



ANNUAL REPORT 2006



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Foundation Year for Eleckra

The year under review has been a foundation year for Eleckra. During the year the Company changed its name from Faulkner Resources Pty Ltd to Eleckra Mines Limited ("Eleckra", "Company"), converted to a public Company and raised \$0.56m in seed funds. Towards the end of the financial year Eleckra closed its \$6m IPO capital raising oversubscribed and completed the acquisition of the Yamarna project tenements for a total consideration of \$2.43m in cash and shares. On 4th July 2006 Eleckra listed on the ASX under the code EKM.

Milestones for the 2006 Financial Year

December 2005	Agreements entered into to acquire two large exploration projects Yamarna North and Yamarna South ("Yamarna Projects") covering the majority of the Yamarna greenstone belt.
February 2006	Company changes its name from Faulkner Resources Pty Ltd to Eleckra Mines Limited and converts to a public Company.
March 2006	Completes \$556,500 seed capital raising to prepare and fund cost of IPO and ASX listing.
April 2006	Darkan exploration licence granted.
June 2006	Eleckra IPO raised \$6m having closed oversubscribed.
27th June 2006	Company settled purchase of Yamarna North and Yamarna South assets for a total consideration of \$2.43m comprising \$0.4m cash, and \$2.03m in shares (10.15m shares at \$0.20).
4th July 2006	Eleckra lists and commences trading on ASX (code EKM).
12th July 2006	First RC drilling program commenced.
September 2006	RAB drilling program initiated.
13th September 2006	Eleckra announces first RC drilling results.

Eleckra's Key Assets Comprise

Yamarna Projects

- Measured, Indicated and Inferred Mineral Resources of 740,000 oz (12.6mt @ 1.8 g/t Au)
- 3000 km² area of tenements comprising 54 granted tenements and 24 tenement applications
- Yamarna pastoral lease covering 1438 km²

Darkan Project

- 190 km² granted exploration licence.



Project Locations

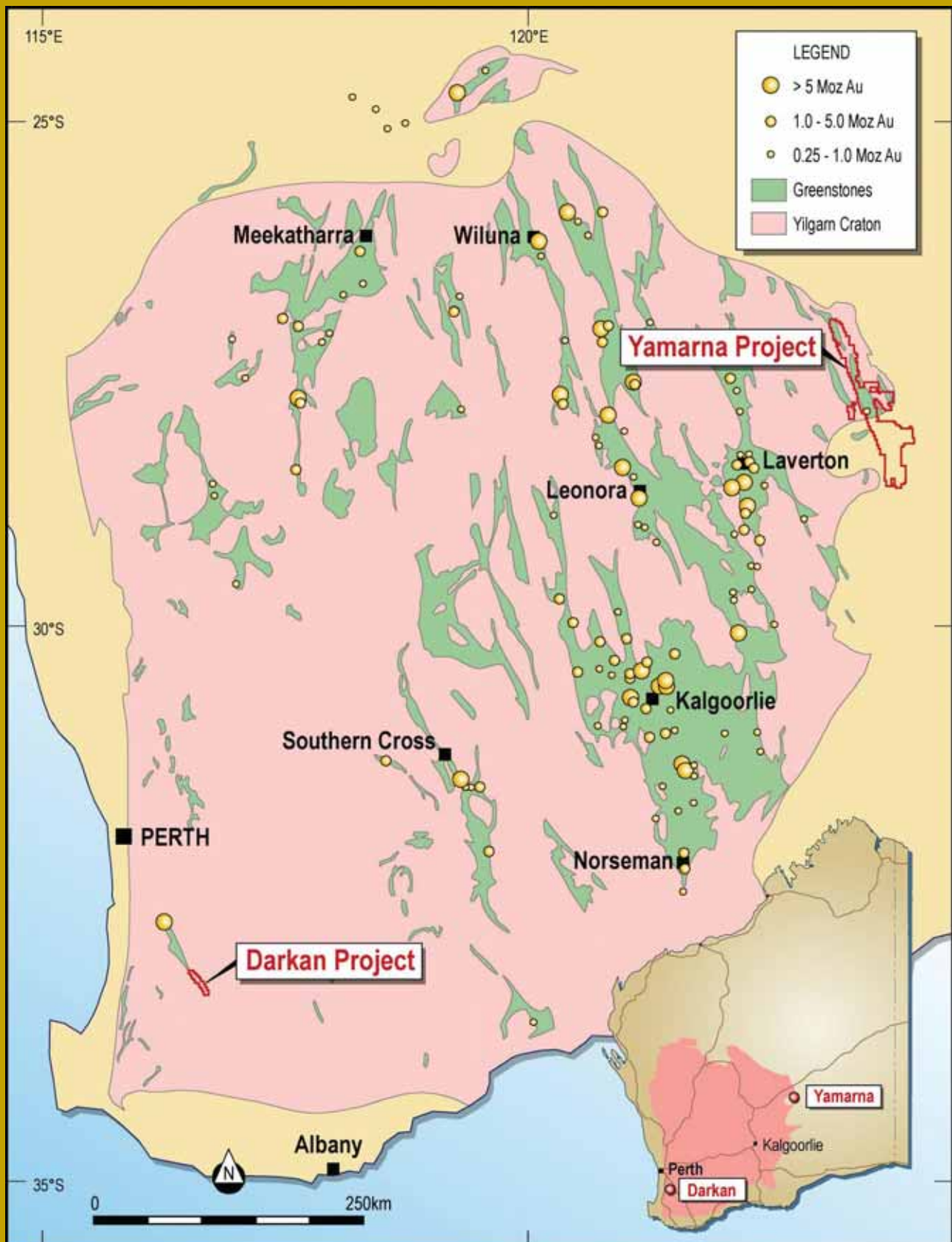


Figure 1: Yilgarn Craton, Yamarna and Darkan project locations and gold endowment and resources

Chairman's Letter



Dear Shareholder,

It is my pleasure to welcome you as a shareholder of Eleckra Mines Limited and present to you the first annual report of the Company. Given that Eleckra only listed on the Australian Stock Exchange on 4 July 2006 this Annual Report mirrors much of the information that investors were provided with in the prospectus. Even though the Company has only recently listed we have already completed and reported encouraging results from our initial drilling program at the Yamarna Project. We were pleased to report that 90% of the holes drilled returned anomalous gold mineralisation exceeding 1 g/t and showed both depth and strike extensions to known mineralisation. A new program of up to 10,000 metres of RAB and aircore drilling commenced in early September with results anticipated during October.

A distinguishing feature of Eleckra, when compared to many other new listings, is the presence of measured, indicated and inferred mineral resources totalling 740,000 ozs (12.6 mt @ 1.8 g/t Au). The Board strongly believes there is great opportunity to discover additional gold mineralisation and resources at the Yamarna Project particularly in light of the lack of extensive previous exploration.

The Yamarna Project now comprises 54 granted tenements and 24 tenement applications covering 3,000 km² which represents virtual blanket coverage over the Yamarna shear zone.

Under the guidance of our Managing Director Richard Harris and Exploration Director Russell Davis we have assembled a highly experienced and dedicated professional team with a mandate to pursue an aggressive exploration strategy. This approach has already started to pay dividends in the form of our encouraging first program.

Our large tenement holding, established resources and high priority targets have enabled Eleckra to hit the ground running. Shareholders should anticipate an ongoing flow of results and information as we strive to build upon an already strong base. We look forward to the coming year with confidence and anticipation as we seek to delineate additional resources and test our high priority targets.

Finally I wish to extend our thanks and appreciation to our management and professional advisers who worked diligently on achieving the listing on the ASX and in particularly the brokers, investors and shareholders who have supported Eleckra's activities and goals.

Yours sincerely,

Richard Revelins

Chairman

27th September 2006



Review of Operations

ELECKRA'S PROJECTS

Overview

Eleckra has two exploration projects in Western Australia, the Yamarna Project in the Eastern Goldfields and the Darkan Project to the southeast of Perth. On 27th June 2006 Eleckra settled the purchase of tenements comprising its Yamarna North Project and Yamarna South Project ("the Yamarna Project").

The Yamarna Project is constituted by 54 granted tenements and rights in respect of 24 applications for exploration licences, prospecting licences and mining leases. 14 of these exploration licence and prospecting licence applications were applied for during the financial year and subsequent to listing on the ASX.

The Darkan Project comprises one exploration license which was granted during the year. The project is centred some 60 km southeast of the Boddington gold project in southwest WA. The tenement covers a section of the Darkan Fault, which the Company interprets as traversing close to the area of the Boddington gold deposit.

Yamarna Project

(100% interest subject to separate royalty agreements)

The Yamarna Project is situated on the eastern margin of the Archaean Yilgarn Craton in Western Australia, some 140 km east of Laverton and 900km north east of Perth. These tenements cover most of the Yamarna Greenstone Belt and portions of the adjacent Dorothy Hills and Mount Venn greenstone belts within Western Australia's Eastern Goldfields. The Yamarna Project has Measured, Indicated and Inferred Mineral Resources totalling 740,000 oz of gold (12.6mt @ 1.8 g/t Au) and is also prospective for copper, nickel, chrome, platinum group elements and uranium. The project tenements are approximately 3000 km² in area.

Acquisition Agreements

The Company entered into agreements for the acquisition of a 100% interest in two groups of tenements comprising the Yamarna North Project and Yamarna South Project ("the Yamarna Project"). Details of these agreements are summarised below. The agreements also provided for the acquisition of mining information including an exploration database that Eleckra Mines Limited ("Company or Eleckra") anticipates will provide a solid basis for future exploration. The Company settled the purchase of the Yamarna Project on June 27th, 2006.

Yamarna North Acquisition Agreement

Under the Yamarna North Acquisition Agreement the Company acquired tenements and mining information from Asarco Exploration Company, Inc. ("Asarco") and Yamarna Goldfields Limited ("Yamarna Goldfields"). The purchase price included a cash component of \$300,000, together with the issue of 5,000,000 shares to Asarco and 2,150,000 shares to Yamarna Goldfields.

An announcement royalty, being the sum of \$1 million if the Company establishes ore reserves containing at least 400,000 oz of gold is also to be paid to Asarco. The Company has also agreed to pay Asarco a net smelter royalty being 1% of net smelter returns over and above 400,000 oz of gold produced from the Yamarna North tenements, capped at a maximum of \$500,000 per annum.

Under the Agreement, the Company must pay Messrs Harold Carmody, Neil Gill and Trent Stehn a gold ore royalty for each dry tonne of ore treated from commercial mining operations on part of the Yamarna North tenements on an incremental scale up to a maximum of \$2.00 for each dry tonne in respect of gold ore with a grade of 4.5 g/t Au or more. Messrs Carmody, Gill and Stehn are also entitled to a copper ore royalty of \$1.00 for each dry tonne of copper ore treated which has a copper grade of greater than 20 kilograms/tonne.

The Company also acquired a pastoral lease comprising 1,438 km² ("the Pastoral Lease"). The acquisition of the Pastoral Lease, while not central to the Company's activities, will help facilitate access for the conduct of the Company's exploration activities.



Yamarna South Acquisition Agreement

Under the Yamarna South Acquisition Agreement the Company acquired tenements and mining information from Terra Gold Ltd ("Terra"). The purchase price included a cash component of \$100,000, together with the issue of 3,000,000 shares to Terra.

Ancillary to the Yamarna South Acquisition Agreement, Eleckra has agreed to pay Terra an announcement royalty of \$1 million upon establishing resources of 750,000 oz of gold, payable in shares or cash, at Terra's election. The Company also agreed to pay a net smelter royalty of 1% of the net smelter returns over and above 400,000 oz of gold produced from the Yamarna South tenements capped at a maximum of \$500,000 per annum.

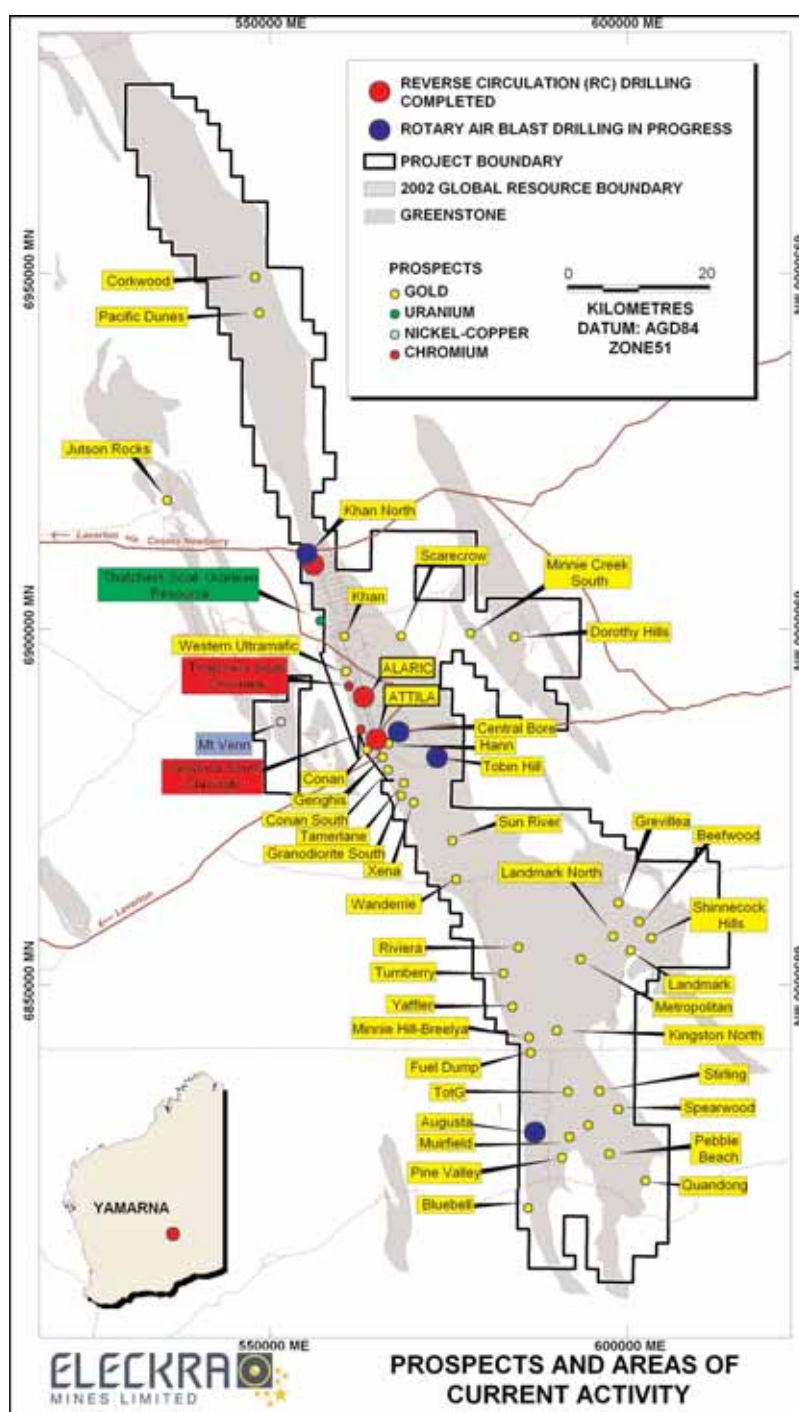


Figure 2: Yamarna tenement outline and prospect locations

Review of Operations continued

Yamarna Project Description

The Yamarna Project is located east of Laverton on the eastern edge of the Yilgarn Craton. The Yilgarn Craton currently produces around half of Australia's 8 million ounces of annual gold production.

The Yamarna Project is principally a gold project with defined resources occurring within a regional scale mineralised gold trend termed the Yamarna shear zone. The Company believes there is scope to discover more gold mineralisation at Yamarna given the lack of intensive historical exploration activity.

The prospectivity of the Yamarna Greenstone Belt is further supported by the results of a deep seismic reflection survey carried out in 2001 which indicated that the Yamarna Greenstone Belt has a similar structural architecture to the highly productive multi-million ounce Laverton and Leonora belts to the west. The presence of a major deep-crustal shear zone and associated complex structural corridor is considered to have positive implications for the formation of major gold deposits.

As with many greenstone belts in the Yilgarn Craton region of Western Australia, the Yamarna Greenstone Belt is considered prospective for several commodities as well as gold, with potential for copper-nickel, PGE's, chromite and uranium.

The Company's objective at Yamarna is to locate additional higher grade gold resources, which when combined with the existing identified resources, may facilitate a viable mining operation. To date several deposits have been located within a 14km strike length of the Attila-Alaric line of mineralisation.

Although the average grade of the defined resources is relatively modest at 1.8 g/t Au there are some significant intersections of much higher grade mineralisation. Refer to Table 2.

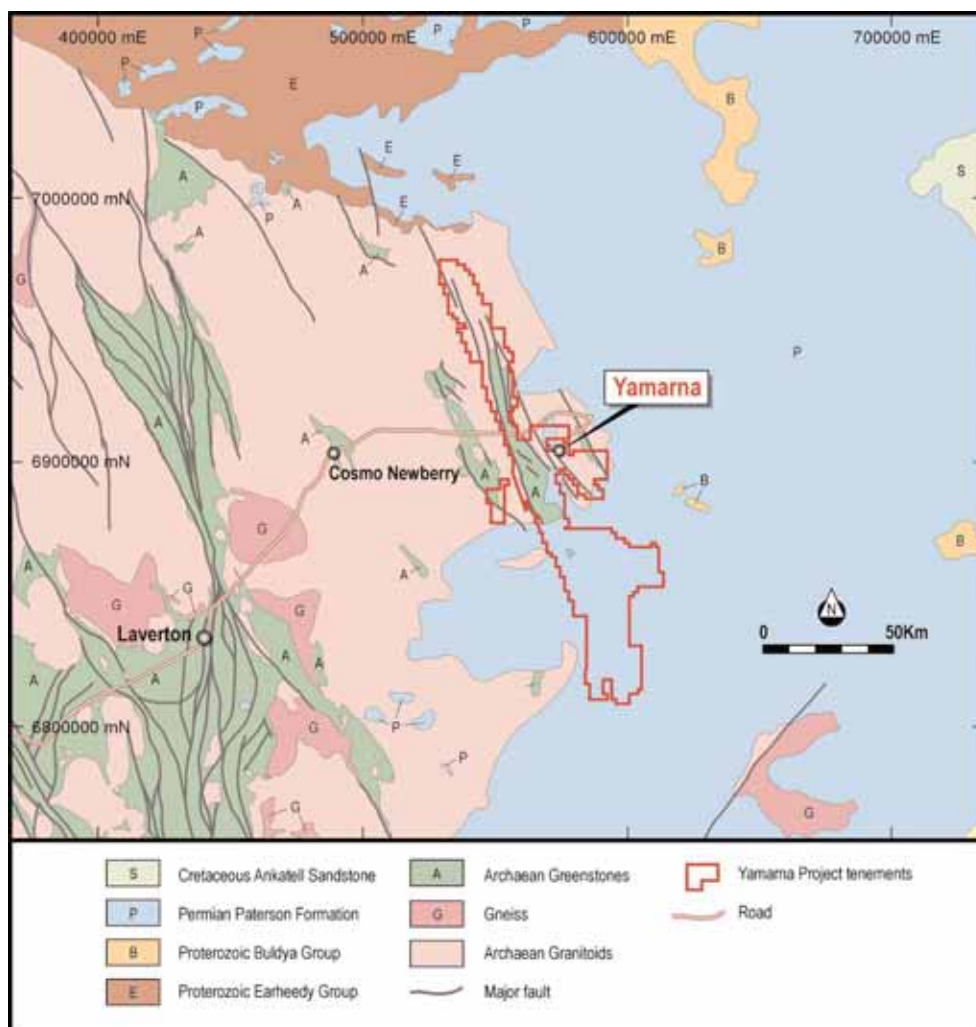


Figure 3: Yamarna project – regional geological setting



Metallurgical testwork of both the primary and oxidised gold mineralisation indicates that they are free milling and that recoveries of over 93% could be expected from a conventional carbon-in-leach (CIL) treatment plant. Preliminary column leach testwork indicates that the oxide material from the Attila deposit is amenable for heap leaching if agglomerated, with a gold recovery of 83% within 20 days.

Yamarna North Mineral Resources Summary

Mineral Resources		At 1.0 g/t Au cut off		
Category	Meaning	Tonnes	Grade Au g/t	Ounces
Measured	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence	2,380,000	1.73	132,000
Indicated	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.	4,300,000	2.1	290,000
Inferred	That part of a Mineral Resource for which tonnage and/or grade can be estimated with only low levels of confidence.	5,900,000	1.7	310,000
TOTAL		12,600,000	1.8	740,000

Table 1: Yamarna Mineral Resources Summary

All of the above Mineral Resources are located in several deposits within a 14 km strike length within granted Mining Leases. (The totals may not match due to rounding of resource figures.)

"1.0 g/t Au cut off" refers to the minimum grade of gold per tonne (measured in grams) below which mineralised material is not included in the applicable Mineral Resource estimate.

"Ounces" describes a theoretical quantity and does not indicate that the actual amount of gold which could be recovered if extraction were economically viable will equal or exceed that amount.

A "Mineral Resource" is a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such a form, quality and quantity that there are reasonable prospects for eventual economic extraction.

All information about the Mineral Resources is based on data generated by parties from whom Eleckra purchased the Tenements comprising the Yamarna North Project and previous explorers. Categorisation of Mineral Resources as Measured, Indicated or Inferred does not establish or indicate that gold or any other material will be able to be extracted, processed, transported or sold economically at a particular time or at all. In each case, additional work would be required to be done and money expended to advance the assessment of a Mineral Resource to a stage which it may be determined that it is economically viable to exploit it. There is no certainty that particular Mineral Resources or any Mineral Resources will be identified by the Company as being economically viable for exploitation.

The information in this report that relates to exploration results and Mineral Resources is based on information compiled by Mr Russell Davis, a Director of Eleckra who is a member of the Australasian Institute of Mining and Metallurgy. All information of this type is expressed in terms of the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Davis consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Review of Operations continued

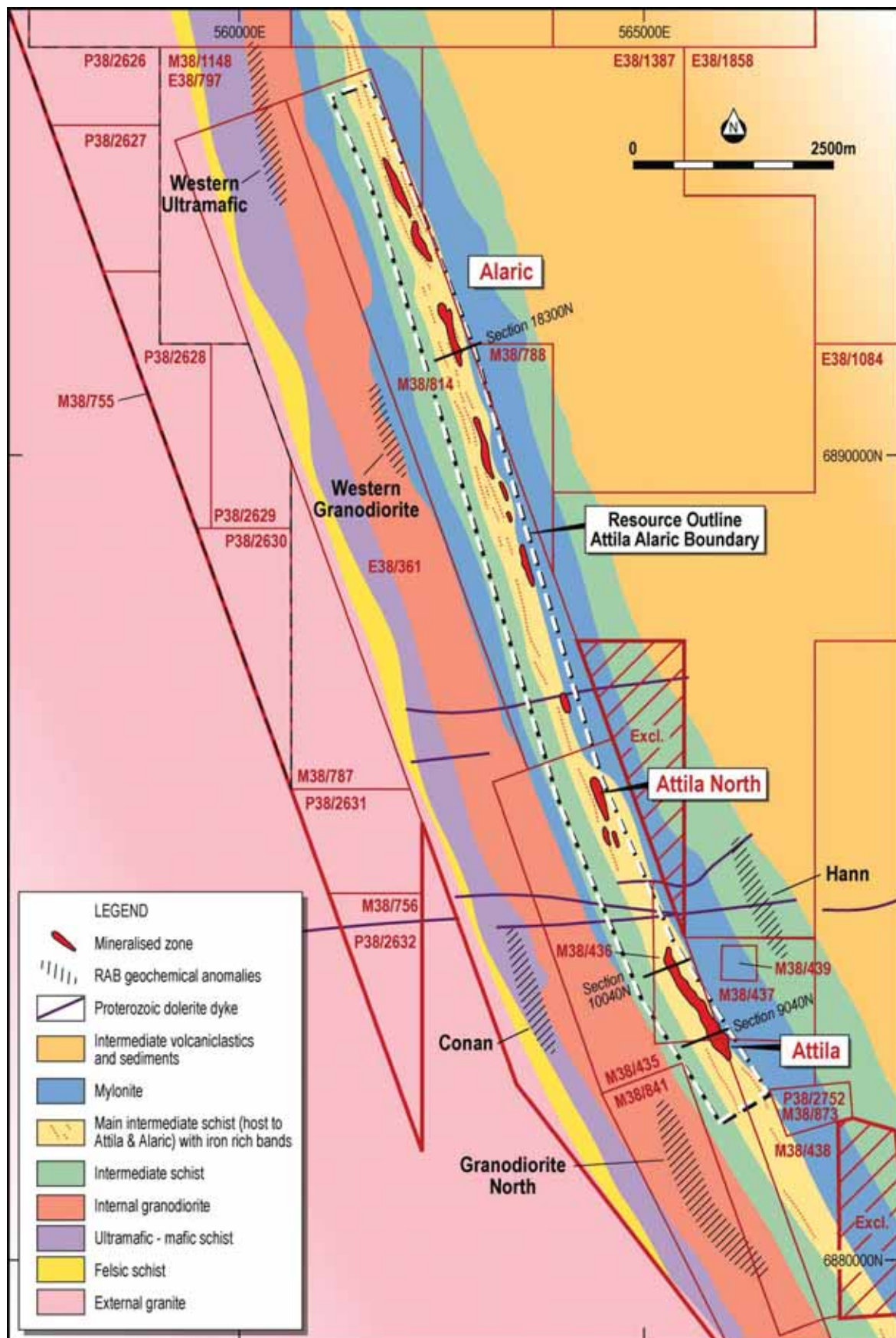


Figure 4: Geology of the Attila-Alaric gold deposits

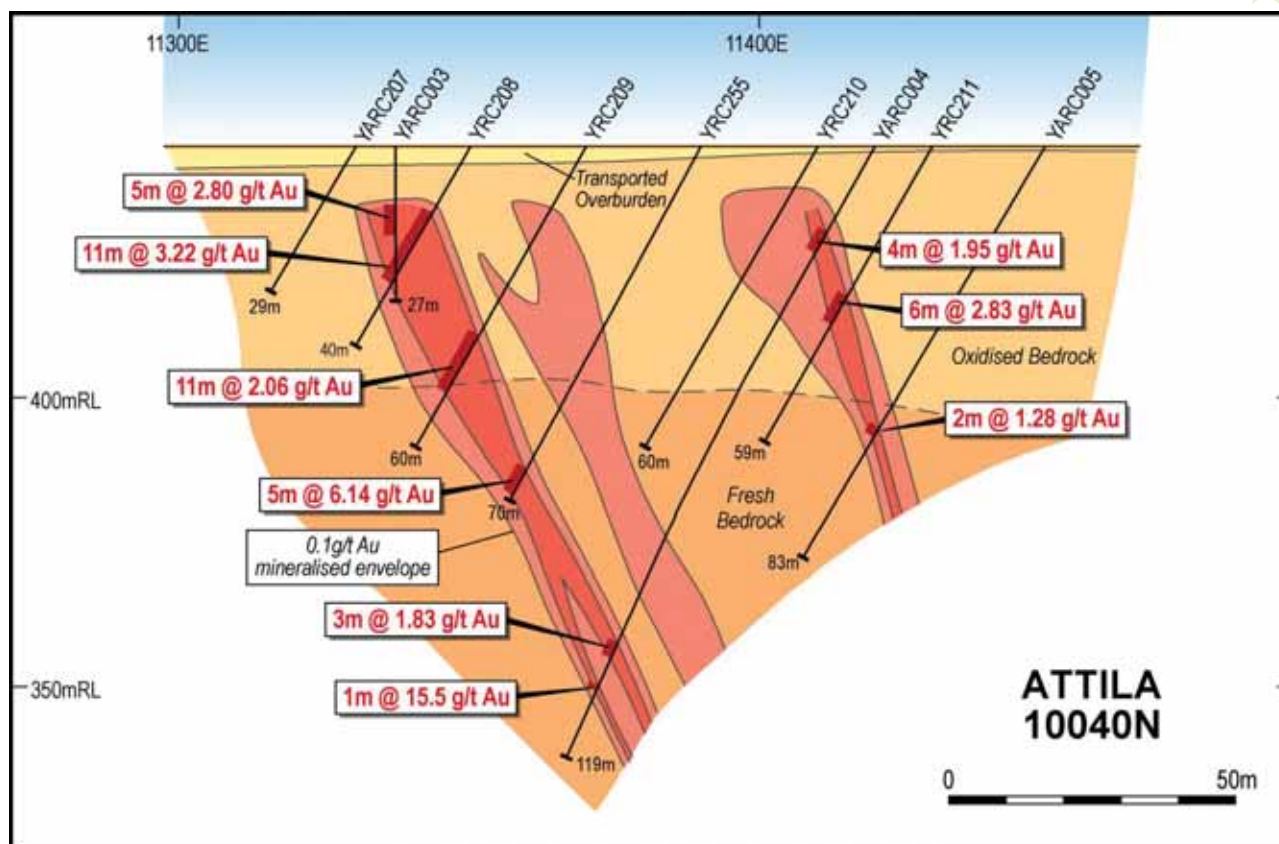


Figure 5: Attila cross section 10040N

Yamarna Significant Drilling Intersection Summary

Hole	Coordinates		Interval m	Assay g/t Au	Depth m	Prospect
	North	East				
YRC 119	9031	11668	3	24.2	62	Attila
YRC 130	9080	11550	8	7.9	39	Attila
YAC 015	9280	11532	7	6.45	14	Attila
YARC 009	9835	11435	3	11.2	26	Attila
YAC 001	10120	11311	7	7.86	18	Attila
YARC 132	12500	11229	1	58.1	54	Attila N
YARC 048	16800	11270	3	35.9	80	Alaric
YARC 074	18700	11360	9	5.15	94	Alaric
YARC 068	20200	11340	2	24.4	63	Alaric
YARC 179	20500	11290	4	11.7	28	Alaric
YARC 303	36400	10628	37	8.2	40	Khan N
YARC 326	36350	10580	3	17.9	66	Khan N
YKJC 358	6843600	586400	8	8.9	38	Breelya
BBRB 026	11520	14920	1	16.6	17	Ctrl Bore

(Co-ordinates in local grid except for YKJC 358 in AMG)

Table 2: Yamarna Project Selected Significant Drill Results

Review of Operations continued

Gold Prospects

A number of prospects outside of the defined resource area of the Attila-Alaric trend have been identified (Figure 6) many with significant drill intercepts.

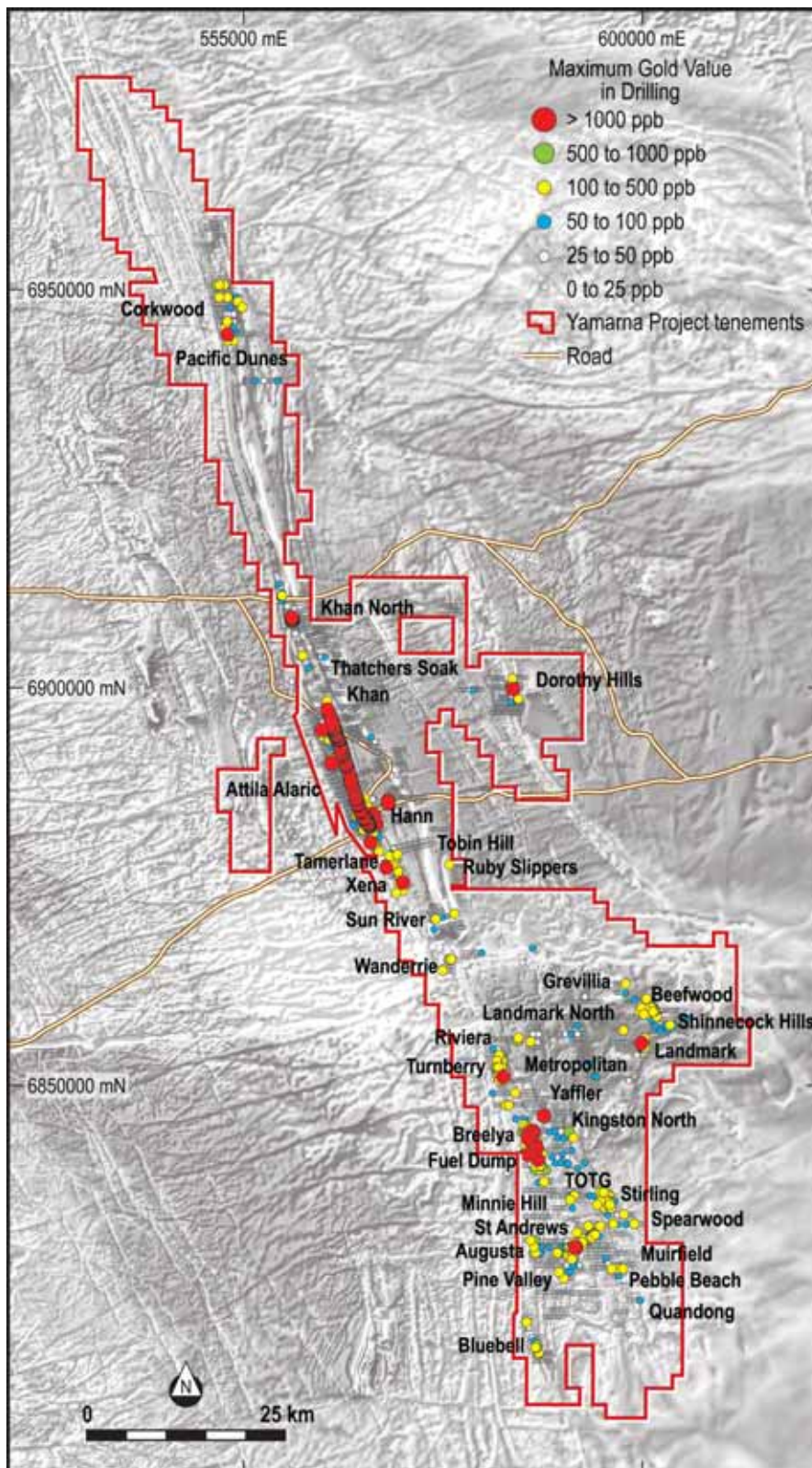


Figure 6: Yamarna gold prospect locations and tenement outline on a greyscale aeromagnetic image



Khan North Prospect

The Khan North prospect located 25km north of the Attila deposit was discovered during reconnaissance RAB drilling in 2003. Initial RC drilling included intersections of 37m (6m true width) at 8.2 g/t Au, 3m at 17.9 g/t Au and 2m at 11.8 g/t Au.

Gold mineralisation has been intersected within a sheared porphyry body over a strike length of 500m – the limits of the RC drilling.

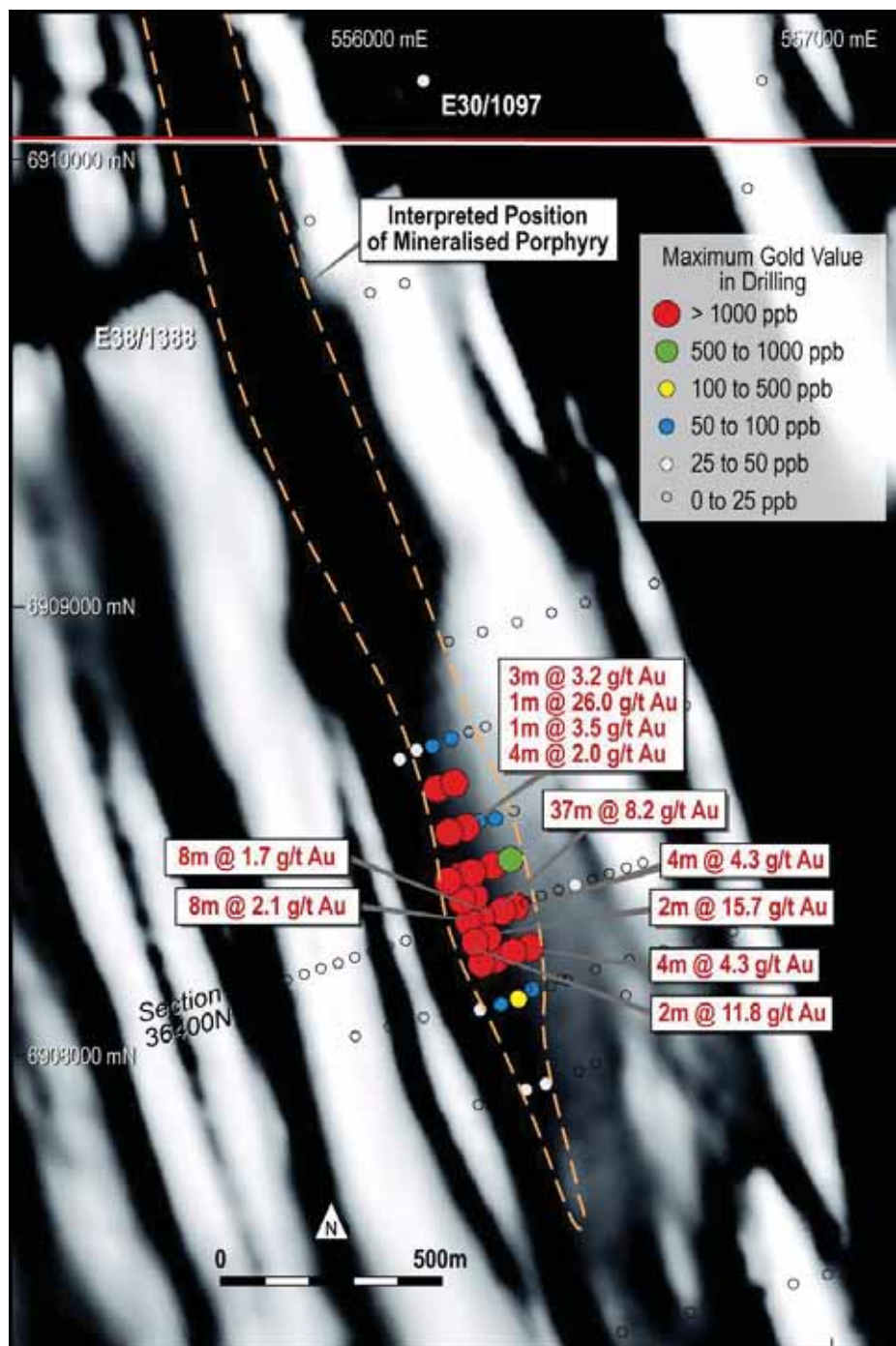


Figure 7: Khan North showing location of drill holes containing anomalous gold on aeromagnetic greyscale image

Review of Operations continued

Breelya and Minnie Hill Prospect

These two adjacent prospects are located 45km along strike to the southeast of Attila within the Yamarna shear zone. The prospects were located by systematic bedrock drilling and follow-up RC drilling returned best intersections of 8m at 8.9 g/t Au (including 2m at 31.9 g/t Au) with follow-up intercepts of 2m at 4.2 g/t Au and 2m at 1.74 g/t Au. The mineralisation is associated with extensive quartz-sericite-pyrite alteration of dolerite. To date the prospect has been tested with drilling along lines up to 400m apart and requires additional infill drilling.

Central Bore Prospect

The Central Bore prospect is located 5km east of the Attila deposit. Limited drilling has returned intercepts of 1m at 16.6 g/t Au and 4m at 1.3 g/t Au. Additional soil sampling in the area has delineated a new and more extensive gold soil anomaly approximately 1.5km long and 400m wide, centred 500m to the west of the initial prospect.

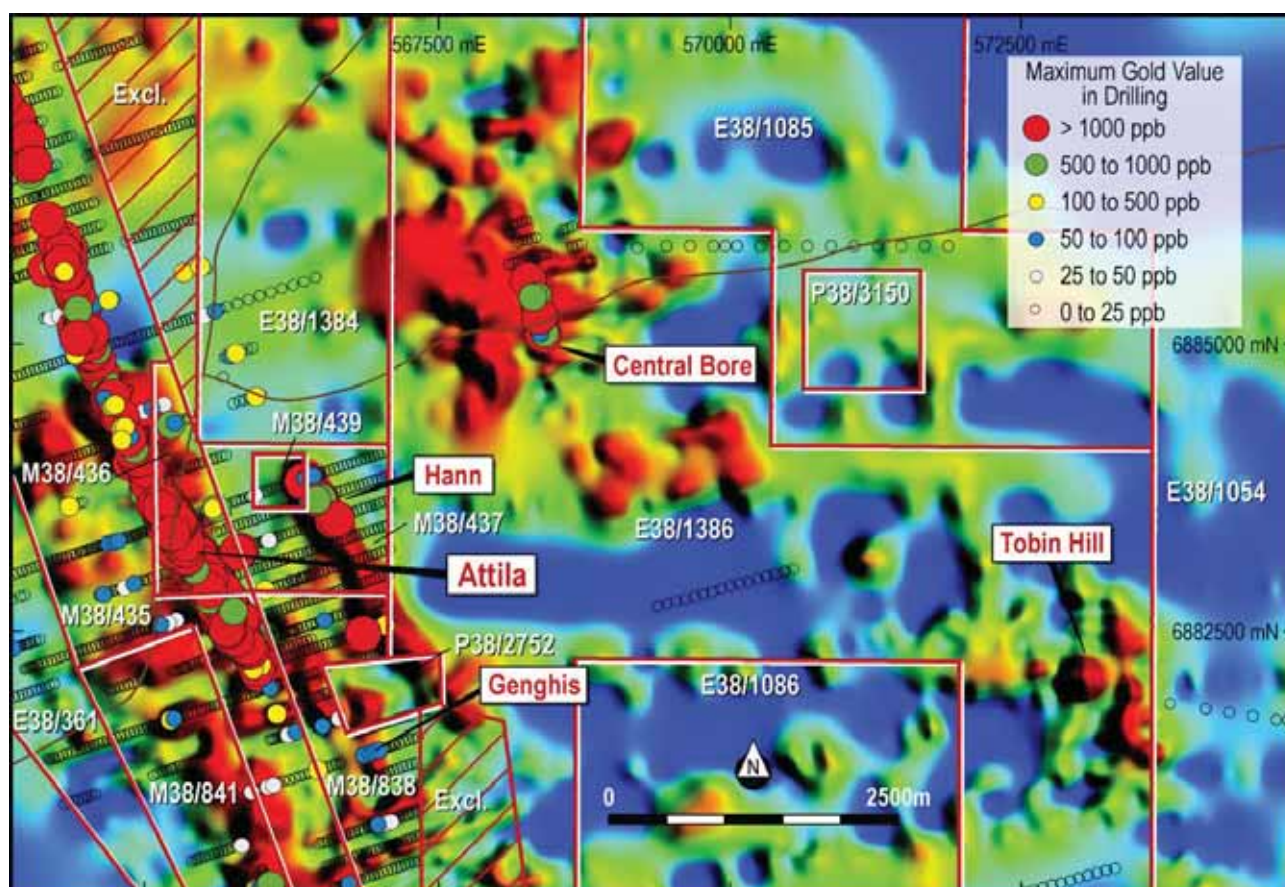


Figure 8: Central Bore and Tobin Hill prospects – location of anomalous drill samples on gold-in-soil geochemical image

Tobin Hill Prospect

This prospect, located 10km east of Attila, was first recognized in 2003 by prospectors who found gold nuggets along a zone of sheared and quartz veined basalt. Soil sampling outlined a gold soil anomaly over a strike length of 1.2km which is ready for drill testing.

Wanderrie and Sun River Prospects

The Sun River prospect covers faulted and tightly folded banded iron units and is considered to have potential for a Sunrise Dam style of gold deposit. Soil sampling at Wanderrie generated gold soil anomalies of up to 10ppb Au. Very broad spaced reconnaissance drilling generated bedrock gold anomalies of up to 2m at 0.87 g/t Au, which because of their location and the broad drill spacing warrant follow up.

Turnberry/Yaffler Prospect

This prospect covers a dilational jog in the Yamarna shear zone about 10km north of Breelya. Aircore geochemical drilling intercepted numerous gold values in the range 0.1 to 0.96 g/t Au which form a broad coherent anomaly around 400m wide and 3km in length.



Augusta Prospect

This prospect is about 15km south of Minnie Hill and Breelya on a previously untested and structurally complex section of the Yamarna shear zone. Aircore holes drilled on 200m centres on lines 800m apart returned a number of interesting results including 19m at 0.3 g/t Au, and 10m at 0.35 g/t Au.

Dorothy Hills Prospect

RAB and aircore drilling by previous explorers at this prospect 25km northeast of Attila has located anomalous gold mineralisation along a 5km strike length of a major regional fault structure on the western margin of the Dorothy Hills greenstone belt. Previous wide spaced RAB and aircore drilling returned results of up to 2m at 1.72 g/t Au in multiple zones of sheared and pyritic felsic and mafic schists. Deeper RC drilling is required in order to test this target.

Kingston Heath

This prospect is located about 3km northeast of Breelya on a northwesterly trending splay off the Yamarna shear zone within E38/607 and E38/804. Aircore drilling returned intercepts of 1m at 2.01 g/t Au. Drill holes are spaced at 200m on lines 400m apart hence infill drilling is warranted.

Muirfield-St Andrews-Spearwood-Pine Valley-Pebble Beach Prospects

This group of prospects is characterised by broadly coincident gold-tellurium-arsenic-antimony anomalies. Six diamond drill holes were drilled over a one kilometre strike length at St Andrews, intersecting strongly altered and pyritic shear zones with a peak value of 0.34 g/t Au over one metre. The multi-element nature of the anomaly and the strength and extent of the alteration zone as shown by the drill core in this area is encouraging. Two diamond drill holes were drilled 2km to the southwest at the Muirfield prospect with no significant results.

Wembley Prospect

This prospect is identified as an interesting structural target within the Yamarna shear zone about 40km north of Attila. It has not previously been explored for gold.

Corkwood/Pacific Dunes Prospects

This prospect is located within E38/610 and E38/1389 at the northern end of the project. Drilling returned intercepts of up to 4m at 1.79 g/t Au. Soil anomalies and geochemical drilling anomalies in the range 0.1 to 1 g/t Au extend over several km in this area.

Chromite, PGE's and Copper-Nickel Prospects

The Yamarna tenements include portions of layered mafic-ultramafic sequences of the Mount Venn and Yamarna greenstone belts.



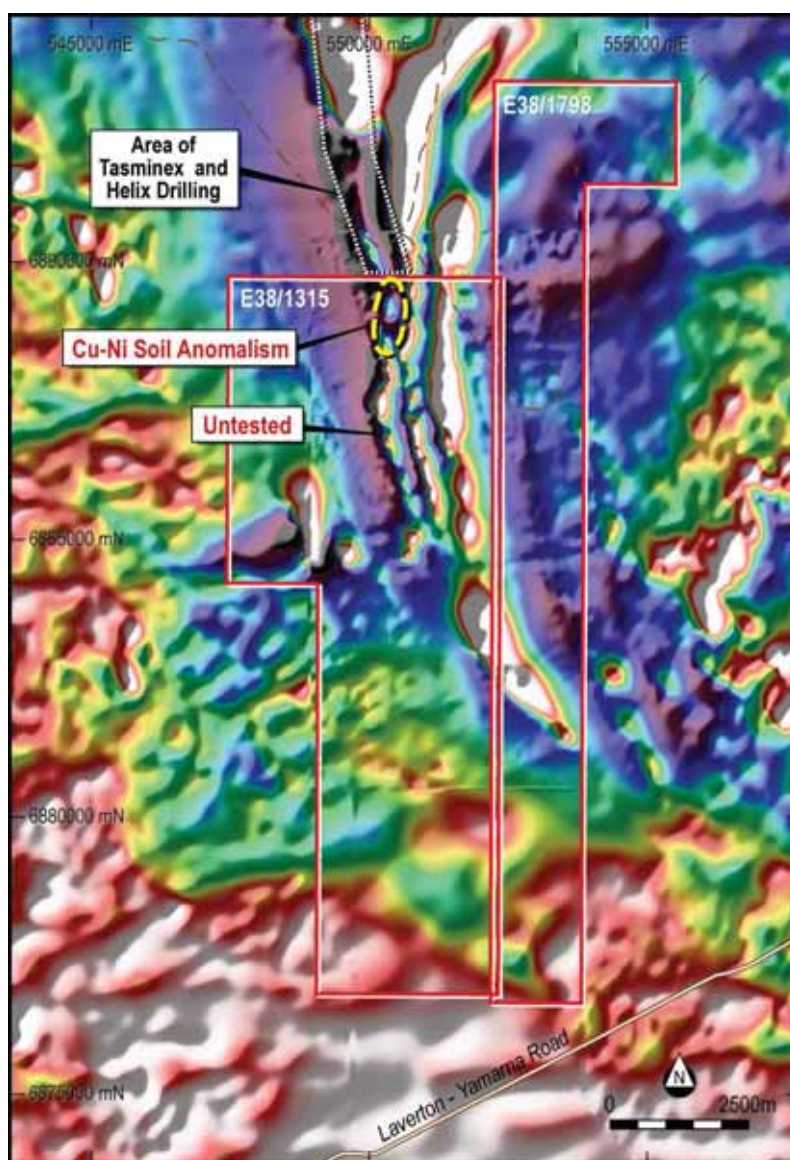


Figure 9: Mt Venn prospect – aeromagnetic image showing the extension of prospective Cu-Ni lithology into E38/1315

Mount Venn Prospect

At Mount Venn interpretation of the high resolution aeromagnetic data flown in 2005 indicates that E38/1315 and E38/1798 held by Eleckra may cover the southern extensions of the host rocks containing the copper-nickel mineralised zones currently being explored by Helix Resources NL and before that by Tasminex and WMC in the early 1970s. Gossanous rock chips from the intrusive were reported to contain best assays of 24% copper, 1.9% nickel, 0.4 g/t Au and 0.14 g/t platinum + palladium. RC drilling of electromagnetic (EM) and geochemical targets in 2005 returned best assay results of 2m at 1.2% nickel from a 4m wide zone grading 1.3% copper.

Yamarna Chromite Prospect

Exploration for chromite and PGEs was undertaken in the late 1970s and early 1980s and was centred on two areas within E38/361 where there is chromitite float and limited exposure of the mafic and ultramafic units. Elsewhere the sequence is obscured by aeolian sands and does not appear to have received any previous effective drilling.

First-pass exploration drilling targeting chromitite float within an ultramafic layer of the intrusion west of the Yamarna homestead identified multiple seams of medium to high grade chromitite grading up to 30% Cr₂O₃ over a two metre interval, and weak PGE mineralisation of up to 0.2 g/t Pt and 0.82 g/t Pd over 0.9m.



Uranium Prospects

Evaluation of the drilling data and airborne uranium radiometric data indicates that Eleckra's tenements cover a section of the Thatchers Soak calcrete-hosted uranium prospect and extensions of the anomalous drainage channel.

The Thatchers Soak deposit was first drilled in 1971 and up to 1974 mineralisation had been delineated within a zone approximately 7.5km long and between 1km and 200m wide. The mineralisation is principally carnotite with the mineralised zones elongated parallel to the drainage and largely coincident with a playa lake system. The mineralisation is usually between 1 and 2m in thickness with 1 to 2m of overburden. The total uranium count data from airborne surveys over the drainage system and the approximate positions of the known drilling for uranium are shown in the diagram below.

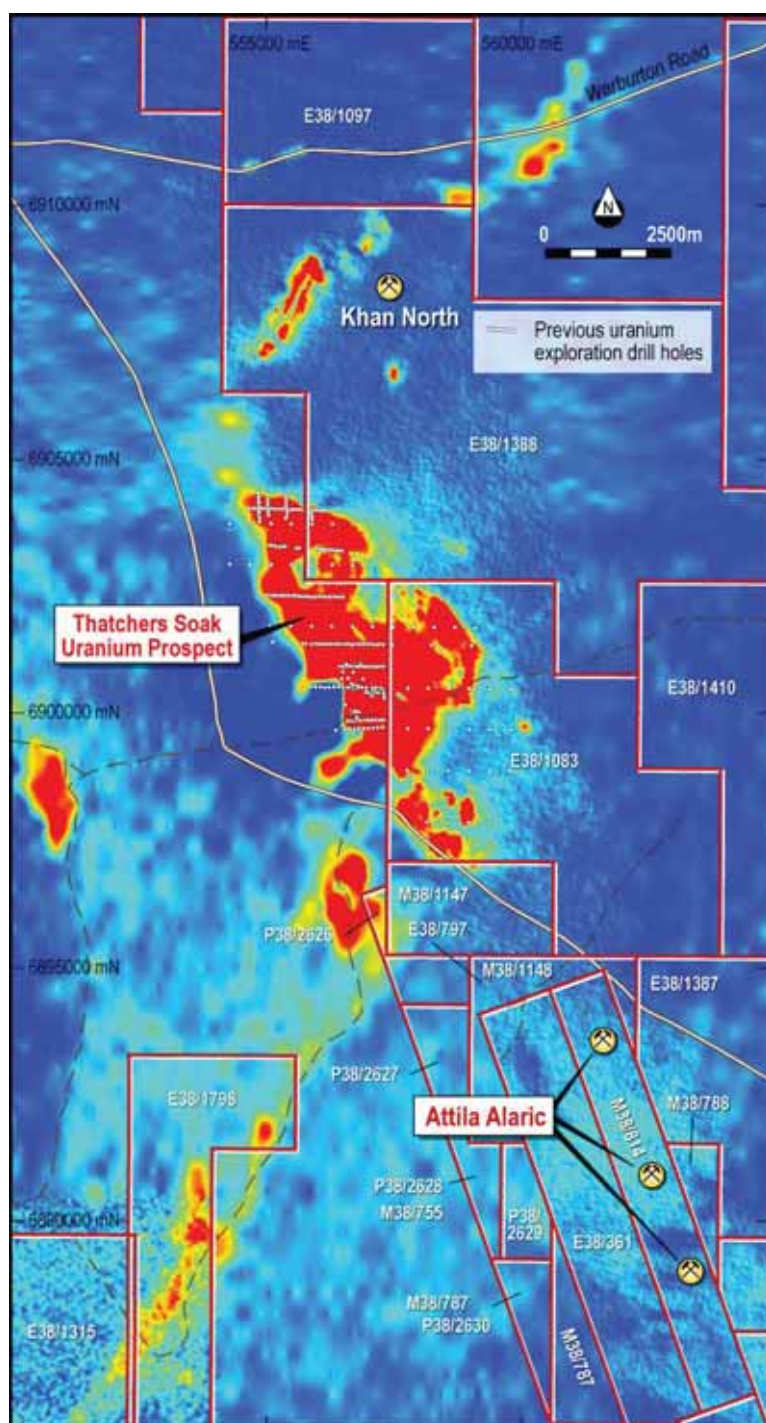


Figure 10: Thatchers Soak prospect – radiometric image showing extension of the anomaly into E38/1083 and E38/1388

Review of Operations continued

Proposed Exploration

Drilling at Yamarna commenced immediately upon listing in early July 2006 and programs of RC, RAB and aircore drilling are expected to continue up until the end of the year.

The Company's exploration program will concentrate on drilling out extensions of higher grade positions within the Attila/Alaric resource area, drilling established targets and generating new structural and geochemical drilling targets in lightly explored areas.

The exploration database includes details of surface and drill hole geochemical information. Past explorers have generated a broad range of anomalies based on these datasets. Historically, the gold geochemical anomalies of the size and strength defined may represent ore grade mineralization and in many cases warrant infill drilling. The Company intends to utilise historical information in respect of the Yamarna Greenstone Belt to prioritise this range of drill targets and to maximise the chances of exploration success.

There are prospective RC drill targets generated within the existing deposits and prospects that may increase the resource base. These targets include the high-grade zones in the Attila/Alaric resource area, the Khan North and the Minnie Hill/Breelya prospects predominantly situated along the Yamarna shear zone. Outside of the resource area most of the Yamarna shear zone has only received reconnaissance level drilling, and substantial sections of the strike have not been tested. Also, most of the drilling that has been undertaken is to a relatively shallow depth.

There are also several targets identified that require additional RAB and/or aircore drilling in order to better define the anomalies prior to RC drilling. These targets include the Turnberry, Augusta, Tobin Hill, Central Bore and Dorothy Hills gold prospects. These targets occur both along the Yamarna shear zone and in other structural positions elsewhere within the belt.

As exploration proceeds the Company anticipates reassessing and prioritising the targets in order to maximise the chances of success. Target generation will also continue, focussing on areas with favourable rock types and structures that have received little or no previous attention. This process will also allow the relinquishment of less prospective tenements – thereby reducing the project expenditure commitment.

The Company is planning to undertake further investigations using up to date operating cost and gold price parameters to determine the potential for developing an operation at the Yamarna Project from the resources outlined to date. In particular the Company intends to investigate the optimum extraction method to use in order to exploit the low grade bulk ore tonnages at the Yamarna Project. Such studies may investigate heap or dump leaching options and large scale treatment plant options.

Other commodities

The Company intends to progress uranium and nickel exploration at the Yamarna Project and may explore opportunities with reputable joint venture partners with greater expertise in these commodities, potentially releasing funds for further exploration activity.

Evaluation of previous drilling data and airborne uranium radiometric data indicates that some of the Tenements cover a section of the Thatchers Soak calcrete-hosted uranium prospect and extensions of the anomalous drainage channel. The Company may test the potential for possible economic uranium resources at Thatcher's Soak with a modest exploration drill program in its own right or farm out these rights.

The Company considers that the layered mafic-ultramafic sequences in the Yamarna Greenstone Belt and within the southern sections of the Mount Venn greenstone belt have as yet untested potential for Ni-Cu, PGE's and chromite.



Results of Eleckra's first exploration drilling program

The Company's first program of 33 holes of RC drilling for 2625 metres was completed at Yamarna during July and August 2006. The Company has received the final assay results from this program which was initiated within one week of the Company's ASX listing.

Hole	Prospect	Interval (m)	Grade (g/t Au)	From (m)	Comment
EYRC003	Attila	4	5.68	37	Infill drilling
EYRC003	Attila	19	1.44	67	Depth extension of mineralized zone
EYRC004	Attila	6	2.09	104	Depth extension of mineralized zone
EYRC007	Attila	6	5.45	53	Strike extension at north end of deposit
EYRC011	Attila North	3	9.36	68	Test potential for further mineralization
EYRC027	Alaric	3	4.58	24	Infill drilling
EYRC030	Khan North	2	3.84	38	Up dip extension of mineralized zone

Table 3: Significant drill intersections from July & August 2006 RC drill program at Yamarna

Holes were drilled at selected targets within the Attila, Attila North, Alaric, Khan North and Hann zones within the granted mining leases. The objective of the drilling was to begin to test the potential of adding higher grade resources to the currently defined resource base. The program was successful with over 90% (30) of the 33 holes drilled returning intercepts of 1gpt Au or greater.

At the southern end of the Attila deposit four holes were drilled to test below the existing limits of drilling for extensions of the mineralization between 60 and 100 metres depth. Much of the Attila deposit has only been drilled to a depth of 60 to 80 metres and the depth potential of this 1.4km long deposit has not been adequately assessed. Several encouraging intercepts were returned including 19 metres at 1.44 g/t Au from 67 metres in EYRC003 and 8 metres at 1.49 g/t Au from 80 metres in EYRC004. The Attila drilling program provides further confidence for the potential to add to the existing resources at Attila by verifying the continuation of down dip and down plunge extensions of the strongest mineralized lenses.

At the northern end of the Attila deposit two shallow holes extended the mineralization 25 metres to the north, returning values of 5 metres at 3.34 g/t Au from 45 metres in EYRC006 and 6 metres at 5.45 g/t Au from 53 metres in EYRC007 in two separate lenses. The encouraging grade and width of the step out drilling adds scope to extend the Attila deposit further to the north as the previous drilling does not appear to have fully tested this position. This will be followed up in future drilling programs.

There are several zones of mineralization occurring within the Attila North and Alaric trend that are only partially delineated. The drilling program here was designed to test for strike extensions of some of these zones.

Encouraging results were returned from the 550m long section between 12000N and 12550N including 7 metres at 1.79 g/t Au from 43 metres in EYRC008, 6 metres at 2.73 g/t Au from 41 metres in EYRC009, 3 metres at 9.36 g/t Au from 68 metres in EYRC011 and 5 metres at 2.58 g/t Au from 40 metres in EYRC012. Attempts to extend the high grade zones intercepted in previous drilling on Sections 12400N and 12500N were unsuccessful.

Review of Operations continued

At the Khan North prospect four holes were drilled up-dip of the high grade intercepts on 36350N and 36400N. Results were somewhat disappointing with the best result of 2 metres at 3.84 g/t Au from 38 metres in EYRC030 located 30 metres up-dip from a previous intercept of 3 metres at 17.9 g/t Au. The higher grades remain open at depth and deeper drilling is warranted in this area.

A program of up to 10,000 metres of RAB and aircore drilling commenced at Yamarna in early September 2006. The program will provide early stage drill testing of strike extensions to Khan North as well as the Central Bore, Tobin Hill and Augusta prospects. Results from this program are expected in October 2006.

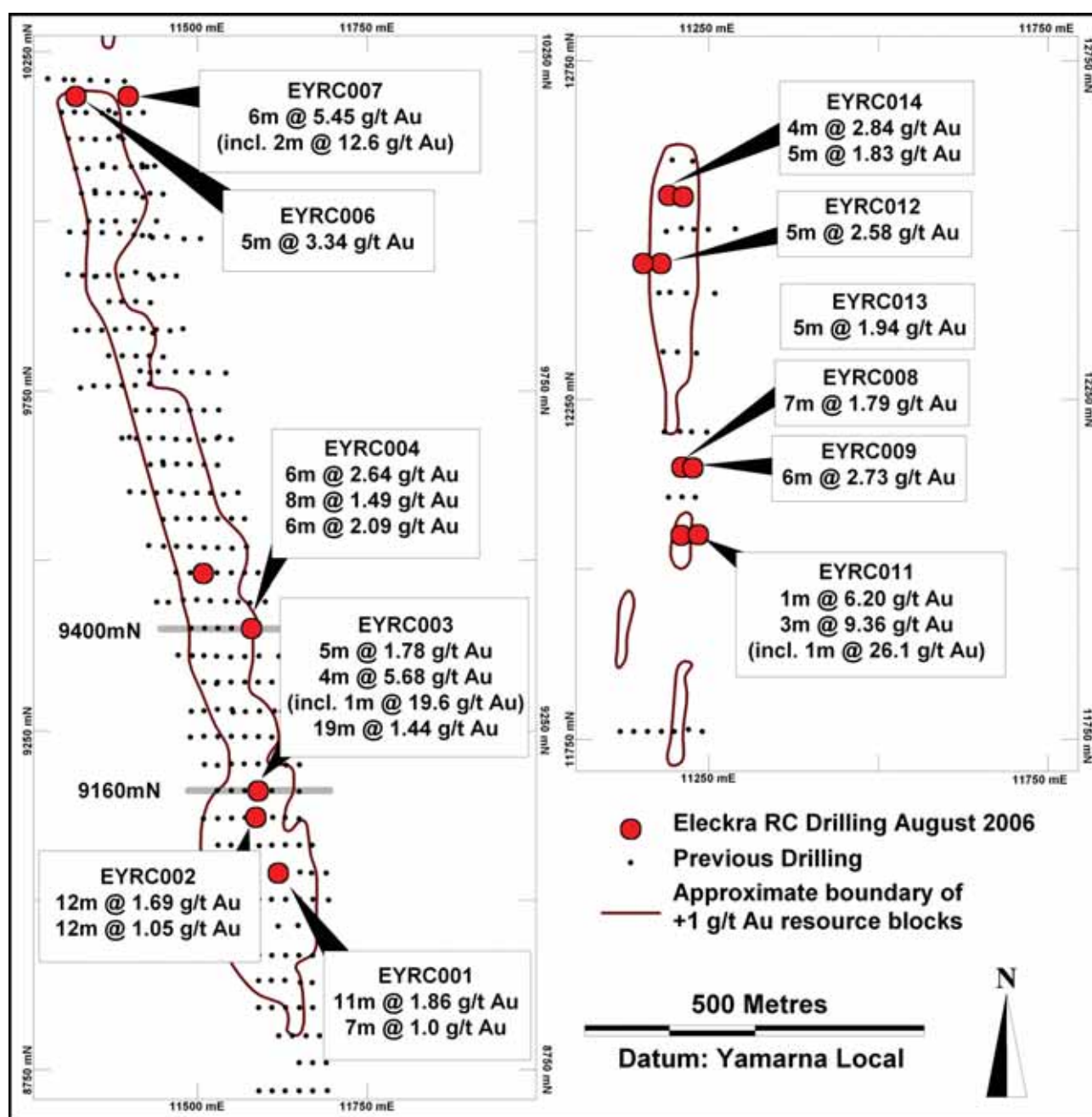


Figure 11: August 2006 RC drilling location plan for Attila and Attila North areas

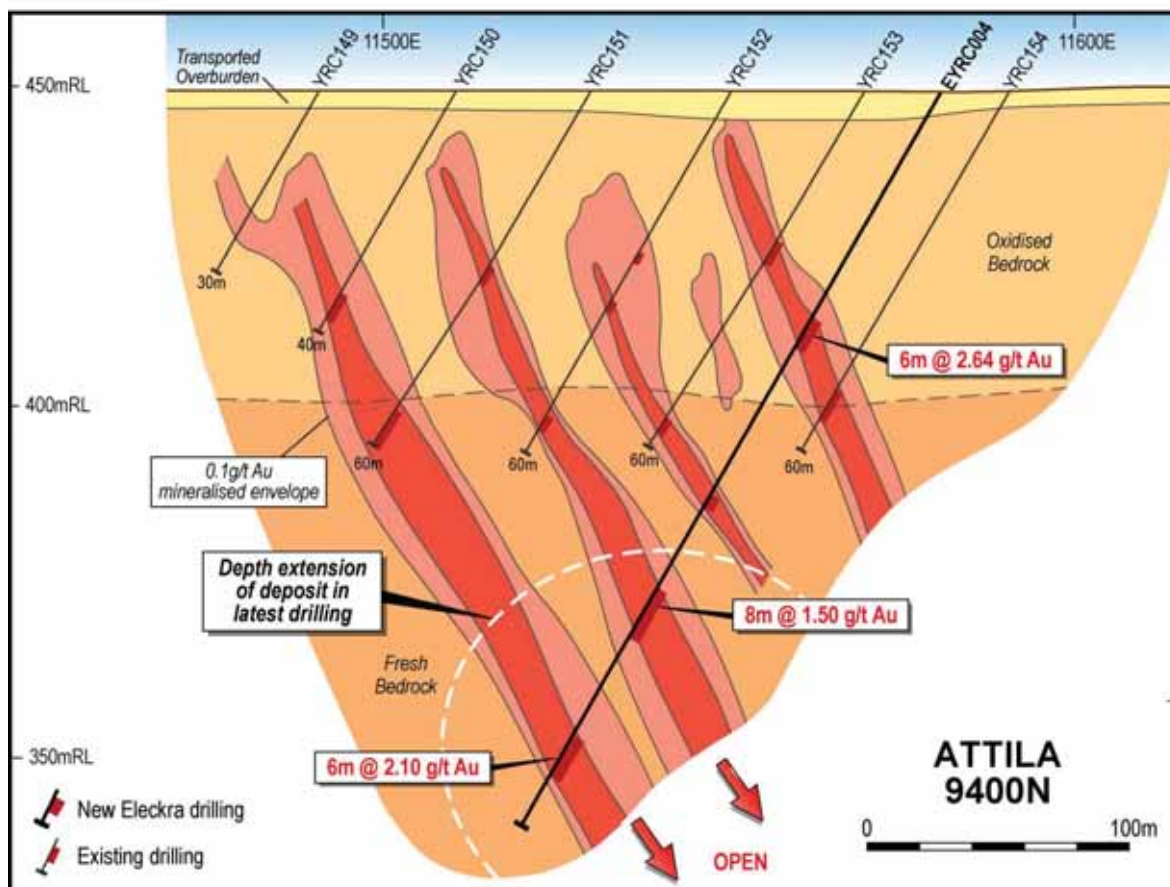
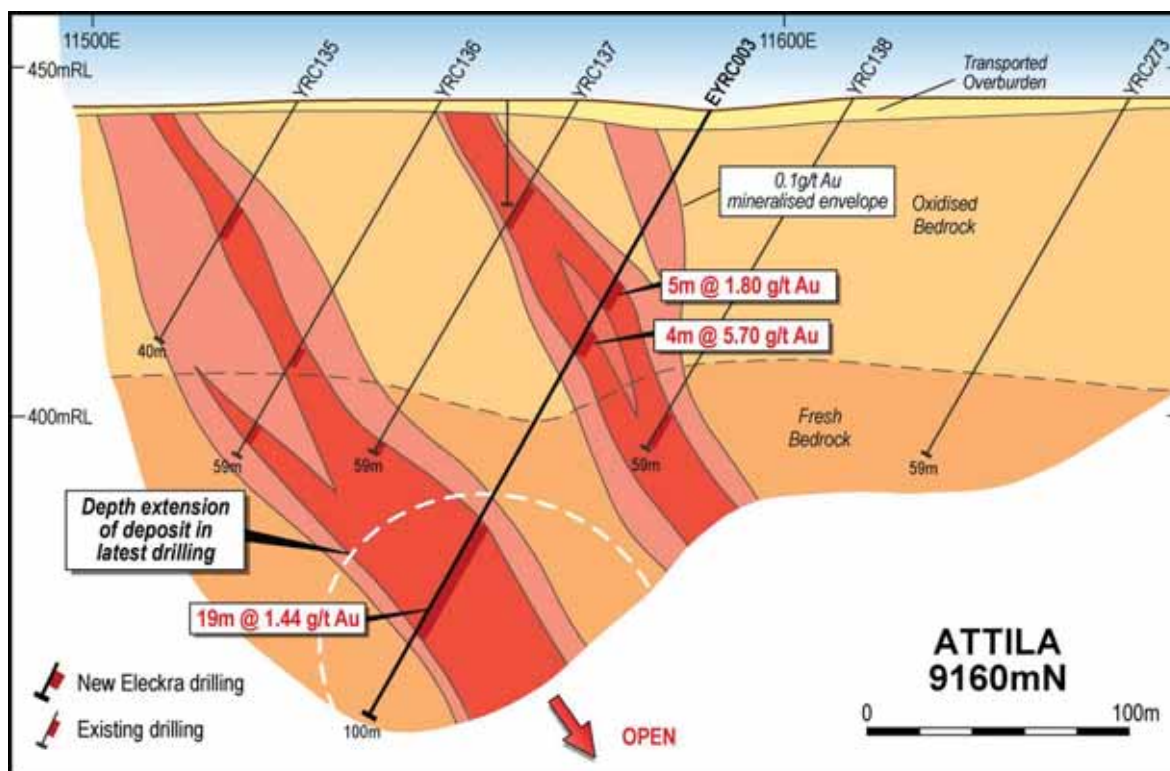


Figure 12: Drillhole cross section – Attila 9160N and 9400N

Review of Operations continued

Darkan Project

(100% interest)

The Darkan project is centred 60 km to the southeast of the Boddington gold-copper deposit, a large gold deposit with current reserves of 11 moz of gold that is currently under development.

The Boddington deposit is located in the Saddleback greenstone belt and is interpreted as a structurally controlled, intrusion related deposit. The deposit is situated close to a major southeast trending fault zone and is intruded by late stage felsic intrusives and disrupted by cross faulting. Interpretation of aeromagnetic imagery by the Company suggests this fault zone extends out of the Saddleback greenstone belt to the southeast through the Darkan tenement. The fault displays structural dislocations and flexures, which will provide the initial focus for Eleckra's exploration. In addition, possible late-stage felsic intrusions have been mapped along the fault within the Darkan tenement. The Darkan tenement includes up to 35 km of strike length of the fault zone.

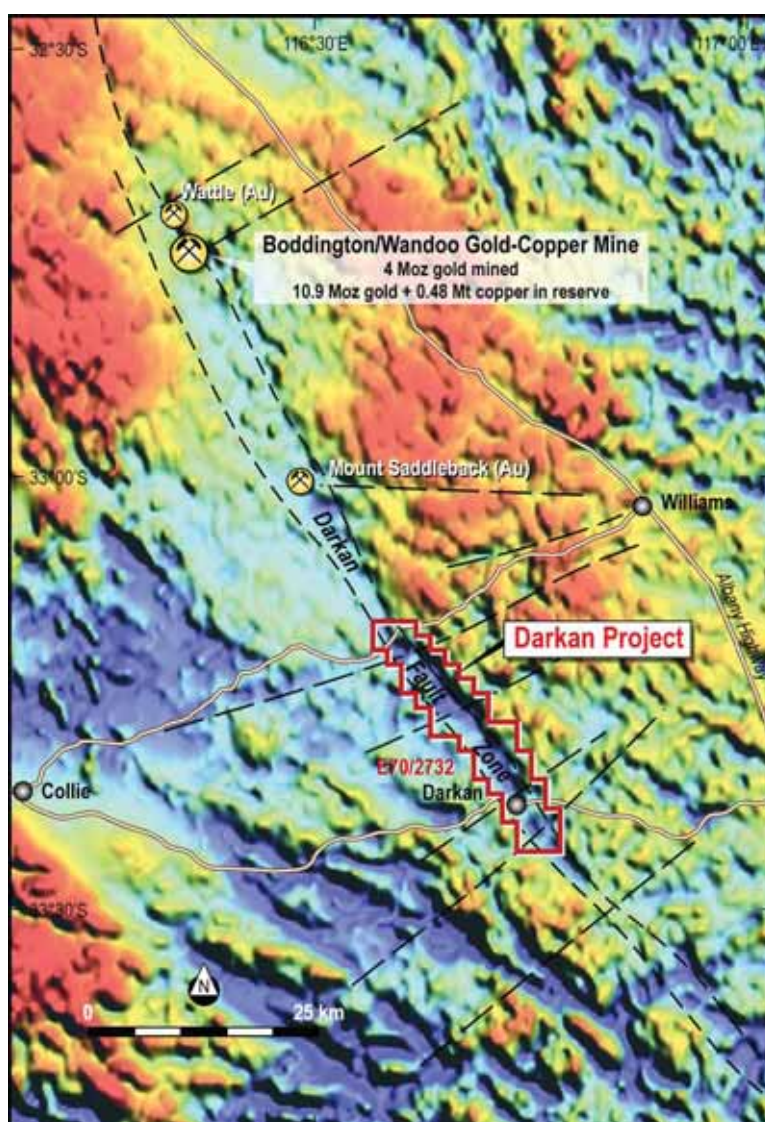


Figure 13: Darkan project – aeromagnetic image showing similar structural setting to the Boddington-Wandoo deposits

The Company's exploration approach for the Darkan Project will be designed to assess the fault for gold deposits. The Company will obtain and review previous exploration results and then conduct mapping, soil and rock chip sampling programs, initially along public access roads and tracks that cross the favourable structural and geological positions. Further work will depend on the results of this program.

Schedule of Interests in Mining Tenements



Tenement Number	Registered Title Holder	Eleckra Interest	Status	Project	Tenement Number	Registered Title Holder	Eleckra Interest	Status	Project
YAMARNA PROJECT					MINING LEASES				
EXPLORATION LICENCES					M38/435	Eleckra Mines Limited	100	Granted	Yamarna
E38/361	Eleckra Mines Limited	100	Granted	Yamarna	M38/436	Eleckra Mines Limited	100	Granted	Yamarna
E38/525	Eleckra Mines Limited	100	Granted	Yamarna	M38/437	Eleckra Mines Limited	100	Granted	Yamarna
E38/526	Eleckra Mines Limited	100	Granted	Yamarna	M38/438	Eleckra Mines Limited	100	Granted	Yamarna
E38/541	Eleckra Mines Limited	100	Granted	Yamarna	M38/439	Eleckra Mines Limited	100	Granted	Yamarna
E38/544	Eleckra Mines Limited	100	Granted	Yamarna	M38/658	Eleckra Mines Limited	100	Application	Yamarna
E38/607	Eleckra Mines Limited	100	Granted	Yamarna	M38/668	Eleckra Mines Limited	100	Application	Yamarna
E38/608	Eleckra Mines Limited	100	Granted	Yamarna	M38/755	Eleckra Mines Limited	100	Application	Yamarna
E38/610	Eleckra Mines Limited	100	Granted	Yamarna	M38/756	Eleckra Mines Limited	100	Application	Yamarna
E38/613	Eleckra Mines Limited	100	Granted	Yamarna	M38/787	Eleckra Mines Limited	100	Granted	Yamarna
E38/620	Eleckra Mines Limited	100	Granted	Yamarna	M38/788	Eleckra Mines Limited	100	Granted	Yamarna
E38/691	Eleckra Mines Limited	100	Granted	Yamarna	M38/814	Eleckra Mines Limited	100	Granted	Yamarna
E38/797	Eleckra Mines Limited	100	Granted	Yamarna	M38/841	Eleckra Mines Limited	100	Granted	Yamarna
E38/804	Eleckra Mines Limited	100	Granted	Yamarna	M38/873	Eleckra Mines Limited	100	Application	Yamarna
E38/1054	Eleckra Mines Limited	100	Granted	Yamarna	M38/930	Eleckra Mines Limited	100	Application	Yamarna
E38/1083	Eleckra Mines Limited	100	Granted	Yamarna	M38/931	Eleckra Mines Limited	100	Application	Yamarna
E38/1084	Eleckra Mines Limited	100	Granted	Yamarna	M38/1003	Eleckra Mines Limited	100	Application	Yamarna
E38/1085	Eleckra Mines Limited	100	Granted	Yamarna	M38/1004	Eleckra Mines Limited	100	Application	Yamarna
E38/1086	Eleckra Mines Limited	100	Granted	Yamarna	M38/1147	Eleckra Mines Limited	100	Application	Yamarna
E38/1097	Eleckra Mines Limited	100	Granted	Yamarna	M38/1148	Eleckra Mines Limited	100	Application	Yamarna
E38/1312	Eleckra Mines Limited	100	Granted	Yamarna	M38/1178	Eleckra Mines Limited	100	Application	Yamarna
E38/1315	Eleckra Mines Limited	100	Granted	Yamarna	M38/1179	Eleckra Mines Limited	100	Application	Yamarna
E38/1336	Eleckra Mines Limited	100	Granted	Yamarna	PROSPECTING LICENCES				
E38/1355	Eleckra Mines Limited	100	Granted	Yamarna	P38/1199	Eleckra Mines Limited	100	Granted	Yamarna
E38/1386	Eleckra Mines Limited	100	Granted	Yamarna	P38/2626	Eleckra Mines Limited	100	Granted	Yamarna
E38/1387	Eleckra Mines Limited	100	Granted	Yamarna	P38/2627	Eleckra Mines Limited	100	Granted	Yamarna
E38/1388	Eleckra Mines Limited	100	Granted	Yamarna	P38/2628	Eleckra Mines Limited	100	Granted	Yamarna
E38/1389	Eleckra Mines Limited	100	Granted	Yamarna	P38/2629	Eleckra Mines Limited	100	Granted	Yamarna
E38/1468	Eleckra Mines Limited	100	Granted	Yamarna	P38/2630	Eleckra Mines Limited	100	Granted	Yamarna
E38/1504	Eleckra Mines Limited	100	Granted	Yamarna	P38/2631	Eleckra Mines Limited	100	Granted	Yamarna
E38/1528	Eleckra Mines Limited	100	Granted	Yamarna	P38/2632	Eleckra Mines Limited	100	Granted	Yamarna
E38/1539	Eleckra Mines Limited	100	Granted	Yamarna	P38/2752	Eleckra Mines Limited	100	Granted	Yamarna
E38/1545	Eleckra Mines Limited	100	Granted	Yamarna	P38/3150	Eleckra Mines Limited	100	Granted	Yamarna
E38/1565	Eleckra Mines Limited	100	Granted	Yamarna	P38/3169	Eleckra Mines Limited	100	Granted	Yamarna
E38/1567	Eleckra Mines Limited	100	Granted	Yamarna	P38/3337	Eleckra Mines Limited	100	Application	Yamarna
E38/1798	Eleckra Mines Limited	100	Application	Yamarna	P38/3338	Eleckra Mines Limited	100	Application	Yamarna
E38/1845	Eleckra Mines Limited	100	Application	Yamarna	P30/3345	Eleckra Mines Limited	100	Application	Yamarna
E38/1847	Eleckra Mines Limited	100	Application	Yamarna	P38/3346	Eleckra Mines Limited	100	Application	Yamarna
E38/1848	Eleckra Mines Limited	100	Application	Yamarna	DARKAN PROJECT				
E38/1858	Eleckra Mines Limited	100	Application	Yamarna	EXPLORATION LICENCES				
E38/1931	Eleckra Mines Limited	100	Application	Yamarna	E70/2732	Eleckra Mines Limited	100	Granted	Darkan
E38/1932	Eleckra Mines Limited	100	Application	Yamarna					

Table 4: Eleckra Mines Limited tenement schedule as at September 25th, 2006

Corporate Governance Statement

The Directors of Eleckra Mines Limited ("Eleckra"), ("Company") support the establishment and ongoing development of good corporate governance for the Company and the consolidated entity.

Eleckra has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board and management are committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Ten Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council ("**ASX Principles and Recommendations**"). Eleckra officially listed on the Australian Stock Exchange Limited on 4 July 2006.

This Statement sets out the corporate governance practices in place from 3 March 2006 and as at the date of this report which comply with the recommendations of the Corporate Governance Council unless otherwise stated. Prior to 3 March 2006 the corporate governance practices of the Company were not formalised or documented

Corporate Governance Council Recommendation 1

Role of the Board of Directors

The role of the Board is to build long term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Senior Executives. The Board relies on Senior Executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring and approving financial and other reporting.

In broad terms the Board Charter clarifies the respective roles of the Board and senior management and assists in decision making processes.

Corporate Governance Council Recommendation 2

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any share holding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the consolidated entity, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board is presently comprised of three members, one Non-Executive Chairman and two Executive Directors.

The Board has assessed the independence of its Non-Executive Director according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that the Non-Executive Chairman is not independent by virtue of his Director related substantial shareholding in the Company.

The Non-Executive Director is Mr Richard Revelins (Chairman). The Board believes that Mr Revelins is the most appropriate person for the position as Chairman because of his industry experience and proven track record as a public Company Director. The skills, experience and expertise of all Directors is set out in the Directors' Report.

The Board does not have a separate Nomination Committee as the selection and appointment process for Directors is carried out by the full Board. The Company is not of a sufficient size to warrant a separate committee.

The Board at this point in time does not have any independent Directors. However the Board considers both its structure and composition are appropriate given the size of the Company and its current scale of operation.



Corporate Governance Council Recommendation 3

Ethical and Responsible decision making

Code of conduct

The Board believes in and supports ethical and responsible decision making.

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company. This Code addresses expectations for conduct in the following areas:

- Responsibility to shareholders;
- Integrity and honesty;
- Respect for laws;
- Conflicts of interests;
- Protection of assets;
- Confidential information;
- Employment practices;
- Respect for the community;
- Respect for individuals;
- Fair trading and dealing;
- Compliance with Code of Conduct: and
- Periodic review of Code

Security Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information. It also provides that notification of intended trading should be given to the Chairman prior to trading.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Company's securities.

Corporate Governance Council Recommendation 4

Integrity in financial reporting

Managing Director and Company Secretary

The Board requires the Managing Director and the Company Secretary provide a written statement that the financial statements of Company and the consolidated entity present a true and fair view, in all material aspects, of the financial position and operational results. In addition confirmation is provided that all relevant accounting standards have been appropriately applied.

Audit Committee

The Company does not have a separately constituted audit committee. The Company is not of a size nor are the affairs of a complexity sufficient to warrant the existence of a separate audit committee. All matters which could be delegated to such a committee are dealt with by the full Board.

External audit recommendations, internal control matters and any other matters arising from the half-year audit review and the annual statutory audit are discussed directly between the Chairman and the audit engagement partner and reported to the full Board.

External Auditors

The Company's policy is to appoint external Auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. Auditor rotation is required by the Corporations Act 2001.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report

Corporate Governance Statement continued

Corporate Governance Council Recommendation 5

Timely and balanced disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the consolidated entity's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Stock Exchange Listing Rules.

In view of the size of the Company and its experienced Board and management structure, the Company has not adopted written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements at this time.

In accordance with ASX Listing Rules, the Company Secretary is appointed as the Company's disclosure officer.

Corporate Governance Council Recommendation 6

Rights of Security Holders

Communications

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy.

In addition to electronic communication via the ASX web site, the Company will publish all ASX releases including Annual and Half-Yearly financial statements on the Company's website as soon as it is established.

Corporate Governance Council Recommendation 7

Recognise and Manage Risk

Risk Management

The identification and development of strategies to mitigate risks associated with the consolidated entity's operation is the responsibility of the Board. The Board recognises that as the Company progresses through exploration to evaluation, there are new issues and risks that need to be prudently addressed. If necessary, the Board draws on the expertise of external consultants to assist in dealing with and mitigating risk.

The Company is not currently considered to be of a size, nor its affairs of such complexity to justify the implementation of a formal system for identifying, assessing, monitoring and managing risk in the organisation.

The Company does not have an internal audit function.

The Managing Director and Company Secretary are not required at this time to provide a statement to the Board on the Company's risk management and internal compliance and control systems.

Corporate Governance Council Recommendation 8

Encourage Enhanced Performance

Performance Review

The Board has not undertaken a formal review of its performance for the year ended 30 June 2006.

The Chairman assesses the performance of the Board, individual Directors and key executives on an informal basis. Due to the early stage of development of the Company, it is difficult for quantitative measures of performance to be established. As the Company progresses its current projects, the Board intends to establish appropriate evaluation procedures.

Independent professional advice and access to information

Each Director has the right to access all relevant information in respect to the Company and the consolidated entity and to make appropriate enquiries of senior management. The Directors have access to the Company Secretary at all times.

Each Director has the right to seek independent professional advice on matters relating to him as a Director of the Company at the Company's expense, subject to prior approval of the Chairman which shall not be unreasonably withheld.



Corporate Governance Council Recommendation 9

Remunerate Fairly and Responsibly

The Company's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Disclosure of the details of the nature and amount of each element of Directors, including Non-Executive Directors, and executive's remuneration is included in the financial statements.

No bonuses and/or incentive payments have been paid and are not anticipated.

Remuneration Committee

The Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

The Board has not created a separate Remuneration Committee. Due to the early stage of development and small size of the Company, a separate remuneration committee was not considered to add any efficiency to the process of determining the levels of remuneration for the Directors and key executives.

Remuneration is currently in accordance with the general principals recommended by the ASX, that is, Non-Executive Directors receive a fixed fee for their services and do not receive performance based remuneration.

The Board ensures that, all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participate in any deliberations regarding their own remuneration or related issues. To the extent that additional executives are appointed in the future and the scope of the Company's activities expands the Company will reconsider whether a change in the structure of executive remuneration is appropriate.

Corporate Governance Council Recommendation 10

Recognise the legitimate interests of Stakeholders

It is expected that all Directors, managers and employees observe the highest standards of integrity, objectivity and business ethics in conducting its business, striving at all times to enhance the reputation and performance of the Company in respect of legal and other obligations to all legitimate stakeholders.

Accordingly, the Board acknowledges the rights of stakeholders and has adopted a Code of Conduct (refer Principle 3) in-line with the recommendations of this Principle 10.

Directors' Report

The Directors present their report on Eleckra Mines Limited for the year ended 30 June 2006.

Directors

The names and details of the Directors of Eleckra Mines Limited during the financial year and until the date of this report are:



Richard Revelins – BEc

Non-Executive Chairman appointed 23 November 2005

Mr Revelins has held senior executive positions in merchant banking and stockbroking firms and has acted as an advisor to a number of public companies in such matters as takeovers, mergers and acquisitions, sale of businesses, debt and equity raisings and strategic financial advice.

Mr Revelins is currently Chairman of Atlas Iron Limited. He is a Director of Mining Projects Group Limited, Mintails Limited and Cangold Limited (Canada). He was a former Director of IM Medical Limited (resigned 31 March 2005) and Prima Biomed Limited resigned 30 November 2004).



Richard Harris – BSc (Hons)

Managing Director (Executive) appointed 7 November 2005

Mr Harris has 25 years experience in the mining and stockbroking industries and his prior positions include senior mining analyst Hartleys Limited, senior business analyst – acquisitions WMC Limited and international mining analyst – Associate Director Shearson Lehman Hutton Limited, London.

Mr Harris holds a Bachelor of Science Honours degree in Mining Engineering from the University of Wales, UK.

Mr Harris has considerable experience evaluating mining companies and projects, advising and raising capital for resource companies. Having specialized in the junior gold sector Mr Harris has established a wide network of relationships with senior executives and management across both the mining and financial markets and brings strong skills and experience in project and company evaluations, acquisition strategy and negotiation.



Russell Davis – BSc (Hons), MBA, MAIMM, FFIN

Exploration Director (Executive) appointed 28 May 2004

Mr Davis is a geologist with 25 years experience in mineral exploration, management, property acquisition, mining and development. During this period he has worked on the exploration and development of a range of commodities for companies including Texasgulf Australia Limited, ELF Aquitaine Australia Limited, Noranda Australia Limited, Asarco Australia Limited, Wiluna Mines Limited and Asarco. Mr Davis brings with him considerable expertise, in particular, given Mr Davis' association with Asarco, Mr Davis is familiar with many details of the Yamarna Projects.

Mr Davis has held senior positions including Chief Mine Geologist, Exploration Manager and Regional Manager for Asarco. In recent years Mr Davis has been responsible for instigating and managing mineral exploration activities for Asarco and for acquiring projects held by Eleckra Mines Limited.

Mr Davis holds a Bachelor of Science with Honours from the University of Queensland, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and an MBA from Deakin University. Mr Davis is a Member of the Australasian Institute of Mining and Metallurgy and a fellow of the Financial Services Institute of Australasia.

Kevin R Hart

Company Secretary

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 August 2006. He has over 20 years experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm which specialises in the provision of company secretarial services to ASX listed entities.



Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
R Revelins	5,720,000	500,000
R Harris	3,120,000	3,000,000
R Davis	3,130,000	3,000,000

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2006 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Eligible to attend	Attended
R Revelins	19	12
R Harris	23	23
R Davis	24	24

Principal Activities

The principal activities of the Company during the financial year consisted of mineral exploration in Western Australia.

There were no significant changes in these activities during the financial year.

Results of Operations

The net loss after income tax for the financial year was \$234,191 (2005: \$49,962).

Included in the loss for the current year is a write-off of deferred exploration expenditure totalling \$Nil (2005: \$27,742).

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Review of Activities

Exploration

A detailed review of the Company's activities during the financial year is set out in the section titled "Review of Operations" in this Annual Report.

Financial Position

At the end of the financial year the Company had \$5,869,572 (2005: \$147) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$2,655,506 (2005: \$Nil). Mineral exploration and evaluation expenditure during the year for the Company was \$2,655,506 (2005: \$27,742).

Expenditure was principally focused on the Yamarna Projects.

Impact of Legislation and other External Requirements

Since 1 July 2005 the Company has been required to comply with Australian equivalents to International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. The impact of the resulting changes in accounting policies is disclosed in Note 27 of the Financial Report.

Directors' Report continued

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

The Company changed its status from a proprietary limited Company to a public limited Company on 17 February 2006 and changed its name from Faulkner Resources Pty Ltd on the same day.

During the year there were the following significant issues of ordinary shares:

- 9,000,000 shares issued to Directors, employees and promoters raising \$90,000
- 7,949,999 shares issued to Directors, employees, promoters and seed capitalists raising \$556,500 (of which 418,932 shares were issued to eliminate debt of \$29,325)
- 1,000,000 shares issued to Hartleys Limited of 7 cents each in respect of management fees associated with the Initial Public Offering
- 30,000,000 shares issued in respect of the Company's IPO under a Replacement Prospectus dated 13 June 2006, raising \$6,000,000 before costs of the issue
- 10,150,000 shares issued at 20 cents each as vendor consideration to Terra Gold Mining Limited (3,000,000 shares), Asarco Exploration Inc (5,000,000 shares) and Yamarna Goldfields Limited (2,150,000 shares)

The Company achieved its listing on the Australian Stock Exchange on 4 July 2006.

Options Over Unissued Capital

Unlisted Options

During the financial year the Company granted 6,500,000 unlisted options over unissued shares to Directors of the Company. No ordinary shares were issued on the exercise of options.

- (i) unlisted options have a 24 month escrow period from the date of listing on the Australian Stock Exchange Limited. The escrow period applies until 4 July 2008.

Since the end of the financial year no unlisted options have been exercised.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	Exercise Price	Expiry Date
6,500,000 (i)	20 cents	31 March 2011

- (i) Unlisted options have a 24 month escrow period from the date of listing on the Australian Stock Exchange Limited. The escrow period applies until 4 July 2008.

These unlisted options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Matters Subsequent to the End of the Financial Year

The Company's listing on the Australian Stock Exchange was achieved on 4 July 2006.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation.



Environmental Regulation and Performance

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report

Remuneration Policy

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. Remuneration packages include fixed remuneration with bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the Company.

Total remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate \$200,000 per annum. Non-Executive Directors do not receive bonuses. Directors' fees cover all main Board activities.

At the date of this report the Company has not entered into any agreements with Directors or Senior Executives which include performance based components, nor is there any provision for issuing securities to Directors or Senior Executives.

Refer also to the Corporate Governance Statement for more detail on the Boards policy in this area.

Details of Remuneration for Directors and Executive Officers

During the year there were no Senior Executives which were employed by the Company for whom disclosure is required.

Details of the remuneration of each Director of the Company are as follows:

YEAR 2006

Directors	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$
R Revelins (i)	–	–	–	7,666	7,666
R Harris (ii)	56,000	5,040	–	45,998	107,038
R Davis (iii)	40,000	3,600	–	45,998	89,598
TOTAL	96,000	8,640	–	99,662	204,302

(i) Options represent 100.0% of R Revelins remuneration.

(ii) Options represent 42.9% of R Harris remuneration.

(iii) Options represent 51.3% of R Davis remuneration.

YEAR 2005

Directors	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$
R Davis	–	–	–	–	–

Remuneration Report continued

Executive Employment Agreements

Remuneration and other terms of employment for the Managing Director and Exploration Director are set out in their respective Executive Employment Agreements. Major provisions are as follows:

Richard Harris – Managing Director

- Term of agreement – 3 years commencing 4th July 2006 (date Eleckra listed on ASX).
- Base salary of \$190,000 per annum from the date of listing on the Australian Stock Exchange, and prior to listing \$7,000 per month.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, is equivalent to 2 years salary.

Russell Davis – Exploration Director

- Term of agreement – 3 years commencing 4th July 2006 (date Eleckra listed on ASX).
- Base salary of \$170,000 per annum from the date of listing on the Australian Stock Exchange, and prior to listing \$5,000 per month. In addition Mr Davis is entitled to the use of a Company vehicle.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, is equivalent to 2 years salary.

Unlisted Options

Options over unissued shares have been issued to Directors of the Company during the financial year.

Officer's Indemnities and Insurance

During the year and as at the date of this report there is not a Directors and Officers Liability insurance cover in place.

The Company has not provided any insurance for an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the annual report.



Non-audit Services

During the year Stantons International, the Company's auditor, has performed certain other services in addition to their statutory duties.

Total remuneration paid to auditors during the financial year:

	2006 \$	2005 \$
Audit and review of the Company's financial statements	7,000	–
Taxation and other services	8,084	–
TOTAL	15,084	–

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 *Professional independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 32.

Auditor

Stantons International continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 27th day of September 2006.

Richard Harris

Director

27 September 2006

Board of Directors
Eleckra Mines Limited
6 Altona Street,
WEST PERTH WA 6005

Dear Directors

RE: ELECKRA MINES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eleckra Mines Limited.

As Audit Director for the audit of the financial statements of Eleckra Mines Limited for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



John Van Dieren
Director

Eleckra Mines Limited

Financial Statements 2006

- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to the Financial Statements



Income Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Revenue from continuing operations	5	22,253	–
Total revenue			
Employee expenses		(129,978)	(825)
Employee expenses charged to exploration		119,451	–
Equity based remuneration expense		(99,662)	–
Accounting and advisory expenses		(27,945)	(4,092)
Operating lease expenses		(11,274)	–
Depreciation expense	10	(1,475)	–
Corporate and office expenses		(49,524)	(464)
Legal costs		(38,649)	(13,939)
Finance costs		(1,250)	–
Other expenses		(16,138)	(2,900)
Exploration costs written off and expensed		–	(27,742)
Loss before income tax		(234,191)	(49,962)
Income tax expense	7	–	–
Loss attributable to members for the year	16	(234,191)	(49,962)
		Cents	Cents
Earnings per share for loss attributable to the ordinary equity holders of the Company.			
Basic earnings/(loss) per share	26	(2.63)	–
Diluted earnings/(loss) per share	26	(2.63)	–

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

Balance Sheet

AS AT 30 JUNE 2006



	Note	2006 \$	2005 \$
Current assets			
Cash and cash equivalents	8	5,869,572	147
Trade and other receivables	9	65,416	1,691
Total current assets		5,934,988	1,838
Non-current assets			
Property, plant and equipment	10	4,889	–
Capitalised mineral exploration and evaluation expenditure	11	2,655,506	–
Total non-current assets		2,660,395	–
Total assets		8,595,383	1,838
Current liabilities			
Borrowings	13	–	26,025
Trade and other payables	12	698,926	25,774
Total current liabilities		698,926	51,799
Total liabilities		698,926	51,799
Net assets		7,896,457	(49,961)
Equity			
Contributed equity	14	8,080,948	1
Accumulated losses	16	(284,153)	(49,962)
Equity remuneration reserve	16	99,662	–
Total equity		7,896,457	(49,961)

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

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Total equity at the beginning of the financial year		(49,961)	–
Loss for the year	16	(234,191)	(49,962)
Movement in equity remuneration reserve	16	99,662	–
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity	14	8,746,500	1
Transaction costs of equity issued	14	(665,553)	–
Total equity at the end of the financial year		7,896,457	(49,961)

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

Cash Flow Statement



FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Interest received		22,253	–
Payments to suppliers and employees		(146,964)	(25,878)
Interest paid		(1,250)	–
Net cash used in operating activities	25(a)	(125,961)	(25,878)
Cash flows from investing activities			
Payments for exploration and evaluation		(218,089)	–
Payments for tenement acquisition		(400,000)	–
Payments for plant and equipment		(7,000)	–
Net cash used in investing activities		(625,089)	–
Cash flows from financing activities			
Proceeds from loans received		53,300	26,025
Repayment of loans		(50,000)	–
Proceeds from the issue of shares		6,617,175	–
Net cash provided by financing activities		6,620,475	26,025
Net increase/(decrease) in cash held		5,869,425	147
Cash and cash equivalents at the beginning of the financial year		147	–
Cash and cash equivalents at the end of the financial year	8(a)	5,869,572	147
Non cash financing activities	25(b)		

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Eleckra Mines Limited as an individual entity.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporation Act 2001.

Compliance with IFRS

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the financial statements and notes of Eleckra Mines comply with the International Financial Reporting Standards (IFRS).

Application of AASB1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first Eleckra Mines Limited financial statements to be prepared in accordance with AIFRS. AASB1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of Eleckra Mines Limited until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain aspects from AIFRS. When preparing Eleckra Mines Limited 2006 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. The comparative figures in respect of 2005 were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Company's equity and its net income are given in note 27.

Early adoption of standards

The Company has not elected to adopt any standards early as permitted under AASB1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(c) Revenue recognition and receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.



Note 1 Summary of significant accounting policies *continued*

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 22). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 1 Summary of significant accounting policies continued

(i) Property, plant and equipment

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

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

Depreciation of property, plant and equipment is calculated using the straight line and written down value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment	3-5 years
------------------	-----------

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

(j) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

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

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment 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.

(k) Joint ventures

Interests in joint ventures have been brought to account by including the appropriate share of the relevant assets, liabilities and costs of the joint ventures in their relevant categories in the financial statements.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(m) Employee benefits

Wages, salaries and annual leave

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

Long service leave

The liability for long service leave is recognised in the provision for employee benefits 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 expected future salaries, 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.

Share based payments

Share based compensation payments are made available to Directors and employees.



Note 1 Summary of significant accounting policies *continued*

(m) Employee benefits *continued*

Shares and options granted before 7 November 2002 and /or vested before 1 January 2005

No expense is recognised in respect of the options or shares issued to employees or Directors for nil consideration. Shares issued following the exercise of options are recognised at that time and the proceeds received allocated to share capital.

Shares and options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(n) Contributed equity

Ordinary shares are classified as equity.

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

(o) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(p) Goods and service tax (GST)

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

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

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

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 2 Financial risk management

The Company's activities expose it to a variety of financial risks; market risk, credit risk, liquidity risk and cash flow interest risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

a) Market risk

Currently the Company is not exposed to any significant market risk.

b) Credit risk

The Company currently has no significant concentrations of credit risk.

c) Liquidity risk

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations.

d) Cash flow and fair value interest rate risk

As the Company has significant interest bearing assets, the Company's income and operating cash flows are materially exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk. (Note 17 – Financial Instruments).

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at 1(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

Accounting for share based payments

The Company's accounting policy is stated at 1 (m). The value of these option payments are based on reasonable estimates using a recognised option pricing model.

Note 4 Segment information

Business segments

The Company is involved in the mineral exploration sector.

Geographical segments

The Company is organised on a national basis with exploration and development interests within Western Australia.



2006
\$

2005
\$

Note 5 Revenue and other income

From continuing operations

Other revenue

Interest receivable

22,253

–

Note 6 Expenses

Loss before income tax includes the following specific expenses:

Depreciation

Office equipment

1,475

–

Finance costs – loan interest

1,250

–

Exploration expenditure written off and expensed

–

27,742

Note 7 Income tax expense

a) Income tax expense

Current tax

–

–

Deferred tax

–

–

–

–

b) Reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense

(234,191)

(49,962)

Tax at the Australian rate of 30% (2005 – 30%)

(70,257)

(14,989)

Provisions

2,100

–

Equity remuneration expense

29,899

–

Capital raising costs

(39,953)

–

Exploration costs expensed

(67,652)

–

Deferred tax benefit not brought to account

145,843

14,989

Non-deductible expenditure

–

–

–

–

c) Deferred tax assets

Capital raising costs

532,444

–

Provisions

7,000

–

Tax losses

536,108

49,962

Unused tax losses for which no deferred tax asset has been recognised

1,075,552

49,962

Potential tax benefit @ 30%

322,666

14,989

d) Deferred tax liabilities

The Company has a deferred tax liability of \$67,562 relating to capitalised exploration expenditure (excluding acquisition costs) claimed for tax purposes in 2005/06.

All unused tax losses were incurred by Australian entities.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
Note 8 Current assets – Cash and cash equivalents		
Cash at bank and in hand	5,869,572	147
<i>a) Cash at bank and on hand</i>		
These attract interest at 4.25% (2005: Nil).		
Note 9 Current assets – Trade and other receivables		
GST recoverable	65,416	1,691
Note 10 Non-current assets – Property, plant and equipment		
<i>Office equipment</i>		
At cost	6,364	–
Accumulated depreciation	(1,475)	–
	4,889	–
Reconciliation		
<i>Office equipment</i>		
Net book value at start of the year	–	–
Additions	6,634	–
Depreciation	(1,475)	–
Net book value at end of the year	4,889	–
No items of property, plant and equipment have been pledged as security by the Company.		
Note 11 Non-current assets – Capitalised mineral exploration and evaluation expenditure		
<i>In the exploration and evaluation phase</i>		
Cost brought forward	–	–
Exploration expenditure incurred during the year at cost	225,506	–
Acquisition costs incurred during the year	2,430,000	–
Exploration expenditure written off	–	–
Cost carried forward	2,655,506	–
Note 12 Current liabilities – Trade and other payables		
Trade payables and accruals	698,926	25,774



2006
\$

2005
\$

Note 13 Current liabilities – Borrowings

Loan from Director

–

26,025

a) Interest rate risk exposure

Details of the Company's exposure to interest rate changes on borrowings are set out in note 17.

b) Fair value disclosures

Details of the fair value of borrowings for the Company are set out in note 17.

c) Security

There are no secured liabilities.

Note 14 Contributed equity

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

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

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

		2006 No.	2005 No.	2006 \$	2005 \$
b) Share capital					
Issued share capital			1		1
c) Share movements during the year					
	Issue price				
Balance brought forward		1	–	1	–
Share issued on formation	\$1.00	–	1	–	1
Shares issued to Directors, employees and promoters	\$0.01	9,000,000	–	90,000	–
Shares issued to Directors, employees, promoters and seed capitalists	\$0.07	7,949,999	–	556,500	–
Shares issued in respect of IPO announced 13 June 2006	\$0.20	30,000,000	–	6,000,000	–
Shares issued to vendors	\$0.20	10,150,000	–	2,030,000	–
Shares issued to IPO broker for management fee	\$0.07	1,000,000	–	70,000	–
Less: costs related to shares issued		–	–	(665,554)	–
At the end of the year		58,100,000	1	8,080,947	1

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 15 Options

The Company does not have a formal Option Plan. Options have been issued in accordance with a resolution of Directors.

Options are issued free to eligible persons and vest on grant.

a) *Options issued during the year*

During the financial year the Company granted the following unlisted options over unissued shares:

Number of Options Granted	Exercise Price	Expiry Date
6,500,000	20 cents	31 March 2011

The share options were granted to Directors on 24 November 2005 and have been valued for inclusion in remunerations disclosures using the Black Scholes option valuation methodology at \$99,662. The key assumptions in arriving at the value was an assumed IPO price of 20 cents, risk free rate of return 5.31%, a volatility of 50%, an exercise price of 20 cents, an expiry date of 31 March 2011, a 75% discount for risk that the IPO will not proceed or be unduly delayed and a 30% discount as the share options will not be listed on the ASX.

During the year no options were exercised.

b) *Options on issue at the balance date*

The number of options outstanding over unissued ordinary shares at 30 June 2006 is 6,500,000 (2005: Nil). The terms of these options are as follows:

Number of Options Outstanding	Exercise Price	Expiry Date
6,500,000	20 cents	31 March 2011

c) *Subsequent to the balance date*

No options have been granted or exercised subsequent to the balance date to the date of signing this report.

Note	Accumulated losses \$	Equity remuneration reserve (i) \$
------	--------------------------	---------------------------------------

Note 16 Reserves and accumulated losses

Balance brought forward at 1 July 2005	(49,962)	–
Loss for the period	(234,191)	–
Transfer to equity remuneration reserve in respect of options issued	–	99,662
Balance carried forward at 30 June 2006	(284,153)	99,662

(i) *Equity remuneration reserve*

The equity remuneration reserve is used to recognise the fair value of options issued but not exercised.



Note 17 Financial instruments

The Company's exposure to interest rate risk (note 2(d)) is as follows:

	Note	Weighted average effective interest %	Funds available at floating interest rate \$	Assets/ (liabilities) non interest bearing \$	Total \$
2006					
<i>Financial assets</i>					
Cash and cash equivalents		4.25%	5,869,572	–	5,869,572
Trade and other receivables			–	65,416	65,416
Total financial assets			5,869,572	65,416	5,934,988
<i>Financial liabilities</i>					
Payables			–	(698,926)	(698,926)
Total financial liabilities			–	(698,926)	(698,926)
Net financial assets/(liabilities)			5,869,572	(633,510)	5,236,062
2005					
<i>Financial assets</i>					
Cash and cash equivalents			–	147	147
Trade and other receivables			–	1,691	1,691
Total financial assets			–	1,838	1,838
<i>Financial liabilities</i>					
Borrowings			–	(26,025)	(26,025)
Payables			–	(25,774)	(25,774)
Total financial liabilities			–	(51,799)	(51,799)
Net financial assets/(liabilities)			–	(49,961)	(49,961)

Note 18 Dividends

No dividends were paid or proposed during the financial year.

The Company has no franking credits available as at 30 June 2006.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 19 Key management personnel disclosures

a) Directors

The following persons were Directors of Eleckra Mines Limited during the financial year:

- (i) Chairman – Non-Executive

Richard Revelins

(appointed 23 November 2005)

- (ii) Executive Directors

Richard Harris, Managing Director

(appointed 7 November 2005)

Russell Davis, Exploration Director

(appointed 28 May 2004)

b) Other key management personnel

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

c) Key management personnel compensation

Compensation Policy

Compensation levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. Compensation packages include fixed compensation with bonuses or equity based compensation entirely at the discretion of the Board based on the performance of the Company.

Total compensation for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate \$200,000 per annum. Non-Executive Directors do not receive bonuses. Directors' fees cover all main Board activities.

At the date of this report the Company has not entered into any agreements with Directors or Senior Executives which include performance based components.

Refer also to the Corporate Governance Statement for more detail on the Boards policy in this area.

Details of Compensation for Directors and Executive Officers

During the year there were no Senior Executives which were employed by the Company for whom disclosure is required.

Details of the compensation of each Director of the Company are as follows:

YEAR 2006

Directors	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$
R Revelins (i)	–	–	–	7,666	7,666
R Harris (ii)	56,000	5,040	–	45,998	107,038
R Davis (iii)	40,000	3,600	–	45,998	89,598
TOTAL	96,000	8,640	–	99,662	204,302

(i) Options represent 100% of R Revelins compensation.

(ii) Options represent 42.9% of R Harris compensation.

(iii) Options represent 51.3% of R Davis compensation.

YEAR 2005

Directors	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$
R Davis	–	–	–	–	–



Note 19 Key management personnel disclosures continued

c) Key management personnel compensation continued

Executive Employment Agreements

Compensation and other terms of employment for the Managing Director and Exploration Director are set out in their respective Executive Employment Agreements. Major provisions are as follows:

Richard Harris – Managing Director

- Term of agreement – 3 years commencing 4th July 2006 (date Eleckra listed on ASX).
- Base salary of \$190,000 per annum from the date of listing on the Australian Stock Exchange, and prior to listing, \$7,000 per month.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, is equivalent to 2 years salary.

Russell Davis – Exploration Director

- Term of agreement – 3 years commencing 4th July 2006 (date Eleckra listed on ASX).
- Base salary of \$170,000 per annum from the date of listing on the Australian Stock Exchange, and prior to listing, \$5,000 per month. In addition Mr Davis is entitled to the use of a Company vehicle.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, is equivalent to 2 years salary.

d) Equity instrument disclosures relating to key management personnel

Unlisted Options provided as compensation and shares issued on exercise of such options

Options over unissued shares have been issued to Directors of the Company during the financial year.

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Eleckra Mines Limited and other key management personnel of the Company are set out below:

YEAR 2006

Directors	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
R Revelins	–	500,000	–	–	500,000	500,000
R Harris	–	3,000,000	–	–	3,000,000	3,000,000
R Davis	–	3,000,000	–	–	3,000,000	3,000,000

YEAR 2005

Directors	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
R Davis	–	–	–	–	–	–

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 19 Key management personnel disclosures continued

d) *Equity instrument disclosures relating to key management personnel* continued

Share holdings

The number of shares in the Company held during the financial year by each Director of Eleckra Mines Limited and other key management personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

YEAR 2006

Directors	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
R Revelins	–	–	5,720,000	5,720,000
R Harris	–	–	3,120,000	3,120,000
R Davis	1	–	3,129,999	3,130,000

YEAR 2005

Directors	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
R Davis	–	–	1	1

e) *Loans made to key management personnel*

No loans were made to a Director of Eleckra Mines Limited or any other key personnel, including personally related entities during the reporting period.

f) *Other transactions with key management personnel*

The Company received and repaid a \$50,000 loan from Yamarna Goldfields (a Company associated with R Revelins) during the year. Interest paid on the loan amounted to \$1,250. The Company borrowed \$3,300 (2005: \$26,025) from R Davis during the year and the total loan outstanding of \$29,325 was settled by the issue of 418,932 shares.

Note 20 Remuneration of auditors

Audit and review of the Company's financial statements
Taxation and other services

2006	2005
\$	\$
7,000	–
8,084	–
15,084	–

Note 21 Contingencies

(i) *Contingent liabilities*

There were no material contingent liabilities noted or provided for in the financial statements of the Company as at 30 June 2006 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) *Contingent assets*

There were no material contingent assets as at 30 June 2006.



Note 22 Commitments

a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve month period amount to \$1,816,338 (2005: Nil). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners.

b) Operating Lease Commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

	2006 \$	2005 \$
Within one year	—	—
Later than one year but not later than five years	—	—
Later than 5 years	—	—
	<hr/>	<hr/>
	—	—

c) Contractual Commitment

The following contractual commitments in respect of Directors' employment contract were incurred upon listing on the Australian Stock Exchange.

Within one year	392,400	—
Later than one year but not later than five years	784,800	—
Later than 5 years	—	—
	<hr/>	<hr/>
	1,177,200	—

Note 23 Related party transactions

There were no related party transactions during the year, other than disclosed at note 19.

Note 24 Events occurring after the balance sheet date

The Company's listing on the Australian Stock Exchange Limited was achieved on 4 July 2006.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
Note 25(a) Reconciliation of loss after tax to net cash inflow from operating activities		
Loss from ordinary activities after income tax	(234,191)	(49,962)
Depreciation	1,475	–
Share based payments expense	99,662	–
(Increase)/decrease in receivables	(10,607)	(1,691)
Increase/(decrease) in payables	17,700	25,775
Net cash outflow from operating activities	(125,961)	(25,878)

25(b) Non Cash Financing and Investing Activities

Issue of shares as part of capital raising costs	70,000	–
Issue of shares to extinguish debt	29,375	–
Acquisition of tenements by issuing shares	2,030,000	–

	2006 Cents	2005 Cents
Note 26 Earnings per share		
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	(2.63)	–
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	(2.63)	–
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	(234,191)	(49,962)
d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating diluted earnings per share	8,912,163	1
Adjust for calculation of diluted earnings per share:		
Options	6,500,000	–
Weighted average number of shares used as the denominator in calculating basic earnings per share	15,412,163	1

e) Information concerning the classification of securities

(i) Options

Options to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.



Note 27 Explanation of transition to Australian equivalents to IFRS

(1) *Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS (AIFRS)*

Note	Previous AGAAP \$	Effect of transition \$	AIFRS \$
<i>a) At the date of transition to AIFRS: 1 July 2004</i>			
Cash assets	–	–	–
Total current assets	–	–	–
Total non-current assets	–	–	–
Total assets	–	–	–
Total current liabilities	–	–	–
Total liabilities	–	–	–
NET ASSETS	–	–	–
Equity			
Contributed equity	–	–	–
TOTAL EQUITY	–	–	–
<i>b) At the last reporting date under AGAAP: 30 June 2005</i>			
Current assets			
Cash assets	147	–	147
Receivables	1,691	–	1,691
Total current assets	1,838	–	1,838
Total non-current assets	–	–	–
Total assets	1,838	–	1,838
Current liabilities			
Borrowings	25,774	–	25,774
Payables	26,025	–	26,025
Total current liabilities	51,799	–	51,799
Total liabilities	51,799	–	51,799
NET ASSETS	(49,961)	–	(49,961)
Equity			
Contributed equity	1	–	1
Accumulated losses	(49,962)	–	(49,962)
TOTAL EQUITY	(49,961)	–	(49,961)

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

Note 27 Explanation of transition to Australian equivalents to IFRS continued

(2) Reconciliation of loss for the year ended 30 June 2005 reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to loss under Australian equivalents to IFRS (AIFRS)

Note	Previous AGAAP \$	Effect of transition \$	AIFRS \$
Revenue from ordinary activities	–	–	–
Exploration costs written off and expensed	(27,742)	–	(27,742)
Other expenses	(22,220)	(22,220)	
Loss from continuing operations before income tax	(49,962)	–	(49,962)
Income tax	–	–	–
Loss for the year attributable to members	(49,962)	–	(49,962)

(3) Reconciliation of cash flow statement for the year ended 30 June 2005 reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to cash flow statement under Australian equivalents to IFRS (AIFRS)

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

(4) Notes to the AGAAP to AIFRS reconciliations

There were no reconciling items on transition from AGAAP to AIFRS.

Directors' Declaration



In the opinion of the Directors of Eleckra Mines Limited ("the Company")

- (a) the financial statements and notes set out on page 34 to 55 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Company as at 30 June 2006 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2006.

This declaration is made in accordance with a resolution of the Directors.
On behalf of the Board

Signed at Perth this 27th day of September 2006.

Richard Harris
Director

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF ELECKRA MINES LIMITED

SCOPE

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity and statement of cash-flows, accompanying notes to the financial statements, and the directors' declaration for Eleckra Mines Limited for the year ended 30 June 2006.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

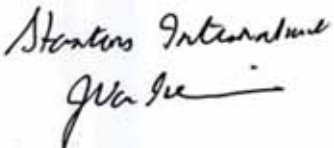
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

AUDIT OPINION

In our opinion, the financial report of Eleckra Mines Limited is in accordance with:

- a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

STANTONS INTERNATIONAL (Authorised Audit Company)

A handwritten signature in black ink, appearing to read 'J P Van Dieren', is written over a light blue rectangular background.

J P Van Dieren
Director

Perth, Western Australia
27 September 2006

ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 25th September 2006.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of shareholders
1 – 1,000	–
1,001 – 5,000	9
5,001 – 10,000	70
10,001 – 100,000	334
More than 100,000	73
TOTALS	486

There was one (1) shareholder holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of shares	Percentage of shares
Asarco Exploration Company, Inc.	5,000,000	8.61%
Yamarna Goldfields Limited	4,650,000	8.00%
Russell Davis	3,130,000	5.39%
Richard Harris	3,120,000	5.37%
GBS Gold International Inc & Its Controlled Entities	3,000,000	5.16%

C. Restricted Securities

- i) There are 12,675,000 restricted ordinary shares that are held in escrow until 4th July 2008.
- ii) There are 12,192,000 restricted ordinary shares that are held in escrow for 12 months from the date of issue, being various dates between March and July 2007.



D. Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

Shareholder Name	Ordinary Shares	
	Number	Percentage of Issued
Asarco Exploration Company, Inc.	5,000,000	8.61%
Yamarna Goldfields Limited	4,650,000	8.00%
Terra Gold Mining Ltd	3,000,000	5.16%
Russell Davis	2,500,000	4.30%
Richard Harris	2,010,000	3.46%
Australian Executor Trustees Limited	1,731,000	2.98%
Perth Select Seafoods Pty Ltd	1,400,000	2.41%
Lisa Revelins	1,000,000	1.72%
Zenix Nominees Pty Ltd	1,000,000	1.72%
Matthew Bartell	1,000,000	1.72%
Donald Norman Coultas	770,000	1.33%
Weasel Securities Pty Ltd	600,000	1.03%
Brian John Faithfull	550,000	0.95%
Donald & Jeanette Allen	500,000	0.86%
Jillian Elizabeth Harris	500,000	0.86%
Jemaya Pty Ltd	500,000	0.86%
Susan Davis	500,000	0.86%
Cribbenvest Pty Ltd	500,000	0.86%
SDC Pty Ltd	500,000	0.86%
Eiroz Investment Corporation Pty Ltd	500,000	0.86%
	28,711,000	49.42%

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

F. Use of Capital

Pursuant to the requirements of ASX Listing Rule 4.10.19 the Company has used all funds raised from its Initial Public Offering (IPO) in a manner consistent with the projections and objectives outlined in the IPO document.

G. Largest Optionholders

The names of the largest holders of unlisted options on issue are listed below. The options are exercisable by payment of 20 cents each on or before 31 March 2011.

Optionholder Name	Unlisted Options	
	Number	Percentage of Issued
Richard Harris	3,000,000	46.15%
Russell Davis	3,000,000	46.15%
Richard Revelins	500,000	7.69%
	6,500,000	100.00%



Eleckra is a bright star in the Pleiades star cluster, also known as the Seven Sisters. Many ancient civilisations have worshipped the Pleiades. In Greek mythology Eleckra was one of the seven daughters of Atlas and Pleione. Seduced by Zeus, she gave birth to Dardanus, founder of Troy.

The name Eleckra means 'amber', 'shining' and 'bright'. Electrum, an alloy of silver and gold is derived from the name and means amber in Latin. The Company's logo depicts the seven stars of the Pleiades, with Eleckra denoted as the largest star surrounding the alchemical symbol for gold. Eleckra's association with gold is fitting for our Company's business and our aim to be a gold producer.





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