Washington Resources Limited

ACN 097 532 137

Annual Report

30 June 2009

Washington Resources Limited

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Contents

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Corporate directory

Directors:
Glenn Whiddon – Chair and Non executive Director (appointed 19 August 2009)
Gino D'Anna – Executive Director (appointed 28 August 2009)
Richard Jarvis – Executive Director (appointed 1 December 2008)
Matthew Sutcliffe – Non executive Director (appointed 19 August 2009)

Company Secretary:
Michael Langoulant (joint) - (appointed 1 December 2008)
Andrew Nealon (joint)

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Stock Exchange Listing
Washington Resources Limited shares are listed on the Australian Stock Exchange (ASX code: WRL).

Washington Resources Limited
ACN 097 532 137

Directors' report

The directors of Washington Resources Limited ("Washington" or "the Company") present their report for the year ended 30 June 2009.

Directors

Gino D'Anna was appointed as director on 28 August 2009 and continues in office at the date of this report.

Glenn Whiddon and Matthew Sutcliffe were appointed as directors on 19 August 2009 and continue in office at the date of this report.

Richard Jarvis was appointed as director on 1 December 2008 and continues in office at the date of this report.

Melissa Sturgess and Mark Burchnall were directors from the beginning of the financial year until their resignations on 19 August 2009.

Adrian Griffin and Grant Button were directors from the beginning of the financial year until their resignations on 1 December 2008.

Robert Hair was a director from the beginning of the financial year until his resignation on 28 October 2008. He subsequently resigned as joint company secretary on 1 December 2008.

Scott Huntly was a director from the beginning of the financial year until his resignation on 16 September 2008.

Principal activities

The principal activity of the Company during the financial year was the exploration for minerals.

Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Review of operations and activities

Information on the operations and activities of the Company is set out in the review of operations and activities on page 19 of this annual report.

The loss after income tax benefit for the year ended 30 June 2009 was $1,417,192 (2008: loss $1,722,682).

The financial position of the Company is presented in the attached Balance Sheet.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company other than those disclosed in other areas of this Annual Report.

Matters subsequent to the end of the financial year

As announced on 17 September 2009, the Company has entered into a conditional agreement to acquire Ferrum Crescent Limited ("Ferrum Crescent"), a company that has a 74% interest in the advanced Turquoise Moon Iron Project ("Project"), which consists of the Moonlight Deposit and the De Loskop Prospect, located in the Limpopo region of South Africa.

Pursuant to the Merger Agreement, Washington agrees to make offers to acquire 100% of the shares and options in Ferrum Crescent, an Australian public unlisted company, which, via its wholly owned subsidiaries, owns a 74% interest in Turquoise Moon Trading 157 (Pty) Ltd, which holds a 100% interest in the Turquoise Moon Iron Project. The remaining 26% is held by Matodzi Nesongozwi, Ferrum Crescent's South African partner. Turquoise Moon complies with the requirements under South African law for Black Economic Empowerment ("BEE").

As a result of a successful merger between Washington and Ferrum Crescent, Washington will have acquired a 74% interest in the Turquoise Moon Iron Project.

The merger is subject to a number of conditions precedent including obtaining acceptances from at least 90% of Ferrum Crescent shareholders and option holders, execution of voluntary restriction agreements, completion of due diligence and Washington shareholder approval.

The consideration payable for the acquisition of the Ferrum Crescent shares and options is as follows:

- The issue of new fully paid ordinary shares in Washington to Ferrum Crescent shareholders on the basis of 12 new Washington shares for every 10 Ferrum Crescent shares currently held, on a pro-rata basis. The total number of shares to be issued will equate to 102,000,000 new Washington shares; and

- The issue of new listed options in Washington to Ferrum Crescent option holders on the basis of 1 new Washington option for every 1 Ferrum Crescent option currently held, on a pro-rata basis. The total number of listed options to be issued will equate to 52,187,500 new Washington options, exercisable at 40 cents per share on or before 31 December 2013.

There will also be an issue of 833,333 shares to Hartleys Limited in connection with corporate advisory services provided.

The new Washington shares issued to the shareholders of Ferrum Crescent pursuant to the acquisition will be subject to escrow restrictions on the following basis:

- 50% of the new Washington shares to be issued will be held under escrow restrictions for a period of 6 months from the date of issue; and

- The remaining 50% of the new Washington shares to be issued will be held under escrow restrictions for a period of 12 months from the date of issue.

Directors' report (continued)

Matters subsequent to the end of the financial year (continued)

On 21 September 2009, the Company announced a non-renounceable rights issue of options to raise approximately $49,429.23 before costs ("Rights Issue").

The Rights Issue offers, to eligible shareholders, nine (9) Options in the Company for every ten (10) Shares held on the Record Date, at an issue price of 0.1 cents per Option. The exercise price is 40 cents per share with an expiry date of 31 December 2013. The funds raised will be applied to general working capital.

Likely developments and expected results of operations

The Company will continue to carry out its business plans, by:

- seeking strategic acquisition opportunities within the exploration and mining industry to enter into advanced projects that will add value to the Company; and

- continuing to meet its statutory commitments relating to its exploration tenements and carrying out exploration of its exploration tenements in accordance with its stated strategy, conserving the Company's cash position to be able to take advantage of value adding opportunities.

There can be no guarantee either that exploration of the Company's tenements will result in exploration success or that any strategic acquisition considered by the directors to be likely to add value to the Company will become available to the Company.

Environmental regulation

The Company's activities are subject to State and Federal legislation relating to the protection of the environment. The Company is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

Information on directors

Glenn Whiddon B Econ. *Chair – Non-executive. Age 45.*

Experience and expertise
Mr Whidden has extensive experience in banking and corporate advisory having worked for the Bank of New York in Sydney, Melbourne, Geneva and Moscow. In 1994 he established a boutique merchant bank in Moscow, providing corporate advice and undertaking direct investments and has continued this focus via public company resource investments in Australia, Europe and Canada.

Other current directorships
Executive Chairman of Segue Resources Ltd (appointed January 2005), Non-executive Chairman of Statesman Resources Limited (appointed May 2004) and Non-executive Chairman of North River Resources plc (appointed December 2008).

Directors' report (continued)

Information on directors (continued)

Former directorships in last 3 years
Grove Energy Limited (from 1996 to 2007), Omegacorp Limited (from 2006 to 2007), Rialto Energy Limited (from 2006 to 2008), Oklo Uranium Limited (from 2007 to 2007), UMC Energy plc (from 2007 to 2008) and Stream Oil and Gas Ltd (from 2007 to 2009).

Special responsibilities
Chairman of the Board.

Interests in shares and options
2,600,000 ordinary shares in Washington Resources Limited.

Gino D'Anna BCom (Hons) Dip. AppFI Dip. FS AFin. *Executive Director. Age 24.*

Experience and expertise
Mr D'Anna graduated from the University of Western Australia (UWA) in 2005 with a Bachelor of Commerce (Honours), completing a thesis on investor relations and information asymmetry in Australian financial markets. Mr D'Anna completed a scholarship in Applied Finance at UWA, which was subsequently published in the Asia Pacific Journal of Finance. In addition Mr D'Anna has completed a Graduate Diploma of Applied Finance and Investment with FINSIA.

Mr D'Anna has extensive experience in the financial markets of Perth and Australia as a whole, having been involved in the ASX listing of Total Staffing Solutions Ltd, Atom Energy Ltd, International Resource Holdings Ltd (formerly Balkans Gold Ltd) and Stonehenge Metals Ltd. Mr. D'Anna has also been involved in the reconstruction, recapitalisation and secondary capital raisings of various public companies and brings a wealth of knowledge in private funding vehicles, property investments, private equity and debt markets, and has specialist understanding and experience in dealing with ASX Listing Rules and compliance requirements.

Other current directorships
None.

Former directorships in last 3 years
None.

Special responsibilities
Member of the Audit Committee.

Interests in shares and options
None.

Information on directors (continued)

Richard Jarvis FCCA. *Chief Financial Officer. Age 36.*

Experience and expertise
Mr Jarvis is a Fellow member of the Institute of Chartered Certified Accountants (FCCA) and has over 10 years financial and accounting experience gained in public practice and industry. On emigrating to Australia from the UK in 2003 he worked as a Senior Accountant in the assurance and advisory division of a public practice based in Perth, providing advice on corporate administration and financial compliance related issues. In 2007 he established his own consulting business, which provides financial, accounting and company secretarial services to public companies in the resource sector.

Other current directorships
Executive Director of Carlton Resources Plc (appointed February 2009).

Former directorships in last 3 years
None.

Special responsibilities
Chief Financial Officer and Chairman of the Audit Committee.

Interests in shares and options
250,000 ordinary shares in Washington Resources Limited.

Matthew Sutcliffe. B. Eng. (Hons.), Ph.D., C. Eng., MiMM. *Non executive Director. Age 43.*

Experience and expertise
Dr Sutcliffe graduated from the University of Nottingham in 1990 with a PhD in mining engineering. Dr Sutcliffe is also a chartered engineer and worked as a mining engineer in underground nickel mines from 1990 to 1994 with Inco Ltd, within its Manitoba division. Whilst with Inco Ltd, Dr Sutcliffe ran a 2,000tpd long hole open stoping operation. Dr Sutcliffe also has additional experience in operating gold and coal mines gained whilst working with Gencor and British Coal. In total he has 18 years experience in the mining industry, including 10 years in the City of London as a mining analyst and corporate financier specialising in the resources sector.

Dr Sutcliffe was a mining analyst at T Hoare & Co, head of mining at Williams De Broe and a director of corporate finance at Evolution Beeson Gregory (now Evolution Securities). At Evolution Beeson Gregory, Dr Sutcliffe advised a large number of public resources companies, as well as arranging a number of equity listings for junior and mid-tier mining and oil and gas companies on AIM. Whilst at both Williams De Broe and Evolution Beeson Gregory, he was recognised as one of the industry pioneers for listing mining companies on AIM.

Other current directorships
Executive Chairman of Alexander Mining plc (appointed March 2005) and Non-Executive Director of Energem Ltd (appointed November 2007)

Former directorships in last 3 years
Non-executive Chairman of Kanyon plc (from 2006 to 2007), Non-executive Director of Grove Energy Ltd (from 2007 to 2007) and Non-executive Director of First Africa Oil plc (from 2006 to 2007)

Directors' report (continued)

Information on directors (continued)

Special responsibilities
None.

Interests in shares and options
None.

Former directors resigning after the year end

Melissa Sturgess *BSc, MBA.* *Chair and Non-executive Director. Age 43.*

Ms Sturgess has over 10 years of experience in listing and growing publicly listed companies on the Australian Stock Exchange and AIM Market of the London Stock Exchange. She is currently Chief Executive Officer of Dwyka Resources Limited (since 2001).

Mark Burchnall *BA, LLB.* *Managing Director. Age 33.*

Mr Burchnall graduated in 1999 from the Flinders University of South Australia before working as a lawyer with a number of prominent Australian law firms for approximately eight years. Most recently, he was employed as a Senior Associate with Clayton Utz in Perth where he worked for over four years in the corporate, energy and resources area, providing advice to a number of Australian and internationally listed clients, primarily with a natural resources focus in areas including capital raising, asset and share sales and acquisitions (with the associated due diligence enquires).

Company secretary

Michael Langoulant BCom CA. *Age 52.*

Mr Langoulant is a chartered accountant with over 20 years experience in corporate administration and fund raising for public companies. Having spent 10 years with large international accounting firms, during which time he acted as chief financial officer, company secretary and non-executive director with a number of publicly listed companies, Mr Langoulant established his own consultancy firm in 1994 and was appointed to the position of joint company secretary in December 2008.

Andrew Nealon. *Age 25.*

Mr Nealon was appointed to the position of joint company secretary in March 2007. Mr Nealon has held similar roles with other mining and exploration companies.

Meeting of directors

Meetings of directors held and their attendance during the financial year were as follows:

Name of director:	Directors' meeting held whilst in office	Directors' meetings attended	Audit Committee meetings held	Audit Committee meetings attended
Melissa Sturgess	7	7	-	-
Mark Burchnall	9	9	2	2
Richard Jarvis	4	4	1	1
Adrian Griffin	3	3	-	-
Robert Hair	2	2	1	1
Grant Button	3	3	1	1
Scott Huntly	1	-	-	-

Remuneration Report (Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and in accordance with the requirements of the *Corporations Act 2001* 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, and includes executives of the Company.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Details of Key Management Personnel

(i) Directors of Washington Resources Limited during the financial year were:

Melissa Sturgess	Chair and Non Executive Director
Mark Burchnall	Managing Director *(Director from 27 August 2007, appointed Managing Director 1 December 2008)*
Richard Jarvis	Executive Director *(appointed 1 December 2008)*
Adrian Griffin	Managing Director *(resigned 1 December 2008)*
Robert Hair	Executive Director/Joint Company Secretary *(resigned 27 October 2008 and 1 December 2008 respectively)*
Grant Button	Non Executive Director *(resigned 1 December 2008)*
Scott Huntly	Non Executive Director *(resigned 16 September 2008)*

Both Melissa Sturgess and Mark Burchnall resigned on 19 August 2009.

(ii) Other Executives of Washington Resources Limited during the financial year were:

Michael Langoulant	Joint Company Secretary *(appointed 1 December 2008)*
Andrew Nealon	Joint Company Secretary

Remuneration report (continued)

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Provide significant portions of executive remuneration “at risk” through participation in incentive plans.

Shares and options issued under the incentive plans provide an incentive to stay with the Company. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

The Company does not have a policy which precludes directors and executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Company also recognizes that, at this stage in its development, it is most economic to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the Directors on the basis of their known management, geoscientific, engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its directors and executives, whether they are employees of or consultants to the Company.

Remuneration Committee Responsibilities

During the year, the Company did not have a separately established Remuneration Committee. The Board considers that this function is efficiently achieved with full Board support. Accordingly, the Board of directors is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and the senior management team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

Remuneration report (continued)

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 cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors as agreed. The current aggregate limit of remuneration for non-executive directors is $150,000.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board may consider advice from external consultants, as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. This fee is currently set at $24,000 per annum, excluding superannuation. No additional fee is paid for participating in Board Committees.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The non-executive directors of the Company may also participate in the share and option plans as described in this report.

Executive director and senior management 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 team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

At this time, the cash component of remuneration paid to Executive directors, the Company Secretaries and other senior managers is not dependent upon the satisfaction of performance conditions.

Remuneration report (continued)

It is current policy that executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for half-yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.

Executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The Executive directors of the Company may also participate in the share and option plans as described in this report.

Performance table

The following table details the net profit / (loss) of the Company from continuing operations after income tax, together with the basic earnings / (loss) per share since the Company was admitted to the official list of the Australian Stock Exchange Limited on 17 November 2005:

	2009 $	**2008 $**	**2007 $**	**2006 $**
Net profit / (loss) from continuing operations after income tax	(1,417,192)	(1,722,682)	1,677,320	(1,041,285)
Basic earnings / (loss) per share in Dollars ($)	(2.78)	(3.38)	3.30	(2.29)
Share Price in Cents	5.4	14.0	31.5	12.5

Agreement with Managing Director

On 1 December 2008, Mr Adrian Griffin resigned from his position of Managing Director. On the same date, Mr Mark Burchnall was appointed as Managing Director of the Company, however, subsequently resigned on 19 August 2009. On resigning from their roles as Managing Director, agreements with the Company with respect to that role were simultaneously terminated and termination payments, comprising of half of their current salaries were paid. As at the date of this report, the Company is in the process of sourcing a suitable candidate to fulfill the Managing Director role.

Agreement with Company Secretary

On 1 December 2008, the Company and a company associated with Mr Mike Langoulant entered into an agreement containing the terms and conditions under which the services of Company Secretary are provided to the Company.

The agreement:

- has a term of two years;
- involves the payment to the Company associated with Mr Langoulant of an annual fee of $54,000 (increasing by reference to the consumer price index each year) and reimbursement of expenses; and
- has provision for three month's notice for termination.

Directors' report (continued)

Remuneration report (continued)

Agreement with Company Secretary

On 1 December 2008, the Company and a company associated with Mr Andrew Nealon entered into an agreement containing the terms and conditions under which the services of Company Secretary are provided to the Company.

The agreement:

- has a term of two years;
- involves the payment to the Company associated with Mr Nealon of an annual fee of $25,000 (increasing by reference to the consumer price index each year) and reimbursement of expenses; and
- has provision for three month's notice for termination.

Directors' Remuneration 2009

	Short-term		Post-employment benefits		
Directors	Directors' Fees	Salary and Consulting fees	Superannuation Contribution	Termination benefits	Total
	$	$	$	$	$
Melissa Sturgess	24,000	48,000	2,160	-	74,160
Mark Burchnall	10,000	92,324	9,209	-	111,533
Richard Jarvis	-	60,000	-	-	60,000
Adrian Griffin	-	52,885	4,760	67,048	124,693
Robert Hair	-	28,000	-	-	28,000
Grant Button	10,000	25,000	900	-	35,900
Scott Huntly	6,000	-	-	-	6,000
	50,000	306,209	17,029	67,048	440,286

No remuneration is performance related.

Executives' Remuneration 2009

	Short-term		Post-employment benefits	Share based payment	
Executive	Salary	Consulting Fees	Superannuation Contribution	Shares and options	Total
	$	$	$	$	$
Michael Langoulant	-	31,500	-	-	31,500
Andrew Nealon	-	25,000	-	-	25,000
	-	56,500	-	-	56,500

No remuneration is performance related.

Directors' report (continued)

Remuneration report (continued)

Directors' Remuneration 2008

Directors	Short-term Directors' Fees $	Short-term Salary and Consulting fees $	Post-employment benefits Superannuation Contribution $	Share based payment Shares and options $	Total $
Melissa Sturgess	20,000	-	1,800	50,773	72,573
Mark Burchnall	20,000	75,864	8,628	50,773	155,265
Adrian Griffin	-	125,000	11,250	-	136,250
Grant Button	24,000	60,000	2,520	-	86,520
Robert Hair	-	72,000	-	-	72,000
Scott Huntly	24,000	-	-	-	24,000
	88,000	332,864	24,198	101,546	546,608

No remuneration is performance related.

Executives' Remuneration 2008

Executive	Short-term Salary $	Short-term Consulting Fees $	Post-employment benefits Superannuation Contribution $	Share based payment Shares and options $	Total $
Andrew Nealon	-	25,000	-	-	25,000

No remuneration is performance related.

Directors' report (continued)

Remuneration report (continued)

Incentive shares and options: Granted and vested during the year

Shares

	Granted		Terms & Conditions for each Grant					Vested
30-Jun-09	No.	Grant Date	Fair Value per share at grant date (cents) (note 21)	Exercise Price per share (cents) (note 21)	Expiry Date	First Exercise Date	Last Exercise Date	No.
Directors								
Melissa Sturgess	500,000	17-Dec-07	8.0	26.5	17-Dec-10	17-Dec-08	17-Dec-10	166,667
Mark Burchnall	500,000	17-Dec-07	8.0	26.5	17-Dec-10	17-Dec-08	17-Dec-10	166,667
Richard Jarvis	250,000	17-Dec-07	8.0	26.5	17-Dec-10	17-Dec-08	17-Dec-10	83,333

Options

No options were granted or vested during the year ended 30 June 2009, relating to directors or executives in office as at 30 June 2009.

Shares and Options granted as part of remuneration

Shares

No shares were issued as part of remuneration during the year ended 30 June 2009.

Options

No options were granted as part of remuneration during the year ended 30 June 2009.

There were no alterations to the terms and conditions of options and shares granted as remuneration since their grant date.

There were no forfeitures of options during the period.

Number of shares held by directors

Directors	Balance 1-Jul-08	Received as Remuneration	On Exercise of Options	Net Change Other	Balance 30-Jun-09 *
Glenn Whiddon	2,600,000	-	-	-	2,600,000
Gino D'Anna	-	-	-	-	-
Richard Jarvis	250,000	-	-	-	250,000
Matthew Sutcliffe	-	-	-	-	-

* Balance of shares held as at 30 June 2009 is unchanged as at the date of signing this report.

Shares under option

At the date of this report there are 1,400,000 unlisted options over un-issued shares in the capital of the Company. 1,000,000 of those unlisted options have an expiry date of 31 May 2010 and an exercise price of $0.35, and 400,000 unlisted options have an expiry date of 30 June 2010 and an exercise price of $0.25.

Shares issued on the exercise of options

No ordinary shares were issued following the exercise of options during the year ended 30 June 2009 or up until the date of signing this report.

Insurance of officers

The Company has entered into deeds of access and indemnity with the officers of the Company, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) owed to the Company or a related body corporate of the Company;

(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the Corporations Act 2001; or

(c) owed to someone other than the Company or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);

(e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

(f) in connection with proceedings for relief under the Corporations Act 2001 in which the court denies the relief.

Directors' report (continued)

Insurance of officers (continued)

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

Non-audit services

The Company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the year are set out below.

	2009	2008
	$	$
Remuneration of the auditor of the Company for:		
-auditing or reviewing the financial report	39,200	56,650
-other services	-	-
	39,200	56,650

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 67 and forms part of this report.

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

Richard Jarvis

Richard Jarvis
Executive Director
Perth
30 September 2009

Review of operations and activities

Corporate

Board

During the year the Board implemented a number of changes designed to preserve and maximise the cash available to the Company for future strategic acquisitions. In line with this strategy the Board made several changes to its composition. The following steps were taken:

Mr Mark Burchnall was appointed to the position of Managing Director and Mr Richard Jarvis was appointed Executive Director on 1 December 2008 following Mr Adrian Griffin's and Mr Grant Button's resignation from the Board on the same date. Mr Scott Huntly and Mr Robert Hair resigned from the Board on 16 September 2008 and 27 October 2008 respectively.

Mr Michael Langoulant was appointed Joint Company Secretary on 1 December 2008 with the subsequent resignation of Mr Robert Hair from that position on the same date.

Mr Glenn Whiddon was appointed to the position of Non-executive Chairman and Mr Matthew Sutcliffe was appointed Non-executive Director on 19 August 2009 following Ms Melissa Sturgess' and Mr Mark Burchnall's resignation from the Board on the same date.

Mr Gino D'Anna was appointed to the position of Executive Director on 28 August 2009.

Northern Uranium Limited

The Company currently holds 10,000,001 shares in Northern Uranium Limited ("Northern Uranium"), which successfully carried out an initial public offering during 2006 and was admitted to trading on the Australian Stock Exchange on 13 November 2006.

In addition, the Company currently holds 1,000,000 options to acquire shares in Northern Uranium.

Reedy Lagoon Limited

During 2007, the Company entered into an agreement with Reedy Lagoon Corporation Limited ("Reedy Lagoon"), whereby the Company's interest in the Bulla iron ore joint venture was sold in return for the issue to the Company of 4,000,000 fully paid ordinary shares in Reedy Lagoon at the time of the initial public offering. That offering was successfully completed on 22 June 2007 and, at the date of this report; the Company holds 4,000,000 shares in Reedy Lagoon.

Carlton Resources Plc (formerly KimCor Diamonds Plc)

On 17 December 2008, the Company entered into a loan arrangement with Carlton Resources Plc ("Carlton") pursuant to which it lent US$100,000 to Carlton, with an option to take repayment of the loan within a 6-month period or to elect to convert the outstanding amount to equity in Carlton such that the Company would receive 1.5 times the number of shares that equated to the outstanding loan amount (including interest), plus a free attaching warrant for each Carlton share issued to the Company, each convertible into an additional Carlton share at 0.1 pence per share.

Review of operations and activities (continued)

Corporate (continued)

Carlton Resources Plc (formerly KimCor Diamonds Plc)

On 22 June 2009, the Company elected to convert the outstanding loan amount plus interest (being a total of US$102,575.34) into equity in Carlton and was subsequently issued with 13,690,835 new ordinary shares of nominal value 0.1 pence each in the capital of Carlton. In addition the Company was issued with 13,690,835 corresponding warrants, each convertible into one ordinary share in Carlton at a conversion price of 0.1 pence.

Operational

Introduction

During the year the Board decided to adopt and implement a general strategy of preserving capital during the current economic downturn, both in the interests of protecting shareholder value and in order to maximise cash available to the Company for potential future strategic acquisitions.

In line with this strategy, the Board reviewed the Company's portfolio of tenements and its exploration expenditure commitments over the following 12 months and resolved both to surrender certain non-core tenements and to reduce the Company's exploration activities for the time being to a level consistent with applicable minimum statutory and contractual requirements, including in relation to its joint ventures with Northern Uranium and Reedy Lagoon Corporation Limited. At the same time, it was resolved that the Company would continue to search for suitable acquisition opportunities that would add substantial value for Washington shareholders, particularly if and when economic conditions stabilise and improve.

In the past several months, the Company has considered and assessed a number of potential projects and corporate-level acquisitions with a view to locating a suitable opportunity for the Company to add to its existing portfolio. A number of those opportunities have been focussed on Africa, where the Company’s directors and key personnel have extensive experience and where the directors believe significant potential exists to acquire an exploration or near-stage production project at relatively low cost that can be quickly developed by the Company.

Gold and Copper Mineralization at Kurundi

Under the terms of an agreement with Northern Uranium, Washington retains the rights to non-uranium, and non-phosphate exploration. Washington has the right to all exploration data produced by Northern Uranium during its exploration, and it is that data that has generated some interesting targets and identified the potential for gold and base metal mineralization.

Northern Uranium’s previous investigations have revealed brecciation, widespread quartz and hematite veining and in some cases exhibit anomalous bisimuth and gold (up to 4.5g/t). Copper carbonate was also observed as thin coatings on joint planes in some locations. The association of hydrothermal hematite, anomalous gold and copper within the Warramunga Group is characteristic of the Tennant Creek mineral field, approximately 130km to the north. Within that field, iron-oxide, copper, gold (“IOCG”) deposits have been exploited since the 1930s.

Review of operations and activities (continued)

Operational (continued)

Gold and Copper Mineralization at Kurundi (continued)

The district rates as one of Australia's largest gold producers and hosts over 600 IOCG occurrences of which over 25% have gold, copper or bismuth of ore grade. The occurrences and the targets generated are significant as further exploration may result in a discovery for the sole benefit of Washington.

Kurundi Phosphate Project

Part of the Kurundi exploration licence contains the sedimentary sequence of the Georgina Basin, which is known to host several major phosphate deposits, including Duchess-Phosphate Hill in Queensland, and Wonarah, Alexandria, Alroy and Highland Plains in the NT.

Under the terms of a heads of agreement between Washington and Northern Uranium, Northern Uranium will undertake and initially sole fund phosphate exploration. Northern Uranium is allowed a maximum two years to earn a 60% interest in phosphate mineral rights by sole funding a $250,000 exploration programme. Should Northern Uranium earn that interest, Washington may either contribute to maintain its 40% residual interest or dilute to a 20% interest, allowing Northern Uranium to earn a further 20% through the completion of a pre-feasibility study or the expenditure of another $1,000,000, whichever is the greater. If Northern Uranium reaches an 80% interest in phosphate rights on the Kurundi tenements then Washington may once again elect to contribute to maintain its 20% interest or elect to be diluted pro rata until Northern Uranium's interest reaches 90%, at which time Washington may elect to exchange its interest for a 2% royalty.

The arrangement not only provides Washington with exposure to fully funded phosphate exploration, it also provides exposure to a larger area in the vicinity of Kurundi which has been applied for by Northern Uranium.

During the September 2008 quarter areas of outcrop in the eastern half of Kurundi exploration licence EL23937 were mapped and sampled by Northern Uranium. Results confirmed the phosphatic nature of the strata, with up to 1% P2O5 in surface grab samples.

Geological interpretation of the basin stratigraphy, using historical exploration and water-bore drilling data, suggests that sedimentary beds further north within EL23937, and stratigraphically above the sediments that crop out, are likely to be the most favourable as potential hosts for commercial phosphate deposits. They are interpreted to be the equivalent of the Wonarah beds that host the Wonarah and Arruwurra phosphate deposits, and are expected to occur within an embayment in the north-eastern corner of the Kurundi tenements. In November 2008, Northern Uranium announced that it had obtained positive results from the phosphate project and proposed to test the embayment with wide-spaced shallow drilling in 2009.

Review of operations and activities (continued)

Operational (continued)

Northern Uranium Activities

Northern Uranium's flagship Gardiner-Tanami Super Project, comprising some 11,700km2 of granted tenements and tenement applications, is in the Granites-Tanami region, straddling the WA NT border. The French global nuclear group Areva NC manages the project through its wholly owned subsidiary Afmex, the project operator. The exploration target is Athabasca style, unconformity-related uranium deposits.

Within the Gardiner-Tanami Super Project, most of the tenure is on the NT side of the border. On that ground uranium rights are governed by the "Uranium Tenements and Uranium Rights Assignment Deed" between the Company, Northern Uranium, Polaris Metals NL, and Eclipse Minerals P/L. Under the terms of this deed, Northern Uranium maintains a priority right to mineral deposits where the potential commercial value of uranium constitutes more than 40%. Washington retains the residual rights to other minerals.

Joint Venture with Western Desert Resources Limited

The Company entered into a Joint Venture Agreement with Western Desert Resources Limited ("Western Desert") to explore for commodities other than tin, tungsten and molybdenum on Washington's Exploration Licence Application EL 25434, located in the Musgrave Ranges area of the Northern Territory.

Under the terms of the agreement, Red Desert Minerals Pty Ltd (a wholly owned subsidiary of Western Desert) can earn up to an 80% interest in the prospect by funding exploration expenditure totalling $1,050,000 within five years of date of grant of the tenement.

Washington Resources Limited
ACN 097 532 137

Directors' declaration

In the opinion of the directors of Washington Resources Limited :

(a) the financial statements and notes set out on pages 24 to 64 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

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

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ending 30 June 2009.

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

Richard Jarvis
Executive Director
Perth
30 September 2009

Washington Resources Limited
ACN 097 532 137

Income statement
For the year ended 30 June 2009

	Note	2009 $	2008 $
Continuing Operations			
Revenue	3(a)	116,541	276,123
Other income	3(b)	266,866	1,870,337
Revenue and other income		383,407	2,146,460
Administration expenses	3(c)	(907,399)	(1,393,299)
Occupancy expenses	3(d)	(69,766)	(76,955)
Exploration expenditure written off	14	(862,177)	(625,749)
Share of loss of an associate	13	-	(751,510)
Impairment of available for sale investments		(539,223)	(717,434)
Loss from continuing operations before income tax		(1,995,158)	(1,418,487)
Income tax benefit / (expense)	5	577,966	(304,195)
Net loss from continuing operations after income tax		(1,417,192)	(1,722,682)

Loss per share from continuing operations attributable to the ordinary equity holders of the Company:	8	**Cents**	**Cents**
Basic loss per share		(2.78)	(3.38)
Diluted loss per share		(2.78)	(3.38)

The above income statement should be read in conjunction with the accompanying notes.

Washington Resources Limited
ACN 097 532 137

Balance sheet
As at 30 June 2009

	Note	2009 $	2008 $
Assets			
Current assets			
Cash and cash equivalents	9	1,956,341	2,945,288
Receivables	10	128,984	123,806
Total current assets		**2,085,325**	**3,069,094**
Non-current assets			
Plant and equipment	12	2,113	20,993
Investment in an associated company	13	-	453,589
Held for trading investments		192,724	-
Available-for-sale investments	11	2,045,352	735,425
Deferred exploration and evaluation costs	14	1,688,336	2,540,476
Total non-current assets		**3,928,525**	**3,750,483**
Total assets		**6,013,850**	**6,819,577**
Liabilities			
Current liabilities			
Trade and other payables	15	54,644	79,844
Provisions	16	8,036	11,572
Total current liabilities		**62,680**	**91,416**
Non-current liabilities			
Deferred tax liability	5	-	212,515
Total non-current liabilities		**-**	**212,515**
Total liabilities		**62,680**	**303,931**
Net assets		**5,951,170**	**6,515,646**
Equity			
Contributed equity	17	7,754,098	7,754,098
Accumulated losses	19	(3,575,457)	(2,158,265)
Reserves	20	1,772,529	919,813
Total equity		**5,951,170**	**6,515,646**

The above balance sheet should be read in conjunction with the accompanying notes.

Washington Resources Limited
ACN 097 532 137

Cash flow statement
For the year ended 30 June 2009

	Note	2009 $	2008 $
Cash flows from operating activities			
Payments to suppliers and employees		(939,015)	(1,343,950)
Payment of income tax		-	(297,914)
Net cash flows used in operating activities	25	(939,015)	(1,641,864)
Cash flows from investing activities			
Purchase of plant and equipment		-	(12,683)
Exploration expenditure, net of refunds		(17,139)	(1,015,370)
Interest received		113,278	276,123
Proceeds from disposal of available for sale investments		-	1,800,000
Purchase of investments		(146,071)	(343,643)
Net cash flows (used in) / provided by investing activities		(49,932)	704,427
Cash flows from financing activities			
Proceeds from issue of shares		-	59,010
Costs associated with issue of shares		-	(1,200)
Net cash flows provided by financing activities		-	57,810
Net decrease in cash and cash equivalents held		(988,947)	(879,627)
Cash and cash equivalents at the beginning of the period		2,945,288	3,824,915
Cash and cash equivalents at the end of the period	9	**1,956,341**	**2,945,288**

The above cash flow statement should be read in conjunction with the accompanying notes.

Washington Resources Limited
ACN 097 532 137

Statement of changes in equity
For the year ended 30 June 2009

	Issued capital $	Accumulated losses $	Option reserve $	Employee benefits reserve $	Net unrealized gain reserve $	Total equity $
Balance as at 1 July 2007	7,693,567	(435,583)	358,746	303,870	391,096	8,311,696
Unrealised loss transferred to income statement	-	-	-	-	(82,924)	(82,924)
Net loss on available for sale investments	-	-	-	-	(231,398)	(231,398)
Total expense for the period recognised directly in equity	-	-	-	-	(314,322)	(314,322)
Loss for the period	-	(1,722,682)	-	-	-	(1,722,682)
Total expense for the period	-	(1,722,682)	-	-	(314,322)	(2,037,004)
Employee benefits reserve	-	-	-	182,783	-	182,783
Issue of share capital	59,011	-	-	-	-	59,011
Cost of share issue	(840)	-	-	-	-	(840)
Transfer from option reserve on exercise of options	2,360	-	(2,360)	-	-	-
At 30 June 2008	7,754,098	(2,158,265)	356,386	486,653	76,774	6,515,646
Gains on available for sale investments	-	-	-	-	852,716	852,716
Total income (expense) for the period recognized directly in equity	-	-	-	-	852,716	852,716
Loss for the period	-	(1,417,192)	-	-	-	(1,417,192)
Total income (expense) for the period	-	(1,417,192)	-	-	852,716	(564,476)
At 30 June 2009	7,754,098	(3,575,457)	356,386	486,653	929,490	5,951,170

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Note 1: Corporate information

The financial report of Washington Resources Limited ("Washington" or the "Company") for the year ended 30 June 2009 was authorized for issue in accordance with a resolution of the directors on 30 September 2009.

The Company is limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

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

Note 2: Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and on the basis of historical costs except for available-for-sale and held-for-trading investments which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations

The following Australian Accounting Standards that have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ending 30 June 2009:

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so it will have no direct impact on the amounts included in the Company's financial statements. The amendments, if any, may have an impact on the Company's segment disclosures.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Company has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Company's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Company has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Company has share-based payment arrangements that may be affected by these amendments. However, the Company has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Company may enter into some business combinations during the next financial year and will determine the accounting policy it wishes to adopt when the business combinations occur.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	If the Company changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Company's income statement.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	The Company has not yet determined the extent of the impact of these amendments, if any.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	Refer to AASB 2008-5 above.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Company enters into any Company reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	These amendments are only expected to affect the presentation of the Company's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the Company, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	The Company has not yet determined the extent of the impact of these amendments, if any.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1 January 2010	The Company has not yet determined the extent of the impact of these amendments, if any.	1 July 2010
AASB 2009-7	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	These editorial amendments are expected to have no major impact on the Company's financial report.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for Company cash-settled share-based payment transactions, in particular: ► the scope of AASB 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the Company settles the transaction, and no matter whether the transaction is settled in shares or cash. A "Company" has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2—Company and Treasury Share Transactions. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	The Company may receive goods or services in a share-based payment arrangement in the future, and as such will ensure that the goods or services are accounted for in accordance with these amendments.	1 July 2010

(d) 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 capitalized 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 which 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 capitalized exploration and evaluation expenditure is reclassified as capitalized mine development. Prior to reclassification, capitalized exploration and evaluation expenditure is assessed for impairment.

Note 2: Summary of significant accounting policies (continued)

(d) Exploration and evaluation expenditure (continued)

Impairment
The carrying value of capitalized 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.

The recoverable amount of capitalized exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognized in the income statement.

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

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

(e) Plant & equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Note 2: Summary of significant accounting policies (continued)

(e) Plant & equipment (continued)

Derecognition

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognized.

(f) Income tax

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Income taxes relating to items recognized directly in equity are recognized in equity and not in the income statement.

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

Note 2: Summary of significant accounting policies (continued)

(g) GST

Revenues, expenses and assets are recognized net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Provisions and employee benefits

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting form the passage of time is recognized in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognized in provisions 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. Liabilities for non-accumulating sick leave are recognized when the leave is taken and measured at the rates paid or payable.

Note 2: Summary of significant accounting policies (continued)

(h) Provisions and employee benefits (continued)

ii. Long service leave

The liability for long service leave is recognized and measured as the present value of expected future 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 the 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 currency that match, as closely as possible, the estimated future cash outflows.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Receivables

Receivables, which generally have 30-90 day terms, are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less an allowance for any uncollectible amounts.

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

(k) Revenue recognition

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

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

(l) 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.

(m) Trade and other payables

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

Note 2: Summary of significant accounting policies (continued)

(n) Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:

- costs of servicing equity (other than dividends),
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
  divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(o) Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognized amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortized cost, gains and losses are recognized in profit and loss when the investment are derecognized or impaired, as well as through the amortisation process.

Note 2: Summary of significant accounting policies (continued)

(o) Investments and other financial assets (continued)

(iii)Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit and loss when the loans and receivables are derecognized or impaired, as well as through the amortisation process.

(iv)Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three proceeding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognized in profit and loss.

The fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(p) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit and loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognized in profit. Reversals of impairment losses for debt instruments are reversed through profit and loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

(q) Interest in joint ventures

The Company has an interest in a joint venture that is a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves the use of assets and other resources of the venturers rather than establishment of a separate entity. The Company recognizes its interest in the jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. The Company also recognizes the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the jointly controlled operation.

Note 2: Summary of significant accounting policies (continued)

(r) Investment in associates

The Company's investment in its associates is accounted for using the equity method of accounting in the financial statements. The associates are entities over which the Company has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in the associates are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. Goodwill if any relating to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Company determines whether it is necessary to recognize any impairment loss with respect to the Company's net investment in associates

The Company's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

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

The reporting dates of the associates and the Company are identical and the associates accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

(s) Share-based payment transactions

The Company provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

- the Employee Share Option Plan, which provides benefits to directors, employees and consultants; and
- the Employee Share Loan Plan, which provides benefits to directors, employees and consultants.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial model, further details of which are given in note 21.

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

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

Note 2: Summary of significant accounting policies (continued)

(s) Share-based payment transactions (continued)

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

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see note 8).

(t) Significant accounting estimates and assumptions

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

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 external valuer using a binomial model, with the assumptions detailed in note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

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

Factors which 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 capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

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

Note 3: Revenue and expenses

Revenue and Expenses from Continuing Operations

	Note	2009 $	2008 $
(a) Revenue			
Finance revenue:			
Interest received		116,541	276,123
(b) Other income			
Profit on sale of available-for-sale investments		-	1,760,000
Profit on deemed disposal of interest in associated		-	110,337
Sundry income		2,233	-
Gain on settlement of debt		264,633	-
		266,866	1,870,337
(c) Administration expenses			
Administration		676,210	792,628
Share based payments		-	182,783
Depreciation		5,440	4,832
Wages and salaries		200,684	380,016
Superannuation		17,029	33,006
Annual leave provision		8,036	34
		907,399	1,393,299
(d) Occupancy expenses			
Occupancy		69,766	76,955
		69,766	76,955

Note 4: Segment information

The Company operates primarily in the mineral exploration industry in Australia.

Note 5: Income tax

	2009 $	2008 $
The major components of income tax expense are:		
Current income tax benefit	-	-
Adjustments in respect of current tax of previous years	18,765	28,532
Relating to origination and reversal of temporary differences	(596,731)	275,663
	(577,966)	304,195
Statement of changes in equity		
Deferred income tax relating to items charged or credited directly to equity		
Mark to market on non-current investments	(365,450)	(134,710)
Capital raising costs charged to equity	-	(360)
	(365,450)	(135,070)
A reconciliation between tax expense and the production of accounting (loss)/profit before tax multiplied by the Company's applicable tax rate is as follows		
Accounting loss before income tax	(1,995,158)	(1,418,487)
At the Company's statutory tax rate (30%)	(598,547)	(425,546)
Non-deductible expenses	6,807	-
Employee share expenses	-	54,835
Foreign exploration expenditure written off	-	124,119
Other	-	(10,037)
Under provision in prior years	18,766	28,532
Tax losses / temporary differences not recognised	-	532,292
Previous periods tax losses now recognized	(4,992)	-
Income tax (benefit) / expense	(577,966)	304,195

Note 5: Income tax (continued)

	Balance Sheet		Income Statement		Equity	
	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$
Deferred tax liability						
Sundry debtors	(16,736)	-	16,736	-	-	-
Exploration	(506,994)	(762,142)	(255,148)	118,141	-	-
	(523,730)	(762,142)				
Deferred tax assets						
Accrued expenses	4,500	7,500	3,000	(7,500)	-	-
Fixed assets	(46)	2,530	2,576	120	-	-
Deferred business related costs	30,838	62,418	31,580	18,491	-	-
Provisions	2,411	3,472	1,061	(11)	-	360
Revenue taxed in advance	-	-	-	528,000	-	-
Revenue tax losses	796,549	506,148	(290,401)	(506,148)	-	-
Equity accounted investments	-	316,923	316,923	(192,352)	-	-
Assets available for sale	216,779	182,928	(399,301)	(215,370)	365,450	134,710
	1,051,031	1,081,919				
Less: Deferred tax asset not recognized	(527,301)	(532,292)	(4,992)	532,292	-	-
	523,730	549,627	-	-	-	-
Net deferred tax liability	-	212,515	-	-	-	-
			(577,966)	275,663	365,450	135,070

Note 6: Directors' and executives' remuneration

(a) Compensation of Key Management Personnel

	2009	2008
	$	$
Short-term employee benefits	412,709	420,864
Post-employment benefits	17,029	24,198
Other long-term benefits	-	-
Termination benefits	67,048	-
Share-based payment	-	101,546
	496,786	546,608

Note 6: Directors' and executives' remuneration (continued)

(b) Shareholdings

Number of shares held by directors

Directors	Balance 1-Jul-08	Received as Remuneration	On Exercise of Options	Net Change Other	Balance 30-Jun-09
Melissa Sturgess	12,600	-	-	-	12,600
Mark Burchnall	-	-	-	-	-
Richard Jarvis	-	-	-	-	-
Adrian Griffin	-	-	-	-	-
Robert Hair	30,000	-	-	-	30,000
Grant Button	-	-	-	-	-
Scott Huntly	-	-	-	-	-

Directors	Balance 1-Jul-07	Received as Remuneration	On Exercise of Options	Net Change Other	Balance 30-Jun-08
Adrian Griffin	625,000	-	-	(625,000)	-
Grant Button	-	-	-	-	-
Scott Huntly (i)	-	-	-	-	-
Robert Hair	30,000	-	-	-	30,000
Melissa Sturgess	12,600	-	-	-	12,600
Mark Burchnall	-	-	-	-	-

(i) Scott Huntly resigned on 16 September 2008.

Number of options held by directors

Directors	Balance 1-Jul-08	Received as Remuneration	Options Exercised	Options Expired	Balance 30-Jun-09
Melissa Sturgess	-	-	-	-	-
Mark Burchnall	-	-	-	-	-
Richard Jarvis	-	-	-	-	-
Adrian Griffin	-	-	-	-	-
Robert Hair	-	-	-	-	-
Grant Button	-	-	-	-	-
Scott Huntly	400,000	-	-	-	400,000

Directors	Balance 1-Jul-07	Received as Remuneration	Options Exercised	Options Expired	Balance 30-Jun-08
Adrian Griffin	865,793	-	-	(865,793)	-
Grant Button	365,793	-	-	(365,793)	-
Scott Huntly (i)	765,793	-	-	(365,793)	400,000
Robert Hair	365,792	-	-	(365,792)	-
Melissa Sturgess	16,000	-	-	(16,000)	-
Mark Burchnall	-	-	-	-	-

Note 6: Directors' and executives' remuneration (continued)

Number of employee shares (with non-recourse loans) held by directors

Directors	Balance 1-Jul-08	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-09
Melissa Sturgess	500,000	-	-	-	500,000
Mark Burchnall	500,000	-	-	-	500,000
Richard Jarvis	250,000	-	-	-	250,000
Adrian Griffin	750,000	-	-	-	750,000
Robert Hair	500,000	-	-	-	500,000
Grant Button	400,000	-	-	-	400,000
Scott Huntly	-	-	-	-	-

Directors	Balance 1-Jul-07	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-08
Adrian Griffin	750,000	-	-	-	750,000
Grant Button	400,000	-	-	-	400,000
Scott Huntly (i)	-	-	-	-	-
Robert Hair	500,000	-	-	-	500,000
Melissa Sturgess	-	500,000	-	-	500,000
Mark Burchnall	-	500,000	-	-	500,000

(i) Scott Huntly resigned on 16 September 2008.

Number of shares held by executive

Executive	Balance 1-Jul-08	Received as Remuneration	On Exercise of Options	Net Change Other	Balance 30-Jun-09
Michael Langoulant	50,000	-	-	-	50,000
Andrew Nealon	80,000	-	-	195,975	275,975

Executive	Balance 1-Jul-07	Received as Remuneration	On Exercise of Options	Net Change Other	Balance 30-Jun-08
Andrew Nealon	-	-	-	80,000	80,000

Number of Employee shares (with non-recourse loans) held by Executive

Executive	Balance 1-Jul-08	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-09
Michael Langoulant	-	-	-	-	-
Andrew Nealon	40,000	-	-	-	40,000

Executive	Balance 1-Jul-07	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-08
Andrew Nealon	40,000	-	-	-	40,000

Note 7: Auditor's remuneration

	2009 $	2008 $
Remuneration of the auditor of the Company for:		
-auditing or reviewing the financial report		
Ernst & Young	39,200	56,650

Note 8: Earnings per share

	2009 $	2008 $
Basic loss per share (cents per share)	(2.78)	(3.38)
Diluted loss per share (cents per share)	(2.78)	(3.38)
Net loss	(1,417,192)	(1,722,682)
Loss used in calculating basic and diluted loss per share	(1,417,192)	(1,722,682)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted (loss)/earnings per share	51,051,366	51,010,696

During the year there were no listed options that were exercised or expired, leaving 1,400,000 unlisted options outstanding as at 30 June 2009 (note 18).

During the year ended 30 June 2008, 236,040 listed options were exercised and 35,638,620 listed options expired, leaving nil options outstanding at 30 June 2008 (note 18). There were also 1,400,000 unlisted options outstanding at 30 June 2008 (note 18).

These options are not considered dilutive for the purpose of the calculation of diluted earnings/loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted earnings/loss per share is the same as basic earnings per share.

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

Note 9: Cash and cash equivalents

	2009 $	2008 $
Cash at bank	1,956,341	2,945,288
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank	1,956,341	2,945,288

Note 10: Receivables

	2009	2008
	$	$
Current		
Sundry debtors	43,828	1,704
Non-trade debtors (i)	85,156	122,102
	128,984	123,806

(i) Non-trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of these receivables represent fair value and are not considered to be impaired.

Note 11: Available-for-sale investments

Non-current	2009	2008
	$	$
At fair value		
Shares in listed companies	2,045,352	735,425

Listed Shares

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market. During the year an impairment loss of $539,223 (2008: $717,434) was recognized due to a significant decline in the value of the shares.

Note 12: Plant and equipment

	Furniture, fittings and equipment $
At 1 July 2007	
Cost	14,660
Accumulated depreciation	(1,518)
Net carrying value	13,142
Year ended 30 June 2008	
Opening carrying value	13,142
Additions	12,683
Depreciation charge	(4,832)
Closing net carrying amount	20,993
At 1 July 2008	
Cost	27,343
Accumulated depreciation	(6,350)
Net carrying value	20,993
Year ended 30 June 2009	
Opening net carrying value	20,993
Additions	-
Disposals	(13,440)
Depreciation charge for the year	(5,440)
At 30 June 2009, carrying amount net of accumulated depreciation and impairment	2,113
At 30 June 2009	
Cost	3,937
Accumulated depreciation	(1,824)
Net carrying value	2,113

Note 13: Investment in an associate company

During the year ended 30 June 2008 the Company transferred all of its uranium interests in the Northern Territory to Northern Uranium Limited ("Northern Uranium") and was issued 10,000,001 shares by that company. The Company also held 1,000,000 options in Northern Uranium.

During the year ended 30 June 2009, the Company's accounting treatment of the investment changed and it now treats the investment as an Available-for-Sale Investment.

Movement in carrying amounts	2009 $	2008 $
Opening carrying value	453,589	1,134,762
Acquisition of investment	-	-
Options in associate	-	-
Disposal of options	-	(40,000)
Share of losses in the period	-	(751,510)
Profit on deemed disposal of interest in associated company		110,337
Transfer to Available-for-Sale Investment	(443,589)	-
Transfer to Held-for-Trading Investment	(10,000)	-
	-	453,589

(i) Summarized financial information

The following table illustrates summarized financial information for the year ended 30 June 2008 relating to the Company's associate. The information for the year ended 30 June 2009 was not disclosed as Northern Uranium is now classified as an Available-for-Sale Investment:

	2008 $
Extract from the associates' balance sheet:	
Current assets	4,069,619
Non-current assets	128,310
	4,197,929
Current liabilities	(144,613)
	(144,613)
Net assets	4,053,316
Share of associates' net assets	800,935
Extract from associates' income statement:	
Revenue	418,093
Net Loss	(3,803,186)
Share of the associates' loss accounted for using the equity method	
Net Loss	(751,510)

(ii) The Company has no commitments or contingent liabilities relating to its investment in an associate.

(iii) The Company holds 1,000,000 options in Northern Uranium.

Note 14: Deferred exploration and evaluation costs

	2009 $	2008 $
Exploration, evaluation and development cost carried forward:		
- at cost	1,688,336	2,540,476
Movements in exploration, evaluation and development cost		
Beginning of the financial year	2,540,476	2,150,854
Exploration incurred during the year (net of refunds)	10,037	1,015,370
Exploration expenditure written off (i)	(862,177)	(625,748)
End of the financial year	1,688,336	2,540,476

(i) The deferred exploration and evaluation costs written off, noted above, were written off after an assessment of whether activities would continue on the tenements, in accordance with the Company policy described in note 2(d).

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependant upon the successful development and commercial exploitation or sale of the respective mining areas.

Note 15: Trade and other payables

	2009 $	2008 $
Current		
Unsecured liabilities		
Trade payables (i)	54,644	79,844

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Note 16: Provisions

	2009 $	2008 $
Employee benefits	8,036	11,572

Note 17: Contributed equity

	2009 $	2008 $
Ordinary shares fully paid	7,754,098	7,754,098

Effective 1 July 1998, the corporations legislation abolished the concepts of authorized capital and par value shares. Accordingly, the Company does not have authorized capital or par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Capital management
When managing capital (which is defined as the Company's total equity), management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As the equity market is constantly changing management may issue new shares to provide for future exploration and development activity.

The Company is not subject to any externally imposed capital requirements.

	2009 $	2009 Number	2008 $	2008 Number
Movements in ordinary shares on issue				
Beginning of the financial year	7,754,098	51,051,366	7,693,567	50,815,326
- shares issued upon the exercise of options	-	-	61,371	236,040
- shares issued to institutional investors	-	-	-	-
- costs relating to institutional issue	-	-	(840)	-
End of the financial year	7,754,098	51,051,366	7,754,098	51,051,366
Issued shares	8,748,598	54,921,366	8,748,598	54,921,366
Less: Reserve shares (a)	(994,500)	(3,870,000)	(994,500)	(3,870,000)
	7,754,098	51,051,366	7,754,098	51,051,366

(a) Reserve shares are in relation to shares held under the employee share plan (see note 21).

Note 18: Options

	2009 No of Options	2008 No of Options
Options		
At year end the following options were on issue:		
-28 February 2008 Options exercisable at 25 cents per share	-	-
-31 May 2010 Options exercisable at 35 cents per share	1,000,000	1,000,000
-30 June 2010 Options exercisable at 25 cents per share	400,000	400,000
Movements in 28 February 2008 Options		
Beginning of the financial year	-	35,874,660
Options issued during the year	-	-
Exercised during the year	-	(236,040)
Options expired during the year	-	(35,638,620)
End of the financial year	-	-
Movements in 31 May 2010 Options		
Beginning of the financial year	1,000,000	1,000,000
Options issued during the year	-	-
Exercised during the year	-	-
End of the financial year	1,000,000	1,000,000
Movements in 30 June 2010 Options		
Beginning of the financial year	400,000	400,000
Options issued during the year	-	-
Exercised during the year	-	-
End of the financial year	400,000	400,000

Note 19: Accumulated losses

	2009 $	2008 $
Accumulated losses at the beginning of the financial year	(2,158,265)	(435,583)
Net loss for the reporting period	(1,417,192)	(1,722,682)
Accumulated losses at the end of the financial year	(3,575,457)	(2,158,265)

Note 20: Reserves

	2009	2008
	$	$
Net unrealized gain reserve on available for sale investments	929,490	76,774
Employee benefits reserve	486,653	486,653
Option reserve	356,386	356,386
	1,772,529	919,813
Movements in net unrealized gain reserve		
Beginning of the financial year	76,774	391,096
Reversal of unrealized gain on available-for-sale investments	(109,677)	-
Reversal of tax effect of net gain on available-for-sale investments	32,903	-
Unrealized gain / (loss) on investments	1,327,843	(449,032)
Tax effect of net (gain) / loss on investments	(398,353)	134,710
End of the financial year	929,490	76,774
Movements in Option Reserve		
Beginning of the financial year	356,386	358,746
Options exercised during the year and transferred to issued capital	-	(2,360)
End of the financial year	356,386	356,386
Movements in Employee Benefits Reserve		
Beginning of the financial year	486,653	303,870
Issue of Nil (2008:1,000,000) shares to directors	-	101,546
Issue of Nil (2008: 800,000) shares to employees and consultants	-	81,237
End of the financial year	486,653	486,653

Nature and purpose of reserves

Net unrealized gains reserve
The reserve records fair value changes on available-for-sale investments.

Options reserve
This reserve is used to record the value of options issued, other than share-based payments to directors, employees and consultants.

Employee benefits reserve
This reserve records the value of share-based payments to employees and directors of the Company.

Note 21: Share-based payment plans

(a) Recognized share-based payment expenses

The expense recognized for employee services received during the year is shown in the table below:

	2009 $	2008 $
Expense arising from equity-settled share-based payment transactions	-	182,783

(b) Types of share-based payment plans

Employee Share Option Plan

Share options may be granted to the directors, full time or part-time employees of, and consultants to, the Company. The granting of options is at the discretion of the directors. The options will be issued free of charge and the exercise price is at the discretion of the directors but may not be less then the weighted average price at which the Shares were traded on ASX during the 5 trading day period immediately before the date of granting of the options.

General Employee Share Plan

Shares in the Company may be issued to directors, full time or part-time employees of, and consultants to, the Company. The issuing of shares is at the discretion of the directors. The issue price is at the discretion of the directors but may not be less then the weighted average price at which the Shares were traded on ASX during the 5 trading day period immediately before the date of issue of the shares. Non-recourse loans will be extended to the participants in the share plan. The shares issued under the Share Plan may not be transferred or otherwise dealt with, and will not be quoted on ASX, until any loan in respect of the shares has been repaid and a period of 12 months (in relation to one third of the shares offered), 24 months (in relation to another one third of the shares offered) and 36 months (in relation to the other one third of the shares offered) has passed from the date of issue.

(c) Summary of options granted under Employee Share Option Plan

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of and movements in share options during the year:

	2009 No.	2009 WAEP $	2008 No.	2008 WAEP $
Outstanding at the beginning of the year	400,000	0.25	400,000	0.25
Granted during the year	-	-	-	-
Outstanding at the end of the year	400,000	0.25	400,000	0.25

Note 21: Share-based payment plans (continued)

(d) Summary of shares issued under General Employee Share Plan

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of and movements in shares (in substance options) during the year:

	2009 No.	2009 WAEP $	2008 No.	2008 WAEP $
Outstanding at the beginning of the year	3,870,000	0.257	2,070,000	0.250
Granted during the year	-	-	1,800,000	0.265
Outstanding at the end of the year	3,870,000	0.257	3,870,000	0.257

(e) Weighted average remaining contractual life

The weighted average remaining contractual life for the share and share options as at 30 June 2009 is 0.9 years (30 June 2008: 1.90 years).

(f) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.25 to $0.35.

(g) Weighted average fair value

The weighted average fair value of options granted during the year was nil (2008: $0.08).

(h) Option and Share pricing model: Equity-settled transactions

No shares (in substance options) were issued in the year ended 30 June 2009. The value of the shares (in substance options) issued during the year ended 30 June 2008 was determined by a Binomial option valuation methodology which resulted in an amount of $182,783 being transferred to the employee benefits reserve and an amount of $182,783 being expensed as employee benefits. The material assumptions in determining the fair value of the in substance options granted during the 2008 year are outlined in the following table:

Grant date	17 December 2007
Dividend yield (%)	-
Expected volatility %	92%
Risk free interest rate %	6.38%
Expected life of option (years)	3
Exercise Price ($)	0.265
Share price at grant date ($)	0.28

The expected life of the in substance options are based on historical data and are not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical sector volatility is indicative of further trends, which may also not necessarily be the actual outcome. No other features of in substance options granted were incorporated into the measurement of fair value.

Note 22: Commitments

(i) The Company has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follows:

	2009 $	2008 $
Within 1 year	537,000	897,000
1 to 2 years	564,000	941,000
Total	1,101,000	1,838,000

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department Emits reports as at 30 June 2009. These figures are adjusted at the anniversary date of each tenement and therefore the total can change on a monthly basis.

(ii) The Company has entered into a commercial property sub-lease. The head-lease and sub-lease were surrendered on 1 September 2008.

	2009 $	2008 $
Within 1 year	-	3,820
1 to 2 years	-	-
Total	-	3,820

Note 23: Contingent liabilities

There are no contingent liabilities as at 30 June 2009.

Note 24: Related party transactions

	2009 $	2008 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
During the year the following transactions were undertaken between the Company, executive officers and director-related entities		
Consulting fees were paid to Vail Capital Pty Ltd, a company of which Melissa Sturgess is a director and shareholder	48,000	-
Consulting fees were paid to Nion Business Consulting Pty Ltd, a company of which Richard Jarvis is a director and shareholder	60,000	-
Consulting secretarial fees were paid to Camcove Pty Ltd, a company of which Robert Hair is a director and shareholder	28,000	72,000
Consulting fees were paid to Wilberforce Pty Ltd, a company of which Grant Button is a director and shareholder	25,000	60,000
Consulting secretarial fees were paid to Lanza Holdings Pty Ltd, a company of which Michael Langoulant is a director and shareholder	31,500	-
Consulting secretarial fees were paid to Athlone International Consultants Pty Ltd, a company with which Andrew Nealon is associated	25,000	25,000

Note 25: Cash flow information

	2009 $	2008 $
Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax		
Loss from ordinary activities after income tax	(1,417,192)	(1,722,682)
Share based payments	-	182,783
Exploration expenditure written off	862,177	625,750
Impairment of available for sale investments	539,223	717,434
Equity accounted income/loss from associated company	-	751,509
Depreciation	5,440	4,832
Interest received	(116,541)	(276,123)
Gain on settlement of debt	(264,633)	-
Loss on sale of non-current assets	13,440	-
Profit on sale of investments	-	(1,870,337)
Net exchange differences	20,407	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	27,876	(12,729)
Increase/(decrease) in payables	(31,246)	(48,582)
Increase/(decrease) in income tax payable	-	(297,914)
Increase in deferred tax liability	(577,966)	304,195
Cash flows from operations	(939,015)	(1,641,864)

Note 26: Financial risk management objectives and policies

The Company's principal financial instruments comprise cash, short term deposits, Available-for-Sale and Held-for-Trading investments.

The main purpose of the financial instruments is to finance the Company's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, securities price risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Company has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Company continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Note 26: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10% Profit	-10% Equity	+10% Profit	+10% Equity
	%	$	$	$	$	$	$	$	$
2009									
Financial Assets									
Cash	3.15%	1,956,341	-	-	1,956,341	(4,245)	(4,245)	4,225	4,225
Receivables		-	-	128,984	128,984				
Total Financial Assets		1,956,341	-	128,984	2,085,325				
Financial Liabilities									
Trade creditors		-	-	54,644	54,644				
Total Financial Liabilities		-	-	54,644	54,644				
2008									
Financial Assets									
Cash	7.10%	2,704,611	-	240,677	2,945,288	(13,442)	(13,442)	13,442	13,442
Receivables		-	-	123,806	123,806				
Total Financial Assets		2,704,611	-	364,483	3,069,094				
Financial Liabilities									
Trade creditors		-	-	79,844	79,844				
Total Financial Liabilities		-	-	79,844	79,844				

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2009 from around 3.15% to 2.84% representing a 31.5 basis points downwards shift (22.05 basis points net of tax).

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(b) Price Risk

The Company is exposed to equity securities price risk. This arises from investments held and classified on the balance sheet as available-for-sale. The investments are traded on the ASX.

Note 26: Financial risk management objectives and policies (continued)

The following table sets out the carrying amount of the Company's exposure to equity securities price risk on available for sale investments. Also included is the effect on profit and equity after tax if the prices at that date had been 25% higher or lower with all other variables held constant as a sensitivity analysis.

	Notes	Carrying Amount	Price Risk Sensitivity			
			-25%		+25%	
			Profit	Equity	Profit	Equity
		$	$	$	$	$
2009:						
Financial Assets						
Available-for-sale investments	11	2,045,352	(45,564)	(511,338)	-	357,937
Held-for-Trading Investments		192,724	(48,181)	(48,181)	48,181	48,181
2008:						
Financial Assets						
Available-for-sale investments	11	735,425	(128,699)	(128,699)	-	128,699
Held-for-Trading Investments		-	-	-	-	-

The reasonably possible change of 25% has been selected as it is considered reasonable given the current and recent trend and volatilities of both Australian and international stock markets.

The increased sensitivity in 2009 is due to a greater level of investment in both Available-for-Sale and Held-for-Trading financial assets.

(c) Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

All payables are due within 30 days.

(d) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognized assets liabilities are denominated in a currency that is not the entity's functional currency. The Company's foreign transactions are immaterial and it is not therefore exposed to foreign currency risk.

(e) Net Fair Values

For financial assts and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The Company has no financial assets where carrying amount exceeds net fair values at balance date.

Note 26: Financial risk management objectives and policies (continued)

(f) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Company which have been recognized on the balance sheet is generally limited to the carrying amount.

Cash is maintained with National Australia Bank.

Note 27: Subsequent events

As announced on 17 September 2009, the Company has entered into a conditional agreement to acquire Ferrum Crescent Limited ("Ferrum Crescent"), a company that has a 74% interest in the advanced Turquoise Moon Iron Project ("Project"), which consists of the Moonlight Deposit and the De Loskop Prospect, located in the Limpopo region of South Africa.

Pursuant to the Merger Agreement, Washington agrees to make offers to acquire 100% of the shares and options in Ferrum Crescent, an Australian public unlisted company, which, via its wholly owned subsidiaries, owns a 74% interest in Turquoise Moon Trading 157 (Pty) Ltd, which holds a 100% interest in the Turquoise Moon Iron Project. The remaining 26% is held by Matodzi Nesongozwi, Ferrum Crescent's South African partner. Turquoise Moon complies with the requirements under South African law for Black Economic Empowerment ("BEE").

As a result of a successful merger between Washington and Ferrum Crescent, Washington will have acquired a 74% interest in the Turquoise Moon Iron Project.

The merger is subject to a number of conditions precedent including obtaining acceptances from at least 90% of Ferrum Crescent shareholders and option holders, execution of voluntary restriction agreements, completion of due diligence and Washington shareholder approval.

The consideration payable for the acquisition of the Ferrum Crescent shares and options is as follows:

- The issue of new fully paid ordinary shares in Washington to Ferrum Crescent shareholders on the basis of 12 new Washington shares for every 10 Ferrum Crescent shares currently held, on a pro-rata basis. The total number of shares to be issued will equate to 102,000,000 new Washington shares; and

- The issue of new listed options in Washington to Ferrum Crescent option holders on the basis of 1 new Washington option for every 1 Ferrum Crescent option currently held, on a pro-rata basis. The total number of listed options to be issued will equate to 52,187,500 new Washington options, exercisable at 40 cents per share on or before 31 December 2013.

Note 27: Subsequent events (continued)

There will also be an issue of 833,333 shares to Hartleys Limited in connection with corporate advisory services provided.

The new Washington shares issued to the shareholders of Ferrum Crescent pursuant to the acquisition will be subject to escrow restrictions on the following basis:

- 50% of the new Washington shares to be issued will be held under escrow restrictions for a period of 6 months from the date of issue; and

- The remaining 50% of the new Washington shares to be issued will be held under escrow restrictions for a period of 12 months from the date of issue.

On 21 September 2009, the Company announced a non-renounceable rights issue of options to raise approximately $49,429.23 before costs (“Rights Issue”).

The Rights Issue offers, to eligible shareholders, nine (9) Options in the Company for every ten (10) Shares held on the Record Date, at an issue price of 0.1 cents per Option. The exercise price is 40 cents per share with an expiry date of 31 December 2013. The funds raised will be applied to general working capital.

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Independent auditor's report to the members of Washington Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Washington Resources Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Washington Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position of Washington Resources Limited at 30 June 2009 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Washington Resources Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Ernst & Young

R A Kirkby
Partner
Perth
30 September 2009

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Auditor's Independence Declaration to the Washington Resources Limited

In relation to our audit of the financial report of Washington Resources Limited for the year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

R A Kirkby
Partner
Perth
30 September 2009

Introduction

Washington Resources Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4[3]	n/a	n/a
Recommendation 1.3[3]	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2[3]	n/a	n/a
Recommendation 2.2	✓		Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2[3]	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6[3]	n/a	n/a	Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4[3]	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3[3]	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3[3]	n/a	n/a
Recommendation 4.2		✓			

1 Indicates where the Company has followed the Principles & Recommendations
2 Indicates where the Company has provided "if not, why not" disclosure.
3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Website disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.washingtonresources.com.au, under the section marked Corporate Governance.

Disclosure – principles & recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2009 financial year ("**Reporting Period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Chief Executive Officer and to assist the Chief Executive Officer in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Chief Executive Officer or, if the matter concerns the Chief Executive Officer, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The Chair, in consultation with the other Board members, is responsible for evaluating the senior executives. The performance evaluation of senior executives is undertaken by the Chair in the form of interviews.

Recommendation 1.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 1.*

Disclosure:

During the Reporting Period a performance evaluation of senior executives did occur in accordance with the above disclosed process at Recommendation 1.2.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent directors.

Disclosure:

The independent directors of the Board during the Reporting Period were Mr Grant Button, Mr Scott Huntly (until their respective resignation), and Ms Melissa Sturgess. The non-independent directors of the Board during the Reporting Period were Mr Adrian Griffin, Mr Robert Hair (until their respective resignation), Mr Mark Burchnall and Mr Richard Jarvis.

Notification of departure:

For the duration of the Reporting Period, the Board did not comprise a majority of independent directors.

Explanation for departure:

The Board has reviewed this situation during the past financial year, including by investigating the availability of suitable personnel and the consequential expense to the Company of such personnel, and has determined that given the size of the Company, the current Board structure is sufficient to fulfil its functions efficiently.

Recommendations 2.2 & 2.3:

The Chair should be an independent director and the roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

Disclosure:

The Chair of the Company during the reporting period was Mr Adrian Griffin until the appointment of Ms Melissa Sturgess (an independent director) on 17 September 2008. The role of Chief Executive Officer was exercised by Mr Adrian Griffin until his resignation on 01 December 2008 whereby Mr Mark Burchnall assumed that role on the same date.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Notification of departure:

The Company has not established a separate Nomination Committee.

Explanation for departure:

The full Board considers those matters that would usually be the responsibility of a Nomination Committee. The composition of the Board does not make the establishment of a separate Nomination Committee practicable. Accordingly, the Board performs the role of Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors.

Evaluations are undertaken by way of round-table discussions and when appropriate by one to one interviews.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to Reporting on Principle 2*.

Disclosure:

Skills, experience, expertise and term of office of each director

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of independent directors

The independent directors of the Company during the Reporting Period were Grant Button, Scott Huntly and Melissa Sturgess. These directors were/are independent as they were/are non-executive directors who were/are not members of management and who were/are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's materiality thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter.

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent professional advice

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination matters

The full Board, in its capacity as the Nomination Committee, held one meeting during the Reporting Period. Each member of the Board attended the meeting.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

Performance evaluation

During the Reporting Period the performance evaluations for the Board and individual directors did occur in accordance with the disclosed process in Recommendation 2.5. The Board did not separately evaluate the performance of the Audit Committee.

Selection and (re)appointment of directors

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the managing director must retire from office no later than the longer of the third annual general meeting of the company or 3 years following that director's last election or appointment. At each annual general meeting a minimum of one director or a third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

Disclosure:

The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 3.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 4 – safeguard integrity in financial reporting

Recommendation 4.1:

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit Committee.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not Chair of the Board
- has at least three members.

Notification of departure:

During the reporting period the Audit Committee consisted of Robert Hair, executive director and Chair (until his resignation from the Board on 27 October 08), Grant Button, non-executive director (until his resignation from the Board on 01 December 2008) and Mark Burchnall, managing director. Following the departure of Mr Button and Mr Hair the Audit Committee consisted of Mark Burchnall, managing director and Chair, and Richard Jarvis, finance director.

Explanation for departure:

The Company considers that the members of the Audit Committee are the most appropriate, given their experience and qualifications, for the Company's current needs. The Board has adopted an Audit Committee Charter, which the Audit Committee applies when convening. The Audit Committee Charter makes provision for the Audit Committee to meet with the external auditor, as and when required.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principal 4.*

Disclosure:

The Audit Committee held two meetings during the Reporting Period, attended by all members of the committee at the time of the meeting.

Details of each of the director's qualifications are set out in the Director's Report.

All of the Audit Committee members consider themselves to be financially literate and have industry knowledge. Further, Mr Jarvis' qualifications and experience as a Chartered Accountant enable him to meet the test of financial expertise.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5 – make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 7 – recognise and manage risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the Policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer (or equivalent), who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer (or equivalent) is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Chief Executive Officer/Managing Director (or equivalent) may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems. The Audit Committee reports any issues regarding the management of material business risks that it feels should be brought to the Board's attention.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval; and
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations;

The key categories of risk of the Company, as reported on by management, include:

- cash management (including interest rate);
- financial reporting;
- ASX reporting compliance;
- project/tenement ownership retention;
- equity/security price risk
- maintain joint venture partnerships.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

During the reporting period the Company had an informal risk management system in place, including the policies and systems referred to in the disclosure in relation to Recommendation 7.1. Although the system was not fully documented, management acting through the Chief Executive Officer, was able to form the view that management of its material business risks during the Reporting Period was effective. Refer to note 26 for a more detailed review of risk management.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Disclosure:

The Board has received the report from management under Recommendation 7.2.

The Board has received the assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

Principle 8 – remunerate fairly and responsibly

Recommendation 8.1:

The Board should establish a Remuneration Committee.

Notification of departure:

The Company has not established a separate Remuneration Committee.

Explanation for departure:

The Board considers that no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. However, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the Remuneration Committee. Time is set aside at one Board meeting each year specifically to address the matters usually considered by a Remuneration Committee in accordance with the Remuneration Committee Charter. Executive directors absent themselves during discussion of their remuneration.

Recommendation 8.2:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. Given the Company's stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unquoted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the directors' option holdings are fully disclosed.

Pay and rewards for executive directors and senior executives consists of a base pay and benefits (such as superannuation) as well as long term incentives through participation in employee share and option plans. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 8.*

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held one meeting during the Reporting Period. Each member of the Board attended the meeting. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter. The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

WASHINGTON RESOURCES LIMITED
ADDITIONAL ASX INFORMATION

The Company's interests in mining and exploration tenements in WA are set out in Table 1, and the Company's interests in mining and exploration tenements in NT are set out in Table 2.

Distribution schedules of shareholders and statements of voting rights are set out in Table 3, whilst the Company's top twenty shareholders are shown in Table 4. Substantial shareholder notices that have been received by the Company are set out in Table 5.

Table 1

Washington Tenement Interests (Western Australia)

PROJECT NAME	TEN. NUMBER	LOCATION	BENEFICIAL INTEREST	STATUS	APPROX AREA
Mortlock	**E70/2719**	**WA**	**100**	**Granted**	**13444 Ha**
Newleyine	**E70/2720**	**WA**	**100**	**Granted**	**14899 Ha**
Toodyay West	**E70/2853**	**WA**	**100**	**Granted**	**1752 Ha**
Yarawindah South	E70/2914	WA	100	Application	2642Ha
Yarawindah North	**E70/2923**	**WA**	**100**	**Granted**	**11,456Ha**
Yarawindah West	**E70/2924**	**WA**	**100**	**Granted**	**294Ha**
Yarawindah West	**E70/2925**	**WA**	**100**	**Granted**	**294Ha**
Bindi Bindi	**E70/2985**	**WA**	**100**	**Granted**	**4718 Ha**
Yarawindah	**E70/3080**	**WA**	**80**	**Granted**	**4404Ha**

In the above table, "Granted" means that the relevant tenement has been granted under the Mining Act and "Application" means that the relevant tenement has not yet been granted under the Mining Act.

Table 2

Washington Tenement Interests (Northern Territory)

PROJECT NAME	TEN. NUMBER	LOCATION	BENEFICIAL INTEREST	STATUS	APPROX AREA
Tanami/Granites	E23932	NT	100%	Application	1,617 sqkm
Tanami/Granites	E23933	NT	100%	Application	348.9 sqkm
Supplejack	**E23934**	**NT**	**100%**	**Granted**	**153.2 sqkm**
Rabbit Flats	E23935	NT	100%	Application	506.3 sqkm
Kurundi	**E23937**	**NT**	**100%**	**Granted**	**719.3 sqkm**
Tanami/Granites	**E24166**	**NT**	**100%**	**Granted**	**145.8 sqkm**
Tanami/Granites	E24174	NT	100%	Application	1,621 sqkm
Tanami/Granites	E24177	NT	100%	Application	402 sqkm
Tanami/Granites	**E24178**	**NT**	**100%**	**Granted**	**103.7 sqkm**
Tanami/Granites	E24179	NT	100%	Application	169 sqkm
Tanami/Granites	E24193	NT	100%	Application	233.9 sqkm
Kurundi	**E24995**	**NT**	**100%**	**Granted**	**2.8 sqkm**
Rabbit Flats	E25157	NT	100%	Application	25.8 sqkm
Rabbit Flats	E25158	NT	100%	Application	38.7 sqkm
Rabbit Flats	E25159	NT	100%	Application	67.7 sqkm
Rabbit Flats	E25160	NT	100%	Application	132.2 sqkm
Petermann	E25434	NT	100%	Application	581.3 sqkm

In the above table, “Granted” means that the relevant tenement has been granted under the Mining Act and “Application” means that the relevant tenement has not yet been granted under the Mining Act.

Table 3
Shareholder spread

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

1-1,000	29
1,001-5,000	50
5,001-10,000	134
10,001-100,000	157
100,001 - and over	57
Total holders of ordinary shares	427
Total number of ordinary shares	54,921,366

Options, with no right to attend meetings or vote personally or by proxy

1-1,000	-
1,001-5,000	-
5,001-10,000	-
10,001-100,000	-
100,001 - and over	-
Total holders of option holders	-
Total number of options	-

Table 4
Top twenty shareholders

Shareholder	*Number of shares*	*Percentage*
1. Padstock Ltd	4,809,763	8.76%
2. Mr Scott & Maria Wilson	3,450,000	6.28%
3. Elegant Global Ltd	3,000,000	5.46%
4. HSBC Custody Nominees (Australia) Ltd	2,965,000	5.40%
5. Nefco Nominees Pty Ltd	2,600,000	4.73%
6. Hereford Group Ltd	2,208,392	4.02%
7. Citicorp Nominees Pty Ltd	2,031,268	3.70%
8. Sylvania Resources Ltd	2,000,000	3.64%
9. Blackmort Nominees Pty Ltd	1,650,000	3.00%
10. ANZ Nominees Ltd	1,513,760	2.76%
11. Fisherstreet Management Ltd	1,210,033	2.20%
12. Cintra Holdings Pty Ltd	1,095,055	1.99%
13. Rogue Investments Pty Ltd	1,000,000	1.82%
14. Zero Nominees Pty Ltd	1,000,000	1.82%
15. Penally Management Ltd	908,533	1.65%
16. Norita Holdings Pty Ltd	800,000	1.46%
17. Merrill Profits Ltd	783,000	1.43%
18. Mr Mark Gibson	778,000	1.42%
19. Zambia Global Inc	775,371	1.41%
20. Mr Adrian Griffin	750,000	1.37%

Table 5
Substantial shareholders

Shareholder	*Number of shares*	*Percentage*
1. Padstock Ltd	4,809,763	8.76%
2. Mr Scott & Maria Wilson	3,450,000	6.28%
3. Elegant Global Ltd	3,000,000	5.46%
4. HSBC Custody Nominees (Australia) Ltd	2,965,000	5.40%

Voting Rights

The voting rights attached to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.