRINCIPAL ACTIVITY
The principal activity of the Company in the year under review was that as set out in the Company's Investing Policy. During the year it made an investment in ZHCH Mining LLC a company incorporated in Mongolia and whose activity is that of haulage of coal.

The Company changed its name to its current style on 16 December 2011.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

This is set out in the Chairman's Statement on page 3.

KEY PERFORMANCE INDICATORS

31.12.11	
	£
Bank interest received	1,920
Operating loss	(156,223)
Cash outflow	(443,775)

SHARE CAPITAL ALTERATIONS

On 25 March 2011, the company issued 10,000,000 ordinary shares for cash (see Note 16 to these financial statements).

The following issues of ordinary shares, options and warrants are described fully in Note 21 to these financial statements – "Post balance sheet events":

On 20 January 2012, 4,000,000 share options were granted, plus an additional 1,000,000 to an employee; 500,000 were cancelled on the resignation from the Board of Mr Lai Seng Kwoon;

On 10 February 2012, 10,200,000 ordinary new shares were subscribed in cash, plus convertible Loan Notes for £60,000;

On 14 February 2012, 23,571,428 ordinary shares were issued for the acquisition of the remaining 30% of the issued share capital of Nova Mongolia Corp Pte Ltd not currently owned by the company, together with 12,857,143 warrants to subscribe for ordinary shares;

On 27 February 2012, 2,210,526 new ordinary shares were subscribed for cash.

KEY RISKS AND UNCERTANTIES
The key risks identified by the Board are detailed in note 3 to the financial statements. There is no surety of any potential acquisition proceeding to completion.

RESULTS AND DIVIDENDS
The loss for the year is £156,223, which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2011.

Report of the Directors (continued)
For the year ended 31 December 2011

DIRECTORS
The directors during the year under review were:

Y Zhang	(Resigned 7 September 2011)
Yahya Mirza	(Resigned 7 September 2011)
Bob Wearing	(Resigned 7 September 2011)
Chung Dongwook	(Appointed 25 November 2011)
Chan Fook Meng	(Appointed 9 December 2011)
Lai Seng Kwoon	(Appointed 9 December 2011, Resigned 4 January 2012)
Charles Green	(Appointed 11 January 2012, Resigned 17 May 2012)
Christopher Morgan	(Appointed 11 May 2012)
Nazim Khan	(Appointed 11 January 2012)

All the directors who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

Remuneration of the Directors for the year is summarised as follows:

	Directors' Fees
	£
Bob Wearing	10,291
Yun Zhang	10,292
Yayha Mirza	10,292
Chung Dongwook	-
Chan Fook Meng	-
Lai Seng Kwoon	-
Total	**30,875**

Chan Fook Meng has in interest in 55million ordinary shares through Shine Link Limited representing 78.57% of the Company.

SUBSTANTIAL SHAREHOLDERS
As at 31 December 2011, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital:

	Number of ordinary shares	% of issued share capital
Ordinary 1p shares		
SimplyStockbroking Nominees Limited	45,000,000	64.29%
The Bank of New York (Nominees) Ltd	10,000,000	14.29%
Schweco Nominess Ltd	6,610,000	9.44%
Nomuro Nominees Ltd	3,125,000	4.46%
HSBC Global Custody Nominee (UK) Ltd	2,620,000	3.74%

INDEMNITY OF OFFICERS
The Company may purchase and maintain, for any director or officer, insurance against any liability and the Company does maintain appropriate insurance cover against legal action bought against its directors and officers.

PUBLICATION OF ACCOUNTS ON COMPANY'S WEBSITE
Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibilities also extend to the financial statements contained therein.

COMPANY'S POLICY ON PAYMENT OF CREDITORS
It is the Company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

GOING CONCERN
After making appropriate enquiries, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Bermuda company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business for the foreseeable future;
- follow applicable accounting standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Bermuda Companies Act 1981. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS
The auditors, Jeffreys Henry LLP have indicated their willingness to continue in office. In accordance with section 89 of Bermuda Companies Act 1981, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Chan Fook Meng
Director

Date:

Corporate Governance Report
For the year ended 31 December 2011

The directors acknowledge the importance of the Principles set out in The Combined Code issued by the Committee on Corporate Governance. Although the Combined Code is not compulsory for AIM companies, the directors intend to apply the principles as far as practicable and appropriate for a relatively small public company as follows:

The Board of Directors
The Board is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all directors receive appropriate and timely information. Briefing papers are distributed to all directors in advance of Board meetings. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Audit Committee, Remuneration Committee and Nomination Committee
The Audit Committee, Remuneration Committee and Nomination Committee comprise of the non-executive directors.

The Audit Committee receives and reviews reports from management and the company's auditors relating to the annual and interim accounts and the accounting and internal control systems of the Company. The Audit Committee has unrestricted access to the Company's auditors.

The Remuneration Committee reviews the performance of the executive directors, sets their remuneration, determines the payment of bonuses to executive directors and considers the allocation of share options to directors and employees.

The Nomination Committee considers board appointments, review board structure, size and composition; recommend the continuation (or not) in service of executive directors as executive or non-executive directors; and recommend directors who are retiring by rotation to be put forward for re-election.

The non-executive directors will be entitled to seek, at the Company’s expense, independent professional advice in connection with their roles on these committees.

Internal financial control
The Board is responsible for establishing and maintaining the Company’s system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the directors have established with a view to providing effective internal financial control are as follows:

- The Company’s organisational structure has clear lines of responsibility.
- The Company prepares a comprehensive annual budget that is approved by the Board. Monthly results are reported against the budget and variances are closely monitored by the directors.
- The Board is responsible for identifying the major business risks faced by the company and for determining the appropriate courses of action to manage those risks.
- The Board is involved in regular subsidiary company board meetings and with structured operational reporting requirements.

The directors recognise, however, that such a system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the system of internal financial control that will be operated by the Company.

Corporate Governance Report (continued)
For the year ended 31 December 2011

Service contracts
The directors have service contracts and letters of appointment, which require not less than 3 months' notice of termination.

Model Code
The Company has adopted and operates a share dealing code for directors and senior executives on the same terms as the London Stock Exchange Model Code for companies whose shares have been admitted to AIM.

Relations with shareholders
Communications with shareholders are given high priority. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chairman aims to ensure that the directors are available at Annual General Meetings to answer questions.

Report of the Independent Auditors to the Members of

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

We have audited the Group and Company financial statements of Nova Resources Limited for the year ended 31 December 2011, which comprise the consolidated statement of comprehensive income, Consolidated and Company statement of changes in equity, Consolidated and Company statement of financial position, statement of cash flows, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report has been prepared pursuant to the requirements of the Bermuda Companies Act 1981 and Companies Act 2006 as amended, relating to the responsibilities of auditors and for no other purpose. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we have read all the financial and non-financial information in the Chairman’s Report and Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatement or inconsistencies we consider the implication of our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, of the state of the Group and Company's affairs as at 31 December 2011 and of the Group and Company’s cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;

Opinion on other matter

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sanjay Parmar
SENIOR STATUTORY AUDITOR
For and on behalf of Jeffreys Henry LLP, statutory auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date:…………

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	Year ended 2011	Year ended 2010
CONTINUING		£	£
Administrative expenses		(274,831)	(207,788)
OPERATING LOSS	8	(274,831)	(207,788)
Unrealised gains/(losses) on financial assets designated at fair value through profit or loss	11	117,788	(53,540)
LOSS BEFORE FINANCE INCOME AND TAX		(157,043)	(261,328)
Finance income	7	1,920	89
Other income		-	1,389
LOSS BEFORE TAX		(155,123)	(259,850)
Tax	9	-	-
LOSS FOR THE YEAR		(155,123)	(259,850)
Other comprehensive income		-	-
Minority interests		(1,100)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(156,223)	(259,850)
Attributable to Owners of the Company		(156,223)	(259,850)
Loss per share:	10		
Basic		(0.23p)	(0.433p)
Diluted		(0.23p)	(0.433p)

The notes form part of the financial statements

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Consolidated Statement of Financial Position
31 December 2011

	Notes	2011 £	2010 £
ASSETS			
Non-current assets			
Goodwill	**12**	64,753	-
Investments	**12**	-	1
Financial assets designated at fair value through profit or loss	**11**	770,971	653,183
		835,724	653,184
Current assets			
Trade and other receivables	**13**	324,134	24,208
Cash and cash equivalents	**14**	470,639	914,414
		794,773	938,622
TOTAL ASSETS		1,630,497	1,591,806
SHAREHOLDERS' EQUITY			
Called up share capital	**16**	700,000	600,000
Share premium		2,604,061	2,504,061
Retained losses		(1,740,681)	(1,584,458)
		1,563,380	1,519,603
Non-controlling interests		1,100	-
		1,564,480	1,519,603
LIABILITIES			
Current liabilities			
Trade and other payables	**15**	66,017	72,203
		66,017	72,203
TOTAL EQUITY AND LIABILITIES		1,630,497	1,591,806

The financial statements were approved and authorised by the Board of Directors on .... and were signed on its behalf by:

....
Chan Fook Meng
Director

Company registration number: 39768

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2011

	Share Capital £	Share Premium £	Retained Loss £	Total £
At 1 January2010	600,000	2,504,061	(1,324,608)	1,779,453
Loss after tax for the year	-	-	(259,850)	(259,850)
At 31 December 2010	**600,000**	**2,504,061**	**(1,584,458)**	**1,519,603**
Loss after tax for the year	-	-	(156,223)	(156,223)
Issue of shares	100,000	100,000	-	200,000
At 31 December 2011	**700,000**	**2,604,061**	**(1,740,681)**	**1,563,380**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses. Share issue expenses comprise mainly the costs incurred in respect of the initial public offering on the AIM market of the London Stock Exchange.

Retained loss represents the cumulative loss of the Group attributable to equity shareholders.

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Company Statement of Financial Position
31 December 2011

	Notes	2011 £	2010 £
ASSETS			
Non-current assets			
Investments	**12**	498	1
Financial assets designated at fair value through profit or loss	**11**	770,971	653,183
		771,469	653,184
Current assets			
Trade and other receivables	**13**	388,232	24,208
Cash and cash equivalents	**14**	470,632	914,414
		858,864	938,622
		793,343	866,419
TOTAL ASSETS		1,630,333	1,591,806
SHAREHOLDERS' EQUITY			
Called up share capital	**16**	700,000	600,000
Share premium		2,604,061	2,504,061
Retained losses		(1,739,249)	(1,584,458)
		1,564,812	1,519,603
LIABILITIES			
Current liabilities			
Trade and other payables	**15**	65,521	72,203
		65,521	72,203
TOTAL EQUITY AND LIABILITIES		1,630,333	1,591,806

The financial statements were approved and authorised by the Board of Directors on .... and were signed on its behalf by:

....
Chan Fook Meng
Director

Company registration number: 39768

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Company Statement of Changes in Equity
For The Year Ended 31 December 2011

	Share Capital £	Share Premium £	Retained Loss £	Total £
At 1 January2010	600,000	2,504,061	(1,324,608)	1,779,453
Loss after tax for the year	-	-	(259,850)	(259,850)
At 31 December 2010	600,000	2,504,061	(1,584,458)	1,519,603
Loss after tax for the year	-	-	(154,791)	(154,791)
Issue of shares	100,000	100,000	-	200,000
At 31 December 2011	700,000	2,604,061	(1,739,249)	1,564,812

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses. Share issue expenses comprise mainly the costs incurred in respect of the initial public offering on the AIM market of the London Stock Exchange.

Retained loss represents the cumulative loss of the Company attributable to equity shareholders.

Consolidated Statement of Cash flows
For The Year Ended 31 December 2011

	Note	Year ended 2011 £	Year ended 2010 £
Cash flows from operating activities			
Cash generated from operations	**17**	(580,942)	(181,816)
Net cash from operating activities		(580,942)	(181,816)
Cash flows from investing activities			
Interest received		1,920	89
Purchase of subsidiary undertaking net of cash balances		(64,753)	-
Net cash from investing activities		(62,833)	89
Cash flows from financing activities			
Issue of ordinary shares		200,000	-
Net cash from financing activities		200,000	-
Increase/(decrease) in cash and cash equivalents		(443,775)	(181,727)
Cash and cash equivalents at beginning of year		914,414	1,096,141
Cash and cash equivalents at end of year		470,639	914,414

NOVA RESOURCES LIMITED
(FORMERLY TEMBUSU INVESTMENTS LIMITED)

Company Statement of Cash flows
For The Year Ended 31 December 2011

	Note	Year ended 2011 £	Year ended 2010 £
Cash flows from operating activities			
Cash generated from operations	**17**	(645,204)	(181,816)
Net cash from operating activities		(645,204)	(181,816)
Cash flows from investing activities			
Interest received		1,920	89
Acquisition of subsidiaries		(498)	-
Net cash from investing activities		1,422	89
Cash flows from financing activities			
Issue of ordinary shares		200,000	-
Net cash from financing activities		200,000	-
Increase/(decrease) in cash and cash equivalents		(443,782)	(181,727)
Cash and cash equivalents at beginning of year		914,414	1,096,141
Cash and cash equivalents at end of year		470,632	914,414

Notes to the Financial Statements
For The Year Ended 31 December 2011

1. GENERAL INFORMATION

Nova Resources Limited (formerly Tembusu Investments Limited) is a company incorporated in Bermuda under the Bermuda Companies Act 1981. The Company's shares are traded on the AIM market of the London Stock Exchange. The address of the registered office is disclosed on page 1 of the financial statements. The principal activities of the Company are described in the directors' report.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 1981 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS 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. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(a) Standards, amendments and interpretations effective at 1 January 2011

The followingstandards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods:

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses(that is 'non-owner changes in equity') in the Statement of Changes in Equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income).The Group has elected to present one performance statement (the Consolidated Statement of Comprehensive Income).

- IAS 27 (revised), 'Consolidated and separate financial statements'. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the Consolidated Statement of Comprehensive Income.

- IAS 38 (amendment), 'Intangible assets'. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment has not resulted in a material impact on the Group's financial statements.

(a) Standards, amendments and interpretations effective at 1 January 2011 (continued)

- IFRS 2 (amendment), 'Share-based payment'. This deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have a material impact on the Group's or Company's financial statements.

- IFRS 3 (revised), 'Business combinations'. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the Statement of Comprehensive Income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

- IFRS 7, 'Financial instrument: disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

- IFRS 8 'Operating segments'. IFRS 8 replaces IAS 14 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive committee that makes strategic decisions. In the opinion of the Directors, the Group's core activities comprise one business segment which reflects the profiles of the risks, rewards and internal reporting structures within the Group.

(b) Standards, amendments and interpretations effective at 1 July 2011, but not relevant

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 July 2011 or later periods but which are not relevant to the Group's operations:

IAS 20 – Amendment, 'Government grants and disclosure of government assistance'.
IAS 23 – Revised, 'Borrowing costs'.
IAS 28 – Amendment, 'Investment in associates'.
IAS 29 – Amendment, 'Financial reporting in hyperinflationary economies'.
IAS 31 – Amendment, 'Interest in joint ventures'.
IAS 32 and IAS 1 – Amendment, 'Puttable financial instruments and obligations arising from liquidation'.
IAS 39 – Amendment, 'Financial instruments: recognition and measurement -eligible hedged items'.
IAS 40 – Amendment, 'Investment property'.
IAS 41 – Amendment, 'Agriculture'.
IFRS 1 and IAS 27 – Amendment, 'Cost of an investment on first-time adoption'.
IFRS 5 – Amendment, 'Non-current assets held for sale and discontinued operations'.
IFRIC 3 – Amendment, 'Business combinations and consequential amendments'.

(b) Standards, amendments and interpretations effective at 1 January 2011, but not relevant (continued)

IFRIC 15 – ‘Agreement for Construction of Real Estate’.
IFRIC 16 – ‘Hedges of a Net Investment in a Foreign Operation’.
IFRIC 17 – ‘Distribution of Non-cash Assets to Owners’.
IFRIC 18 – ‘Transfers of Assets from Customers’.

(c) Standards and amendments early adopted by the Group

The Group has not early adopted any standards or amendments.

(d) Standards, amendments and interpretations to existing standards that are not yet effective and which have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1 July 2011 or later periods, but the Group has not early adopted them:

IFRS 2 – ‘Group Cash-settled Share-based Payment Arrangements’ (effective from 1 January 2011).
IFRS 9 – ‘Financial instruments: Presentation’ (effective from 1 January 2013).
IFRIC 14 – Amendment, ‘The limit on a defined benefit asset’ (effective from 1 January 2011).
IFRIC 19 – ‘Extinguishing financial liabilities with equity instruments’ (effective from 1 July 2011).

Improvements to International Financial Reporting Standards 2011 were issued in May 2011. The effective dates vary standard by standard but most are effective from 1 January 2011.

The changes to IAS 7 and 24 appear to be relevant to the Group and the Company but no impact on the financial statements is anticipated.

2.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Pounds Sterling (£), which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.2 Receivables

Receivables are recognised and stated at fair value less any allowances for doubtful debts and provisions for impairment. Known bad debts are written off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection of certain receivables accounts.

2.3 Cash and cash equivalents

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

2.4 Share capital

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.

2.5 Share premium

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

2.6 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

2.8 Taxation (continued…)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporarydifferences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2.9 Revenue recognition

Revenue is the consideration received or receivable from customers in the normal course of business.

2.10 Investments

Investments are stated at cost less provision for any impairment in value.

2.11 Financial instruments

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus directly attributable transaction costs.

(a) Financial assets

The Group and the Company determine the classification of their financial assets as loans and receivables and they comprise debt instruments that are not quoted on an active market, trade and other receivables and cash and cash equivalents.

(i) Subsequent measurement
Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(ii) Derecognition
A financial asset or part of it is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

2.11 Financial instruments (Continued…)

(a) Financial assets (Continued…)

(iii) Impairment of financial asset
At each reporting date the Group and the Company assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset or the group of financial assets and it can be reliably measured.

Fair values
The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group at the balance sheet date approximated their fair values, due to relatively short term nature of these financial instruments.

The Group provides financial guarantees to licensed banks for credit facilities extended to a subsidiary company. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

The investments are valued in accordance with the policy stated above. It is the directors' opinion that the carrying value of trade receivables and trade payables approximates their fair value due to their short term maturity. Therefore, the directors consider all assets to be carried at a valuation, which equates to fair value.

Investments are made in a combination of equity and fixed rate financial instruments so as to provide potential high future capital growth.

In accordance with IAS 39, the Group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain criteria set out in the standard. No embedded derivatives have been identified by the Group.

2.11. Financial Instruments (Continued)

The accounting policies for financial instruments have been applied to the items below:

Assets as per balance sheet	2011 £ Loans and receivables £	2011 £ Assets at fair value through profit and loss £	2010 £ Loans and receivables £	2010 £ Assets at fair value through profit and loss £
Cash	470,639	-	914,414	-
Trade and other receivables	324,134	-	24,208	-
Investment at fair value through profit and loss	-	770,971	-	653,184
Total	794,773	770,971	938,622	653,184

Liabilities as per balance sheet	2011 Other financial liabilities	2010 Other financial liabilities
Trade and other payables	66,017	72,203

Assets classified as fair value through profit or loss were designated as such upon initial recognition. The Company has not reclassified financial assets between any of the categories detailed in IAS39, either in current or prior periods.

2.12 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Impairment of non-financial assets

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

2.13 Loss of the parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's loss for the financial year was £154,791 (2010: £259,850).

3. RISKS SENSITIVITY AND ANALYSIS

The Group's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, foreign currency risk and capital risk. The Group's activities also expose it to non-financial risks: market risk, regulatory and legislative risk. The Group's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the Group's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

3.1 Foreign currency risk

Currency fluctuations may affect the Group's operating cash flows since certain of its costs and potential future revenues are likely to be denominated in a number of different currencies other than Pound Sterling such as US Dollars, Mongolian Tugrik and any potential incomemay become subject to exchange controls. The Group does not currently have a foreign currency hedging policy in place. If and when appropriate, the adoption of such a policy will be considered.

3.2 Interest rate risk

The Group does not have formal policies on interest rate risk. However, the Group's exposure in these areas (as at the balance sheet date) was minimal.

3.3 Liquidity risk

The Group prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Company, to manage liquidity risk. Cash resources are managed in accordance with planned expenditure forecasts and the directors have regard to the maintenance of sufficient cash resources to fund the Group's immediate operating and exploration activities.

3.4 Capital risk

The successful commercial exploitation of the haulage project will require significant capital investment. The only sources of financing currently available to the Group are through the issue of additional equity capital or convertible debt. The Group's ability to raise funds will depend, *inter alia*, on the success of its strategy and operations.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of receivables
The Group assesses at each Statement of Financial Position date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 12.

Share based payments
Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each Statement of Financial Position date. The underlying assumptions of the valuation model used to determine fair value are set out in Note 21 to the financial statements.

Impairment of goodwill
The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary.

Share-based compensation
The fair value of options and warrants are determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

5. EMPLOYEES AND DIRECTORS

The company has no employees, other than the four directors.

During the period the company paid directors' emoluments of £30,875 (2010 - £39,107).

The average number of directors during the year was three.

6. SEGMENTAL ANALYSIS

There is no segmental area of operations as the company is not trading.

7. FINANCE INCOME

	2011	2010
	£	£
Bank interest received	1,920	89

8. OPERATING LOSS

	2011	2010
	£	£
The operating loss is stated after charging:		
Loss on foreign currency translation	225	1,326
Auditors remuneration	7,000	4,833

9. TAX

The Company is an exempted company under the laws of Bermuda and is granted exemption from all forms of taxation in Bermuda until 2016.

10. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss of £156,223 (2010 - £259,850) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which was 68,000,000 (2010 – 60,000,000)

The diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. For the year ended 31 December 2011 the diluted loss per share is equivalent to the basic loss per share.

11. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS - GROUP AND COMPANY

All items held as fair value through profit or loss were designated as such upon initial recognition. Movements in investment at fair value through profit or loss are summarised as follows:

Quoted Investments	2011	2010
	£	£
Opening cost	1,827,566	1,827,566
Opening unrealised gain/(loss)	(1,174,383)	(1,120,843)
Opening Valuation	653,183	706,723
Additions at cost	-	-
Disposal proceeds	-	-
Net profit/(loss) realised on disposal	-	-
Changes in fair value in the year	117,788	(53,540)
	770,971	653,183
Closing cost	653,183	706,723
Closing unrealised gain/(loss)	117,788	(53,540)
Closing valuation	770,971	653,183

11. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS GROUP AND COMPANY (Continued…)

In May 2008, the Company acquired 21,915,861 ordinary shares in European Islamic Investment Bank Plc ("EIIB") for a total consideration of £1,845,066. EIIB is traded on the AIM market of London Stock Exchange. At 31 December 2011, the share price of EIIB rose to 3.6 pence per share resulting to a profit arising from change in fair value made of £117,788.

The investment was determined by reference to market bid prices as at 31 December 2011.

12. INVESTMENT IN SUBSIDIARY

	Shares in Subsidiary £
Cost	
At 1 January 2010and 2011	1
Additions	497
At 31 December 2011	498
Provision	
At 1 January 2010 and 2011	-
Charge	-
At 31 December 2011	-
CARRYING VALUE	
At 31 December 2011	498
At 31 December 2010	1

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Shareholdings	Principal Activity
Nova East Management Pte Ltd (formerly Tembusu Invest Pte Ltd)	Singapore	100%	Inactive
Nova East Capital Private Limited	Singapore	100%	Dormant
Nova Mongolia Corp PTE Ltd	Singapore	70% (balance acquired in 14 February 2012	Investment Holding Company

Nova Mongolia Corp PTE Ltd has acquired 100% of this issued share capital of Nova Logistics Holdings Limited (formally known as Salins Limited), a company incorporated in the British Virgin Islands, an investment holding company which in turn owns 100% of the issued share capital of ZHCH Mining LLC ("ZHCH") a company incorporated in Mongolia to provide coal transportation and logistics services in Mongolia. ZHCH entered into a contract with another Mongolia company on 17 January 2012 to transport coal within Mongolia, to commence on 15 May 2012.

12. INVESTMENT IN SUBSIDIARY (Continued...)

Goodwill of £64,573 arose on this acquisition.

The Company assesses at each reporting date whether there is an indication that the goodwill may be impaired, by considering whether the value in use is greater than the recoverable amount. At the year end there was no indication that of impairment of the value of the goodwill.

13. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2011	2010	2011	2010
	£	£	£	£
Loan - intercompany	-	-	64,098	-
- Hoddle Limited	322,796	-	322,796	-
Prepayments	1,338	24,208	1,338	24,208
	324,134	24,208	388,232	24,208

The Company has lent to Hoddle Limited ("Hoddle") US$500,000 (£322,796) for a period of 12 months. As security for the Loan, the Company has been granted a charge over the entire issued share capital of Hoddle (the "Hoddle Shares"). Hoddle has also agreed to allow the Company full access to information and documents so that the Company can carry out full due diligence on Hoddle's assets and businesses.

The sole shareholder of Hoddle Limited is JI Won Park ("Park"). Park, a Korean citizen, is a businessman with interests in Mongolia. He is not related to any director or substantial shareholder of the Company. Park has also granted the Company exclusivity with respect to the Hoddle Shares in that he has agreed not to sell, and will terminate all discussions relating to the sale of, any of the Hoddle Shares to any third party until 30 September 2012.

Hoddle is an investment holding company incorporated in the British Virgin Islands. It owns 50% per cent of the entire issued share capital of Standard MT Private Limited ("Standard"), a company incorporated in Singapore. Standard owns 49 per cent of the entire issued share capital of MSR LLC, a company organised and existing under the laws of Mongolia ("MSR"). MSR owns 95 per cent of the issued share capital if Standard Mining Trans LLC, a company organised and existing under the laws of Mongolia ("SMT").

SMT is in the business of providing logistics services to mines in Mongolia. SMT has signed a contract with MoEnCo LLC ("MoEnCo"), a company incorporated in Mongolia to transport coal from its Khushuut coal mine to a storage ground close to the border with the People's Republic of China. MoEnCo is a subsidiary of Mongolian Energy Corporation, SMT will commence the transportation of coal once the Khushuut coal mine commences production of coal. Production is expected to commence sometime in 2012.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank current accounts	470,639	914,414	470,632	914,414
	470,639	914,414	470,632	914,414

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	£	**£**	**£**	**£**
Current	104	-	-	-
Trade payables	58,024	18,203	58,024	18,203
Other creditors	7,889	-	7,497	-
Due to group undertakings	-	54,000	-	54,000
	66,017	72,203	65,521	72,203

Trade payable and accruals principally comprise amounts outstanding for ongoing expenses

16. CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal Value	2011	**2010** £
500,000,000	Ordinary	1p	5,000,000	5,000,000
Allotted, issued and fully paid				
70,000,000 (2010 - 60,000,000)	Ordinary	1p	700,000	600,000

On 15 March 2011 the company issued 10,000,000 new ordinary shares of 2p each, raising £0.2m for working capital purpose. As part of the Share issue, warrants to subscribe for 30,000,000 ordinary shares were issuedwith an exercise price of 2p, of which 10,000,000 warrants that are exercisable when the market value reaches 4p, 10,000,000 are exercisable when the market value reaches 6p and 10,000,000 when the market value reaches 8p.

Share options to certain directors were granted on 16 November 2011. The Share Options have an exercise price of 3 pence and can be exercised by each director as follows:-

- One third can be exercised after 1 May 2012;
- One third can be exercised after 14 November 2012; and
- One third can be exercised after 14 May 2013.

The following issues of ordinary shares, options and warrants are described fully in Note 21 to these financial statements – “Post balance sheet events”;

On 20 January 2012, 4,000,000 share options were granted plus an additional 1,000,000 to an employee; on the resignation from the Board of Mr Lai Seng Kwoon;

On 10 February 2012, 10,200,000 ordinary shares were subscribed in cash;

On 14 February 2012, 23,571,428 ordinary shares were issued for the acquisition of the remaining 30% of the issued share capital of Nova Mongolia Corp Pte Ltd not currently owned by the company, together with 12,857,143 warrants to subscribe for ordinary shares;

On 27 February 2012, 2,210,526 new ordinary shares were subscribed for cash.

16. CALLED UP SHARE CAPITAL (continued…)

Shares – based payments

Details of the options and warrants issued are provided in the Directors' Report. The details of the option scheme are as follows:

	2011 Number of options	2011 Weighted average exercise price Pence	2010 Number of options	2010 Weighted average exercise price Pence
Outstanding at beginning of period	-	-	-	-
Options cancelled in period	-	-	-	-
Options granted in period	2,000,000	3	-	-
Outstanding at end of the period	2,000,000	3	-	-

None of the options above have been exercised and all remain outstanding at the year end. The fair value of the options granted during the period has been calculated using the Black Scholes model assuming the inputs shown below:

Grant date	November 2011
Share price at grant date	2.38p
Exercise price	3p
Expected option life in years	5
Risk free interest rate	4%
Expected volatility	25%
Expected dividend yield	0%
Fair value of option	0.36p

Volatility has been estimated by taking the historic volatility in the Company's share price over two years.

	2011 Number of warrants	2011 Weighted average exercise price Pence	2010 Number of warrants	2010 Weighted average exercise price Pence
Outstanding at beginning of the period	-	-	-	-
Warrants granted in period	30,000,000	6	-	-
Outstanding at end of the period	30,000,000	6	-	-

The warrants over ordinary shares that have been issued to employees have a seven year vesting period six months from the grant date.

16. CALLED UP SHARE CAPITAL (continued…)

None of the warrant above have been exercised and all remain outstanding at the year end. The fair value of the warrants granted during the period has been calculated using the Black Scholes model assuming the inputs shown below:

Grant date	March 2011
Share price at grant date	1.5p
Exercise price	2p
Expected warrant life in years	2
Risk free interest rate	4%
Expected volatility	25%
Expected dividend yield	0%
Fair value of option	0.0p

Volatility has been estimated by taking the historic volatility in the Company's share price over two years.

17. RECONCILIATION OF OPERATING LOSS TO CASH GENERATED FROM OPERATIONS

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Loss before interest and tax	(158,143)	(156,711)	(261,328)	(261,328)
Provision for quoted investment	(117,788)	(117,788)	53,540	53,540
Minority interests	1,100	-	-	-
	(274,831)	(274,499)	(207,788)	(207,788)
(Increase)/decrease in trade and other receivables	(299,926)	(364,024)	(14,870)	(14,870)
(Decrease)/increase in trade and other payables	(6,185)	(6,681)	39,453	39,453
Other income derived from written-off of payables	-	-	1,389	1,389
Cash generated from operations	(580,942)	(645,204)	(181,816)	(181,816)

18. FINANCIAL COMMITMENTS

Capital commitments
There was no capital expenditure that had been contracted for at the balance sheet date but not yet incurred.

19. RELATED PARTY TRANSACTIONS

During the year, Total Management Pte Ltd paid on behalf of the Company £1,194 (2010 - £Nil) in respect of corporate and administrative services to a third party. The total amount was reimbursed by the Company during the year. At the year end, there was no balance outstanding (2010 - £nil) due to Total International Investments Limited.

20. CONTINGENT LIABILITIES

The Company has no contingent liabilities arising in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

21. POST BALANCE SHEET EVENTS

On 20 January 2012 the Company granted share options (the “Share Options”) to certain directors as follows:

Director	Number of Share Options granted
Chung Dongwook	2,500,000
Charles Green	1,000,000
Nazim Khan	500,000

In addition, the Company is granting 1,000,000 Share Options to Mr Enrique Lopez de la Mesa, EVP Corporate Development, on the same terms.

The Share Options have an exercise price of 8.25 pence and can be exercised by each person as follows:

- One third can be exercised after 20 July 2012
- One third can be exercised after 20 July 2013; and
- One third can be exercised after 20 July 2014.

The Share Options expire on 31 December 2016 and are conditional upon the respective person remaining as an employee of the Company at the time of each exercise.

Pursuant to the announcement dated 4 January 2012, regarding the resignation of Mr Lai Seng Kwoon, 500,000 share options which had been issued have now been cancelled.

The Company has raised £825,000 on 10 February 2012 by way of a subscription for shares with various investors and from the issue of a convertible unsecured loan note 2015 (the “Notes”). The proceeds of the Notes and Subscription will be used for working capital and to execute Nova’s investing policy.

Subscription

The Company has raised £765,000 through a subscription of 10,200,000 new ordinary shares of par value £0.01 in the capital of the Company at the subscription price of £0.075 each to the Investors. The Subscription represents 12.7% of the enlarged share capital of the Company at Admission.

Loan Notes

The Company has raised £60,000 from the issue of the Notes. The salient terms of the notes are as follows:

21. POST BALANCE SHEET EVENTS (Continued…)

The Notes (continued…)

(a) The holder of the Notes has the right, but not the obligation, to convert the principal amount outstanding to newly issued Ordinary Shares in the capital of the Company at the subscription rate of £0.075 for each Ordinary Share.

(b) There is no interest on the amount outstanding. If all or part of the Notes is not converted by 31 March 2015, Nova shall pay to the Noteholder the principal.

On 15 May 2012, £10,000 of the notes were converted into 133,333 ordinary shares.

The Company purchased 300 shares in the capital of Nova Mongolia Corp Pte Ltd ("Nova Mongolia") on 14 February 2012. The total consideration for the Acquisition is £1,767,857.09 which is to be fully paid by the allotment and issuance of £23,571,428 ordinary shares of par value of £0.01 each at the issue price of £0.075 each and 12,857,143 warrants (the "Consideration Warrants").

The Consideration Warrants contain the following terms:

1. the warrants are not exercisable until the company has acquired or invested in a company that qualifies as a reverse takeover under the AIM rules; and

2. the warrants will continue, subject to these conditions, until their expiry date on 28 February 2013.

The Company now owns 100% of Nova Mongolia; Nova Mongolia owns 100% of Nova Logistics Holdings Limited (formerly Salins Limited) which in turn owns owns 100% of Nova Trans LLC (formerly ZHCH Mining LLC).

On a fully diluted basis, following execution of the Consideration Warrant together with execution/conversion of all outstanding options, warrants and convertible loan notes, but not including the convertible loan notes that may or may not be issued pursuant to the Investment Facility with Odin Structured Advisory Services LLP announced on 5 January 2012, (collectively, the "Convertibles") an additional 50,157,143 shares of par value £0.01 each would be issued, giving a total number of Ordinary Shares in issue of 153,928,571.

The Convertibles comprise:

1. 42,857,143 warrants which may only be exercised upon completion of a reverse takeover by 28 February 2013, issued as 30,000,000 warrants to Bernholz Limited (the sole beneficiary of which is Chan Fook Meng) and the 12,857,143 Consideration Warrants. The total number of Ordinary Shares that could be issued upon exercise is 42,857,143;

2. 6,500,000 options issued to directors and management of Nova which can only be exercised in tranches as announced on 16 November 2011 and 20 January 2012. The first tranche may only be converted in May 2012. The total number of Ordinary Shares that could be issued upon exercise is 6,500,000; and

21. POST BALANCE SHEET EVENTS (Continued…)

The Convertibles comprise: (Continued…)

3. 60,000 convertible unsecured loan notes which may be converted at any time as announced on 10 February 2012. The total number of Ordinary Shares that could be issued upon exercise is 800,000.

4. The Company raised £210,000 on 27 February 2012 by way of a subscription for shares at an issue price of £0.095 each with various investors (the "Subscription"). The Subscription comprises 2,210,526 new ordinary shares of par value £0.01 each ("Ordinary Shares") in the capital of the Company and represents 2.76% of the enlarged share capital of the Company at Admission.

   The proceeds of the Subscription will be used for working capital and to execute the Company's Investing Policy.

   On 15 May 2012 the Company has secured a loan of US$2million for the acquisition of trucks and to provide further working capital. The terms of the loan are to be finalised by August 2012.

22. ULTIMATE CONTROLLING PARTY

The parent company was Total International Investments Limited, a company incorporated in the British Virgin Islands during 2011 until it sold the shares in September 2011 to Shine Link Limited, a British Virgin Islands registered company owned by Mr Chan Fook Meng.