



ANNUAL REPORT 2008

Corporate Directory

Eleckra Mines Limited

("Eleckra") ("The Company")

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Chairman's Letter

Dear Shareholder

It is my pleasure to present to you Eleckra's 2008 Annual Report.

It has been an eventful second listed year for Eleckra, both from an exploration perspective and a corporate perspective.

Over the past 12 months we have undertaken three detailed exploration programs, at a total cost of A\$1.8 million targeting gold, uranium, chromium, nickel and copper. The areas covered include Thatcher Soak, Khan North, Renegade, Wanderrie, Elvis, Augusta and Mt Venn East in our Yamarna Project area. A total of 944 holes were drilled, for 15,342 metres, and included RC, RAB and Aircore drilling.

On 1 September 2008 we announced our new gold resource estimate at the Yamarna Gold Project of 19.8 million tonnes at 1.44 g/t Au for 917,000 ounces of contained gold (using a 0.5 g/t cut-off) which includes 13.1 million tonnes at 1.78 g/t Au for 749,000 ounces (using a 1.0 g/t cut-off). This new gold resources shows a higher confidence level through the substantial (114%) increase in the Measured Resource category due to the infill and extensional drilling which has been carried out by Eleckra since 2006.

We followed this up on 15 September 2008 with the announcement of our maiden uranium resource estimate at the Thatcher Soak Project of 16.1 million tonnes at 174ppm U_3O_8 for 6.2 million pounds of contained U_3O_8 (approximately 2,800 tonnes contained U_3O_8) using a 100ppm cut-off. This resource at 150ppm cut-off is 10.0 million tonnes at 204ppm for 4.5 million pounds of U_3O_8 .

At the start of this year we only had the initial Yamarna gold resource. We now have two major commodity resources, gold and uranium, in our portfolio, with potential to add other commodities such as chromium, PGE's, copper, nickel and iron to these due to the great tenement base we have in the highly prospective Yamarna greenstone belt.

On the corporate front, we saw one of the Company's founders and previous Executive Chairman, Richard Harris, resign from the board on 12 February 2008 following which I took over as Chairman. This was followed up by the appointment of Hartleys as Corporate Advisor on 23 May 2008 to assist in growing the company. We have been actively seeking growth opportunities and remain optimistic that we will be successful in finding the right corporate opportunity for Eleckra.

Given the state of the international markets and particularly the junior explorers' space, we are in for a challenging year ahead. The differentiator between Eleckra and the other junior explorers is the highly prospective tenements we hold. We have resources in two major commodities – gold and uranium – and potential to add to these based on our preliminary exploration activities. We also have a supportive shareholder base to assist in future funding.

I would like to extend my thanks and appreciation to my fellow directors Russell Davis and Kevin Hart, as well as our Exploration Manager, Ziggy Lubieniecki, and all our dedicated employees, consultants and advisors for their diligent work and achievements during the year.



Ian Murray

Executive Chairman

22 September 2008

Review of Operations

Eleckra's Projects

Exploration Highlights & Strategy

Eleckra has three exploration projects, two in Western Australia – the Yamarna Project in the North Eastern Goldfields and the South West gold-copper project to the southeast of Perth – and the Kitty O'Shea in Queensland (Figure 1). Yamarna is the Company's flagship project, covering almost the entire Yamarna greenstone belt. During the year Eleckra added several exploration license applications prospective for gold and iron to the project which increased the area held under tenure by Eleckra in the Yamarna region to approximately 5,000km².



Figure 1: Project Locations

The strategy at Yamarna is to build the project's gold resources to sufficient size and grade to justify the economic development of a gold mining operation. The Company also intends to progress its exciting Thatcher Soak uranium deposit, sections of which lie within Eleckra's tenements, and advance the project's nickel-copper, chromite and iron potential.

Exploration proceeded on several fronts. Most of the work was directed towards uranium exploration, with the Company completing 7,390m of drilling. Extensive uranium mineralisation was confirmed by resource definition infill drilling at Eleckra's Thatcher Soak uranium project. Down hole gamma logging and geochemical assay results indicate widespread uranium mineralisation at shallow depth. The majority of mineralisation is within 6m of surface although deeper zones have been discovered at depths between 6m and 14m. On 15 September 2008, Eleckra announced its maiden Mineral Resource at Thatcher Soak of 16.1 million tonnes averaging 174ppm U₃O₈ for 6.2 million pounds of contained U₃O₈ (or approximately 2,800 tonnes contained U₃O₈) using a 100ppm U₃O₈ cut-off.

Gold metallurgical testwork from Attila, Alaric and Khan North deposits returned excellent results, with gold recoveries from 21 composite samples varying between 87.3% - 98.0% with an average of 93.5%. The May 2008 RAB drilling program tested geochemical targets at the Augusta and Elvis gold prospects. The preliminary results are encouraging and the follow up work is currently under way.

The Company's new Mineral Resource estimate for Yamarna now totals 19.8mt at 1.44 g/t Au for 917,000 ounces of contained gold using a 0.5 g/t cut-off, this includes 13.1mt at 1.78 g/t Au for 749,000 ounces of contained gold using a 1.0 g/t cut-off (combined Measured, Indicated and Inferred categories) (refer to Table 2). The new mineral resource estimate is based on a more constrained geological interpretation than the previous resource estimate. **The model shows that the mineralisation is still open at depth and along strike.**

Pit optimisation studies are currently under way. Sensitivity analysis will be performed by varying costs, process recoveries, gold pricing and various types of processing (Heap Leach versus Carbon In Leach) to assess their impact on optimum pit size. The optimisations will be used to assist in determining the direction of future exploration efforts. The optimisation studies are expected to be completed in October 2008.

Significant chromite intersections from the Yamarna Chromite deposit were returned including: 6m at 32.9% Cr₂O₃, 1m at 37.4% Cr₂O₃, 1m at 35.7% Cr₂O₃. Further assessment of the economic potential of this material is planned. The value of the nickel-copper and chromite potential of the project tenements has yet to be fully realised and farm-in partners will be sought to progress exploration for these commodities.

The Company's exploration strategy in the South West Project is to search for large tonnage gold-copper deposits like Boddington, using low-cost reconnaissance surface geochemistry. The initial laterite sampling program returned promising copper and gold results. Subsequently an agreement was reached to farm-in to a new tenement near Dinninup located 60km to the south of Darkan covering anomalous geochemistry in a similar favourable structural position.

The Company assessed potential acquisitions and joint ventures on a regular basis during the year.

Yamarna Project

(100% interest subject to separate royalty agreements on some tenements).

The Yamarna Project is located about 140km east of Laverton on the eastern edge of the Yilgarn Craton.

Yamarna has the defined Attila-Alaric gold resources occurring within a regional scale mineralised gold trend termed the Yamarna shear zone (Figure 3). 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.

Much of the Archaean bedrock at Yamarna is obscured by a thin veneer of windblown sand and Permian sediments. Whilst making exploration challenging, the cover and isolation has resulted in Yamarna being one of the most under-explored greenstone belts in WA. The Company believes there is significant scope to discover more gold mineralisation at Yamarna given the lack of intensive historical exploration activity.

The discovery of the potentially multi-million ounce gold deposits beneath transported cover at Tropicana 100km to the south of Yamarna highlights the potential existing in this poorly explored region on the margin of the Yilgarn (Figure 4).

The Company has assembled a substantial regional tenement package that for the first time allows exploration in the belt to be approached in a systematic manner.

Gold Exploration

The Company, in its second year at Yamarna, has tested a number of advanced to grass roots gold targets with some success, but there remain many that still require a first pass test and many which warrant further drilling to determine their significance.

The Company relinquished tenements that were considered as adequately tested and applied for new tenements over areas considered to hold untested mineral potential. For example approximately 1,300km² has been applied for at the Golden Sands Project between Yamarna and the Tropicana gold deposits along the interpreted projections of the Yamarna shear zone. Much of the bedrock in this area is obscured by sand cover hence sensitive geochemical techniques will be used to screen the area for evidence of mineralisation.

Gold exploration at Yamarna focussed on testing targets at the Elvis and Augusta prospects. Programs of grassroots geochemical sampling and reconnaissance were undertaken over critical target areas. Also, metallurgical testwork and a new resource estimate were completed for the Yamarna gold deposits.

Review of Operations continued

Attila – Alaric Corridor

Metallurgical Testwork

Twenty one composite samples each weighing about 3kg were submitted to Amdel Laboratory in Kalgoorlie for a 24 hour bottle roll metallurgical test. The samples were collected from gold intercepts in fifteen RC holes and from four gold deposits (Attila, Attila North, Alaric and Khan North). The majority of the samples were collected from the fresh zone with three composites collected from saprock (oxidised bedrock) and transition zones. The vertical depth of the samples varied from about 15m - 76m.

Sample ID	Hole	Vertical Depth To (m)	Vertical Depth From (m)	Vertical Interval (m)	Weathering	Prospect	E_AGD84	N_AGD84	Calculated Head Grade Au (g/t)	Gold Recovery %
556580	EYRC01	39	49	10	Saprock-Fresh	ATTILA	565,767	6,882,653	2.05	91.7
556581	EYRC01	68	74	6	Fresh	ATTILA	565,767	6,882,653	1.70	90.0
556582	EYRC02	15	25	10	Saprock	ATTILA	565,710	6,882,721	3.00	97.0
556583	EYRC02	52	63	10	Fresh	ATTILA	565,710	6,882,721	1.06	89.6
556584	EYRC03	23	28	4	Saprock	ATTILA	565,701	6,882,759	2.44	97.1
556585	EYRC03	58	75	17	Fresh	ATTILA	565,701	6,882,759	1.02	91.2
556586	EYRC06	39	44	4	Transition-Fresh	ATTILA	565,126	6,883,646	1.60	95.0
556587	EYRC07	46	51	5	Fresh	ATTILA	565,200	6,883,670	7.32	89.3
556588	EYRC08	17	22	4	Fresh	ATTILA	564,407	6,885,478	0.89	95.5
556589	EYRC08	37	44	6	Fresh	ATTILA	564,407	6,885,478	1.50	98.0
556590	EYRC09	36	41	5	Fresh	ATTILA	564,423	6,885,482	3.37	95.3
556591	EYRC11	59	62	3	Fresh	ATTILA	564,461	6,885,391	1.43	96.5
556592	EYRC12	35	39	4	Fresh	ATTILA	564,283	6,885,754	2.92	90.1
556593	EYRC13	71	76	4	Fresh	ATTILA	564,258	6,885,746	3.67	96.5
556594	EYRC20	30	35	4	Saprock	ATTILA NORTH	563,868	6,887,038	0.94	94.7
556595	EYRC23	45	50	4	Fresh	ALARIC	562,720	6,891,080	2.05	87.3
556596	EYRC25	61	66	5	Fresh	ALARIC	562,702	6,891,177	0.69	94.2
556597	EYRC26	37	42	4	Fresh	ALARIC	562,665	6,891,272	2.85	91.2
556598	EYRC26	45	50	4	Fresh	ALARIC	562,665	6,891,272	1.77	89.2
556601	EYRC30	33	35	2	Fresh	KHAN NORTH	556,272	6,908,263	6.00	96.5
556601	EYRC31	22	26	4	Fresh	KHAN NORTH	556,248	6,908,307	1.06	97.2
Maximum									7.32	98.0
Minimum									0.69	87.3
Average									2.35	93.5

Table 1: Summary of 24-hour Bottle Roll Metallurgical Test

The results from the bottle roll test show very good gold recoveries from all four deposits and from all weathering profiles. The gold recoveries vary from 87.3% to 98.0% with an average of 93.5%. These results are encouraging and support the results of earlier metallurgical testwork.

Resource Estimation

The main portion of the Yamarna gold resource is located in the Attila-Alaric Corridor. It is associated with a steeply ENE dipping litho-stratigraphic sequence of predominantly biotite schist which is interpreted as the metamorphosed equivalents of intermediate volcanic rocks and sediments. Gold mineralisation occurs over a 17km strike length as narrow schistosity-parallel zones within a 10m thick porphyritic rock unit and within a 40m wide zone of variably biotite-altered amphibolite in its footwall.

Controls on gold mineralisation are both lithological and structural. Mineralisation is contained in a mafic, iron-rich, section of the stratigraphy but the morphology of high-grade zones is structurally controlled. Correlation of mineralisation between drill sections suggests a gently NNW or SSE plunge of zones of medium/high grade gold mineralisation; broadly parallel to the mineral lineation direction. Based on the available structural information, lodes are expected to resemble a flat ellipsoidal or pencil-shape with the long axis of the bodies gently plunging or nearly horizontal. In detail, gold mineralisation within ore lodes is likely to show additional directional variability determined by the orientation of fold hinges. The gold mineralisation at Khan North occurs in a quartz porphyry unit. The zone at Khan North dips steeply to the west with locally high grade shoots of uncertain orientation.

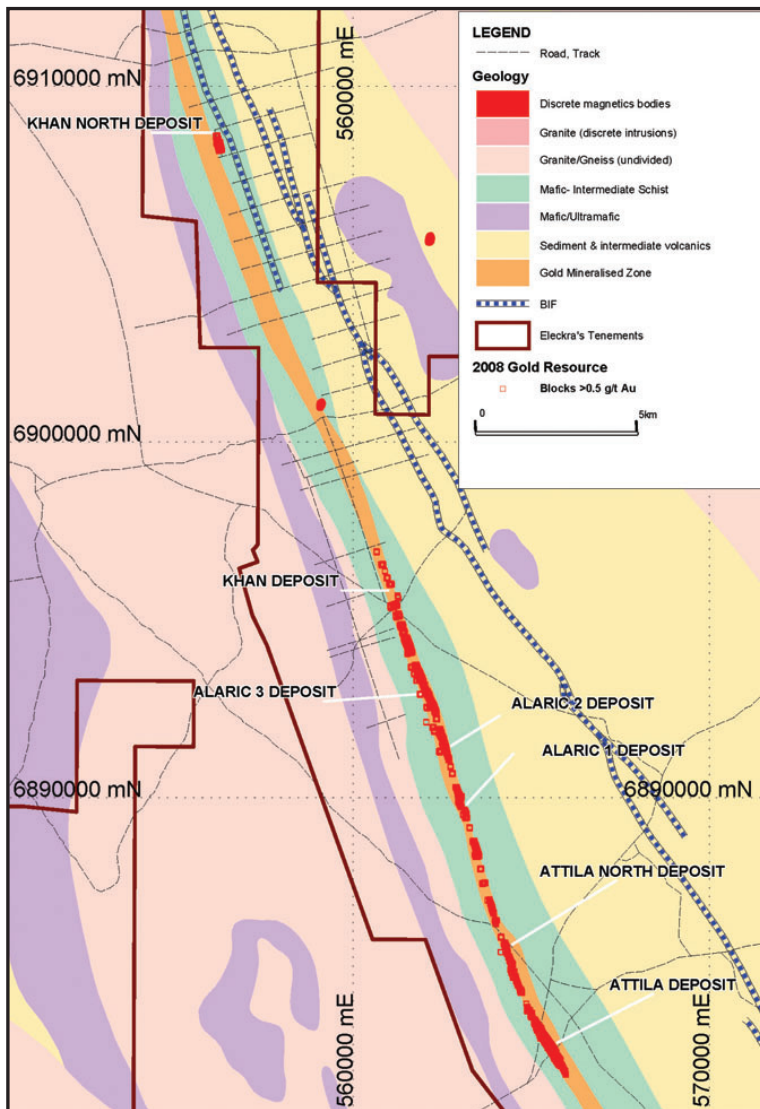


Figure 2: Yamarna Gold Project – Blocks with grades > 0.5 g/t Au

80 samples of diamond drill core. Ordinary Kriging was used for grade interpolations. Search ellipsoid parameters were: 80m x 40m x 20m (except for Northern Area: 80m x 60m x 20m).

Three resource classes were defined, Measured, Indicated and Inferred, based on a combination of the data density (number of composites available for interpolation), spatial continuity (distance between block and composite) and Kriging variance. QC documentation has been derived mainly from the 2002 resource estimate. Gold intersections reported have been verified by previous project owners QAQC protocols, which include routinely inserted standards and duplicates. All drill samples were prepared by reputable laboratories and pulverised to 90% passing 75 microns. The majority of the RC and diamond core holes were analysed for gold using Fire Assay.

527 drill-holes comprising both RC and diamond core were incorporated in the modelled wireframes. Down-hole grade intervals were composited to 1m. High grade outliers were restricted in their influence, rather than applying a strict high-grade cut-off.

The Yamarna mineralisation has been interpreted on section and wireframed (in Micromine), using a nominal 0.5 g/t Au cut-off, by Eleckra geologists. A minimum of 1m down-hole width was used. The wireframes were further refined by Eleckra and independent resource consultants Ravensgate. These wireframes formed the constraints for the block model constructed by Ravensgate. Parent block size for the block model was 2m x 10m x 5m. Block percentage coding was used to simulate sub-blocking. Because of the approximately 17km long mineralisation trends, the wireframes were split into four main areas: South (Attila), South-Central (Attila North), Central North (Alaric) and North Area (Khan North) based on breaks in the mineralisation. Refer to Figure 2.

The same bulk density values depending on the oxidation state of the host rocks were used as in the 2002 estimation. Three surfaces were used to define four oxidation / weathering levels. Sample bulk density determinations were based upon values obtained from the measurement of

Review of Operations continued

The Mineral Resource inventory for the Yamarna Gold project as at 21 August 2008:

At 0.5 g/t Au Cut off	2008 Resource		
Resource Category	Tonnes	Au Grade (g/t)	Contained Au (Troy Oz)
Measured Resource	6,449,000	1.55	322,000
Indicated Resource	6,251,000	1.36	273,000
Inferred Resource	7,117,000	1.41	322,000
Total	19,817,000	1.44	917,000

At 1.0 g/t Au Cut off	2008 Resource		
Resource Category	Tonnes	Au Grade (g/t)	Contained Au (Troy Oz)
Measured Resource	5,027,000	1.75	283,000
Indicated Resource	3,745,000	1.75	211,000
Inferred Resource	4,356,000	1.82	255,000
Total	13,128,000	1.78	749,000

Table 2: The Mineral Resource inventory for the Yamarna Gold project as at 21 August 2008. Note: rounding errors may occur

The current Mineral Resource estimate compares well with a 2002 estimate (at 1.00 g/t Au cut off) which stated figures of 12.6 million tonnes at a grade of 1.82 g/t Au. The total 2008 estimate has delivered a modest increase in ounces with respect to the previously published 2002 estimate of 740,000 ounces, due to the inclusion of the Khan North deposit which did not form part of the 2002 estimate, offset by the use of a more constrained model. A substantial (114%) increase occurred in the measured category due to infill drilling carried out by Eleckra since 2006. The new resource is based on a more constrained geological interpretation than the previous 2002 resource estimate. The 2002 resource estimates was based on unconstrained drill data using Multiple Indicator Kriging for interpolation using grades from 3m composites.

The current model shows that the mineralisation is still open at depth and along strike. Due to the majority of the holes being shallow and further, because of large sections of the mineralised trend had been drilled on widely spaced lines, these potentially mineralised areas were not included in any resource category. As a result there is a potential to increase the resource by further systematic drilling.

The results from both the previous and recent bottle roll metallurgical testwork show very good gold recoveries from all four deposits and all weathering profiles. The gold recoveries up to 98.0% can be achieved in fresh rock.

Pit optimisation studies are currently under way. Sensitivity analysis will be performed by varying costs, process recoveries, gold pricing and various types of processing (Heap Leach versus Carbon In Leach) to assess their impact on optimum pit size. The optimisation will be utilised in determining the focus of future exploration efforts. The optimisation is expected to be completed in October 2008.

Yamarna Regional Targets

Regionally, outside of the Attila-Alaric area, the Company has a suite of gold targets within its tenement holding, ranging from conceptual targets, to targets with some surface and RAB geochemical anomalism, to more advanced prospects with ore grade intersections.

Renegade (Khan North)

One Slimline RC hole (EYSRC007) for 88m was drilled at the Renegade prospect, located 800m north of the Khan North prospect. The hole was collared approximately 20m to the grid west of the discovery hole EYRC053 (2m at 10.34 g/t Au) to test for continuity and to confirm the assumed dip of the mineralisation. The prospect is hosted within a unit of sheared mafic and felsic schist along the eastern contact of the porphyry unit that hosts the Khan North mineralisation.

The results for the 1m check Fire Assays returned several anomalous zones of mineralisation in the hole. Significant intercepts include:

Hole	From (m)	To (m)	Grade g/t Au
EYSRC007	14	15	2.88
EYSRC007	17	18	1.19
EYSRC007	34	35	0.77
EYSRC007	35	36	1.91
EYSRC007	54	55	6.14
EYSRC007	55	56	1.33
EYSRC007	56	57	1.20

Table 3: Renegade Best Hole Intercepts

Further drill testing is required in this area to establish the strike and plunge extent of the mineralisation at Renegade.

Wanderrie

During the September 2007 Quarter, a drilling programme was carried out at Wanderrie on E38/526 that is located approximately 20km to SSE of Attila deposit. Due to difficult ground conditions a combination of 2,701m RAB and 1,744m aircore drilling was used.

The drilling here was very broadly spaced, mainly at 800m line spacing, with drill collars every 200m along the lines. All the holes were drilled vertically, blade to refusal, with only a minor amount of hammer drilling used. Holes were analysed for gold. A number of elevated gold values were reported.

Hole	AMGmE	AMGmN	From (m)	To (m)	Interval (m)	Grade g/t Au
EYRB414	577210	6866208	45	46	1	0.550
EYAC086	574804	6867806	62	66	4	0.201
EYAC088	575198	6867799	50	54	4	0.163
EYAC082	573203	6867801	58	62	4	0.073
EYAC069	575396	6866204	54	58	4	0.069
EYRB397	575397	6865395	55	59	4	0.063
EYRB407	577807	6865410	32	36	2	0.064
EYAC070	575202	6866208	44	46	4	0.060
EYAC075	574198	6866204	68	72	4	0.057
EYAC074	574396	6866199	76	70	4	0.055

Table 4: Wanderrie Maximum Hole Intercepts

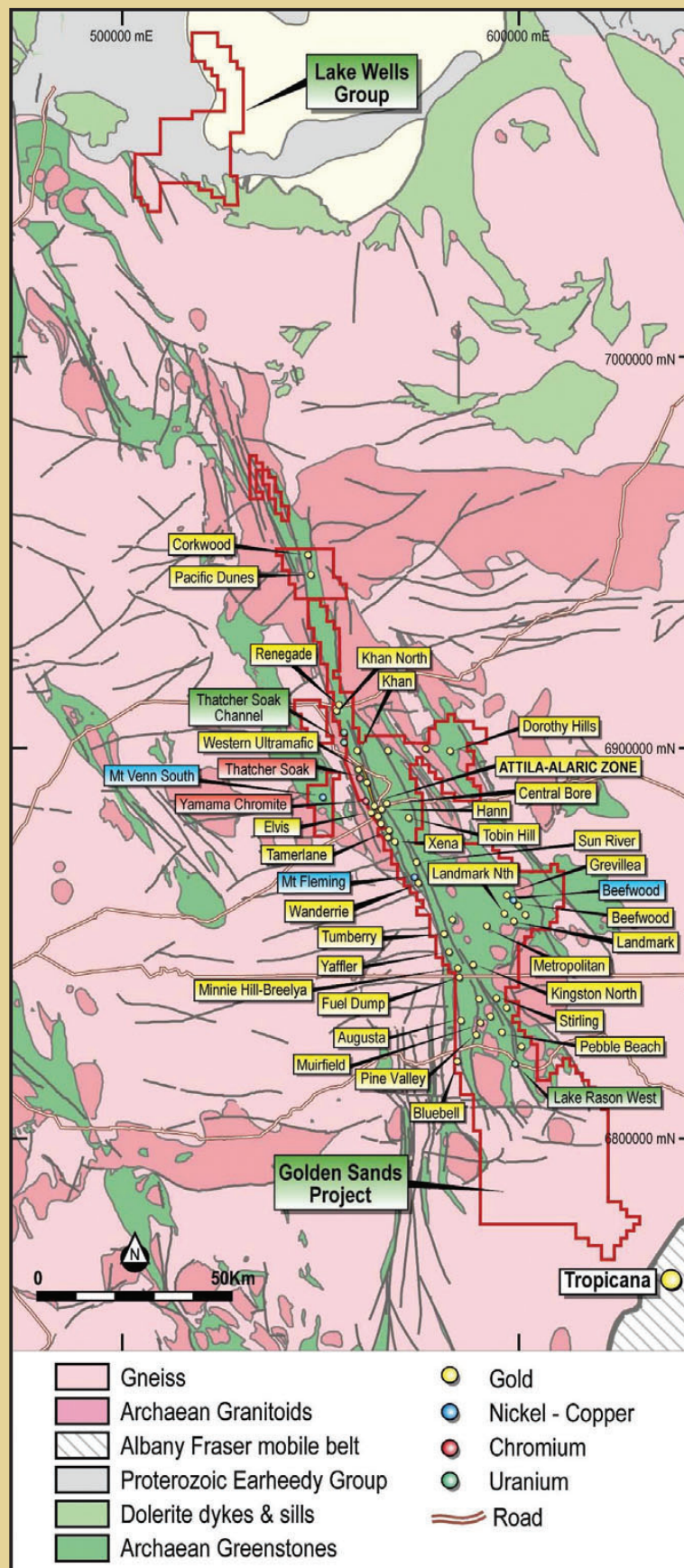


Figure 3: Yamarna Project tenements & prospects as at June 2008

Elvis Prospect

The Elvis prospect is located approximately 3km SSE of Attila. During May 2008 Eleckra drilled 14 inclined RAB holes for 377m at the Elvis prospect. Drilling at Elvis tested a gold-copper soil anomaly. Main drill hole lithology was granodiorite. Intersected gold mineralisation was coincident with shearing, quartz veining and presence of anomalous copper grades. Follow up drilling will be undertaken.

Hole	Depth From (m)	Interval (m)	Grade g/t Au
8EYRB003	24	4	0.152
8EYRB005	16	4	0.119
8EYRB009	0	4	2.008
8EYRB009	8	3	0.119
8EYRB013	4	8	0.338

Table 5: Elvis Best Hole Intercepts > 0.100 g/t Au

Augusta Prospect

The Augusta prospect is located approximately 60km SSE of Attila on a structurally complex section of the Yamarna shear zone. Aircore holes drilled by previous explorers 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.

Previous infill RAB drilling by the Company confirmed the anomaly over a 4.8km strike length, returning results of up to 1m at 12 g/t Au and 15m at 0.5 g/t Au. During May 2008 Eleckra drilled 49 Infill RAB holes for 2,054m at the prospect. The purpose of RAB drilling at Augusta was to improve the definition of the primary mineralisation. Main drill hole lithologies were sheared amphibolite (gabbroid or basalt), sediments and minor pink granite. Numerous broad zones of low grade gold mineralisation were intercepted.

Hole	Depth From (m)	Interval (m)	Grade g/t Au
8EYRB015	28	2	0.306
8EYRB019	44	2	0.411
8EYRB020	22	1	0.227
8EYRB021	22	1	0.356
8EYRB022	31	1	0.270
8EYRB026	27	4	0.114
8EYRB031	22	4	0.419
8EYRB041	26	4	0.129
8EYRB041	34	4	0.275
8EYRB041	42	3	0.279
8EYRB043	64	1	0.121
8EYRB044	46	26	0.183
8EYRB045	65	1	0.125
8EYRB046	44	8	0.135
8EYRB046	60	4	0.122
8EYRB047	40	23	0.260
8EYRB048	28	4	0.135
8EYRB048	36	8	0.200
8EYRB048	48	7	0.176
8EYRB049	42	9	0.212
8EYRB050	42	2	0.136
8EYRB051	48	1	0.143
8EYRB052	46	4	0.175
8EYRB052	58	1	0.196
8EYRB058	30	1	0.157
8EYRB059	45	1	0.117
8EYRB060	40	7	0.144
8EYRB061	36	8	0.169
8EYRB063	44	8	0.227

Table 6: Augusta Best Hole Intercepts > 0.100 g/t Au

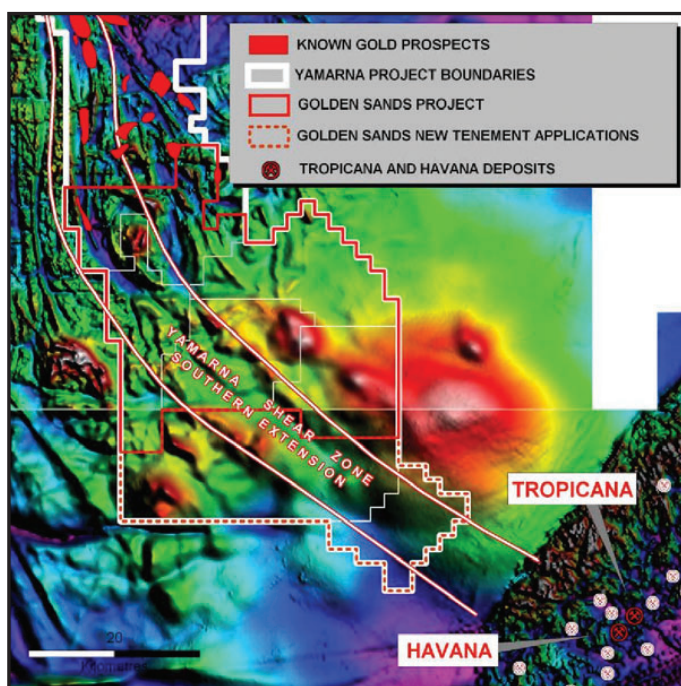


Figure 4: Golden Sands tenement location over area magnetic image

programs when the tenement applications are granted. Orientation sampling will also be undertaken to determine the most effective sampling techniques.

The Yamarna project is considered by Eleckra to be highly prospective for economic gold deposits. The project has a range of targets at varying levels of assessment, including the Golden Sands area which southern boundary is located approximately 25km to the northwest of the Tropicana and Havana deposits. The area held now covers a strike length of about 65kms. Gold anomalism is known at the Augusta and Bluebell prospects at the northern end of the Golden Sands tenements within the Yamarna shear zone.

Uranium Exploration

Eleckra now holds a uranium-prospective tenement portfolio comprising three projects in the Yamarna region. The portfolio, approximately 800km² in area, covers radiometric anomalies with potential calcrete-associated uranium targets within the **Thatcher Soak**, **Lake Rason** and **Lake Wells** drainage systems. (Figure 5).

Thatcher Soak

During October and November 2007, Eleckra initiated its first drilling program of 450 vertical aircore holes for 4,792m at Thatcher Soak. Extensive uranium mineralisation was intersected in the drilling. Encouraged by these results, in May 2008, Eleckra completed its second drilling program of 313 vertical aircore holes for 2,124m. The purpose of the May 2008 drilling program was to determine the continuity of mineralisation to provide sufficient data to prepare an Inferred Mineral Resource estimate for Thatcher Soak. The final drill grid pattern within the main mineralisation was 200m x 100m and 100m x 100m at the Khan North locality.

Golden Sands project

The Golden Sands Project comprises several exploration licence applications over the interpreted southern extensions of the Yamarna shear zone between Eleckra's Yamarna project and the Tropicana gold project. The area held now totals about 1,300km².

The Tropicana gold project held by AngloGold Ashanti Australia Limited and Independence Group NL has commenced a feasibility study drill-out, and reported inferred mineral resource estimate of 62.8mt at 2.01 g/t Au for 4.05moz Au on 3 December 2007.

Eleckra has recently undertaken further aeromagnetic interpretation of the Golden Sands Project and is encouraged by the interpreted continuity of the major crustal feature represented by the Yamarna shear zone to the southeast into the Albany-Frazer province in the vicinity of the Tropicana and Havana gold deposits.

Eleckra plans to obtain higher resolution aeromagnetic data in order to assist with a structural interpretation prior to conducting targeted geochemical sampling

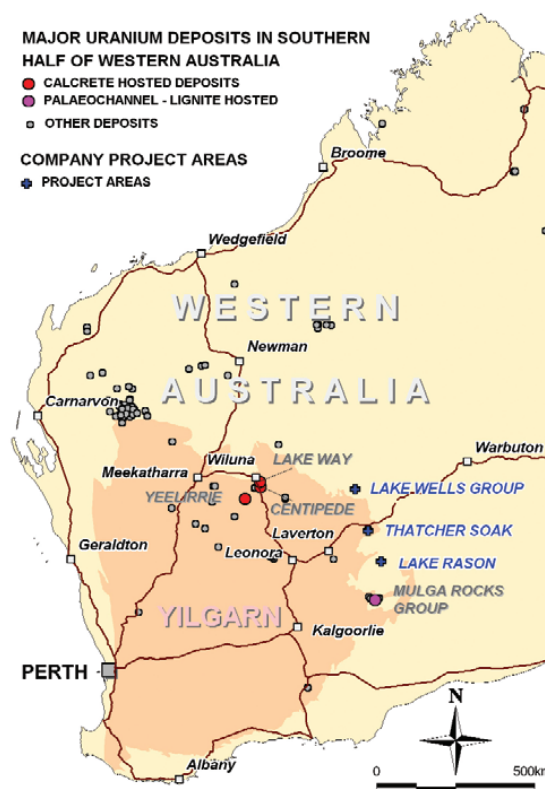


Figure 5: Eleckra's Uranium Projects and major uranium deposits in Western Australia

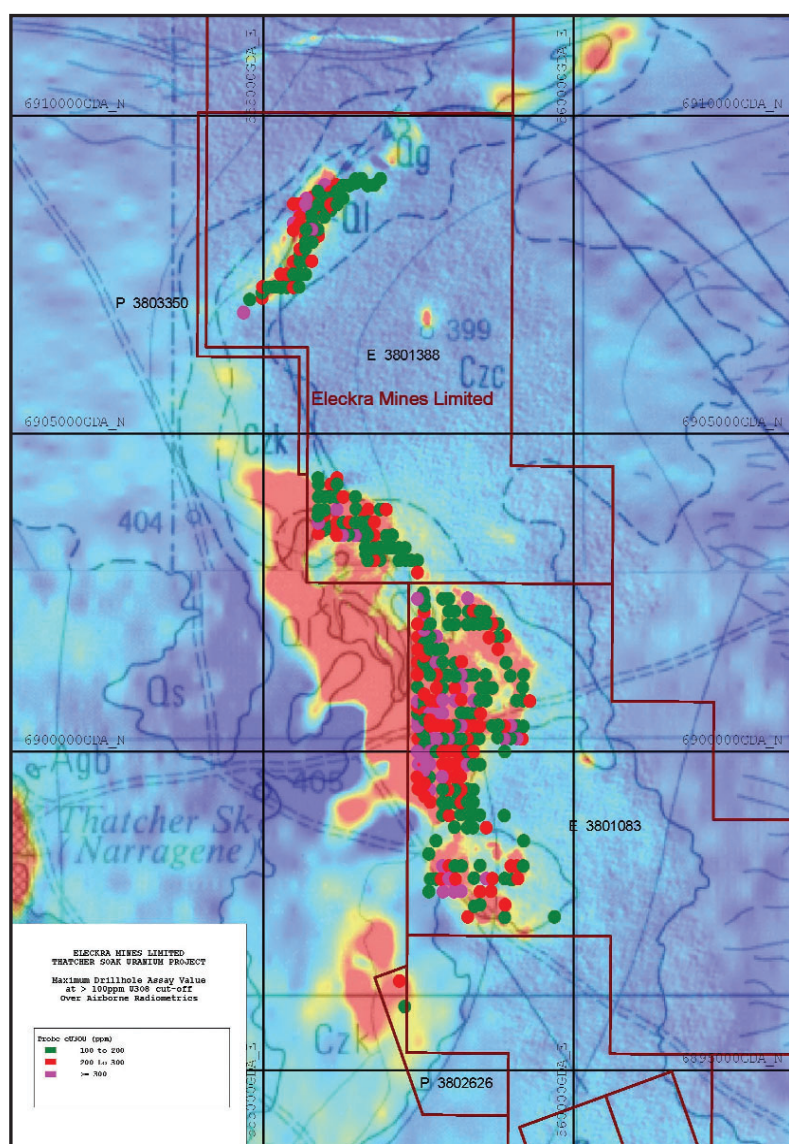


Figure 6: Thatcher Soak hole locations from the November 2007 and May 2008 drilling programs with intercepts averaged using a 100ppm down hole probe eU_3O_8 (ppm) cut-off and minimum thickness of 0.2m

On 15 September 2008, Eleckra announced its maiden uranium resource for the Thatcher Soak uranium deposit. Independent consultants Coffey Mining have estimated an Inferred Mineral Resource at Thatcher Soak of 16.1 million tonnes averaging 174ppm U_3O_8 for 6.2 million pounds of contained U_3O_8 (or approximately 2,800 tonnes contained U_3O_8) using a 100ppm U_3O_8 cut-off.

Eleckra's Thatcher Soak uranium project is located approximately 150km north-east of Laverton in Western Australia within granted exploration licences E38/1083 and E38/1388 to which Eleckra holds a 100% interest and within the Yamarna pastoral lease owned by Eleckra. The mineralisation extends to the west into Uranex NL's tenements (Figure 6).

The Thatcher Soak uranium 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 shallow and 1m to 2m thick.

The resource was estimated using Ordinary Kriging of geochemical and factored radiometric assays within wireframes that formed the constraints for the block model constructed by Coffey Mining. Densities were measured down-hole at 0.05m intervals using a Gamma-Gamma probe in sixty representative holes within the deposit (8% of all drilling).

Cut Off	Million Tonnes	Grade U_3O_8 ppm	Contained U_3O_8 (Million Pounds)
100ppm U_3O_8	16.1	174	6.2
150ppm U_3O_8	10.0	204	4.5

Table 7: Thatcher Soak Uranium Project Inferred Resource Estimate. Note: figures have been rounded

A total of 814 vertical aircore drill-holes are present in the Eleckra database, of which 810 were used in the resource modelling. The average depth of the holes is 9.6m, with 83.4% of the holes being less than 10m in depth. The holes are drilled on a regular 100m EW by 200m NS grid with some infill drilling at 100m NS.

There were two phases of drilling. In the first phase holes were sampled by gamma probe as well as being chemically assayed throughout. The second phase holes were sampled by gamma probe and only partially chemically assayed.

Review of Operations continued

An analysis of results from the two different methods shows:

- Comparable intersections above 100ppm U_3O_8 are stratigraphically displaced, with the radiometric intersection generally showing higher up the hole than the chemical intersection;
- The composited grade for comparable intersections is generally higher in the radiometric section than in the chemical section.

The resource estimate is based predominantly on the chemical assays. Where these have not been taken, the gamma value has been used after factoring by 90% (in these cases the downhole position of the gamma intersection has been accepted). The mineralised zone interpretation was constructed based on a nominal 100ppm U_3O_8 drill-hole grade. The mineralised zones are relatively flat and less than 5m thick. Up to 3 zones may be present at any one section.

Statistical analyses on the 1m U_3O_8 composites were completed prior to estimation. Variography was conducted as input into grade estimation. Top cuts were selected based on an assessment of distribution statistics, including frequency distribution plots and ranked grade charts. Top cuts resulted in a lowering of the mean grade in Domains 1, 2, and 10 (the largest domains) by 1.9%, 14.7%, and 0.5% respectively.

The method used to obtain the U_3O_8 grade estimates was Ordinary Kriging using the cut 1m U_3O_8 composites. Parent cell dimensions of 100m NS by 50m EW by 2mRL were used with sub-celling to 25m NS by 12.5m EW by 0.5m RL to enable adequate volume resolution.

Radiometric density readings were taken by downhole probe on 60 drill holes from the most recent program. These density values were reduced below the water table to give a figure for the dry density. The density used to report the resource (1.97t/m³) was based upon the mean of the dry factored radiometric density readings.

Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and quality.

Zone	Volume km ³	k Tonnes	Grade U_3O_8 ppm	Contained U_3O_8 k Pounds
1	1,096	2,159	156	745
2	1,229	2,422	167	890
3	277	545	164	197
4	194	382	149	126
5	137	271	114	68
6	287	565	150	187
7	23	45	105	10
8	198	391	109	94
9	245	484	141	151
10	3,926	7,735	197	3,362
11	70	137	163	49
12	45	88	104	20
13	387	763	152	255
14	44	86	113	21
Grand Total	8,158	16,071	174	6,176

Table 8: Thatcher Soak Uranium Project – Inferred Resource by zone above a 100ppm U_3O_8 cut-off. Note: figures have been rounded

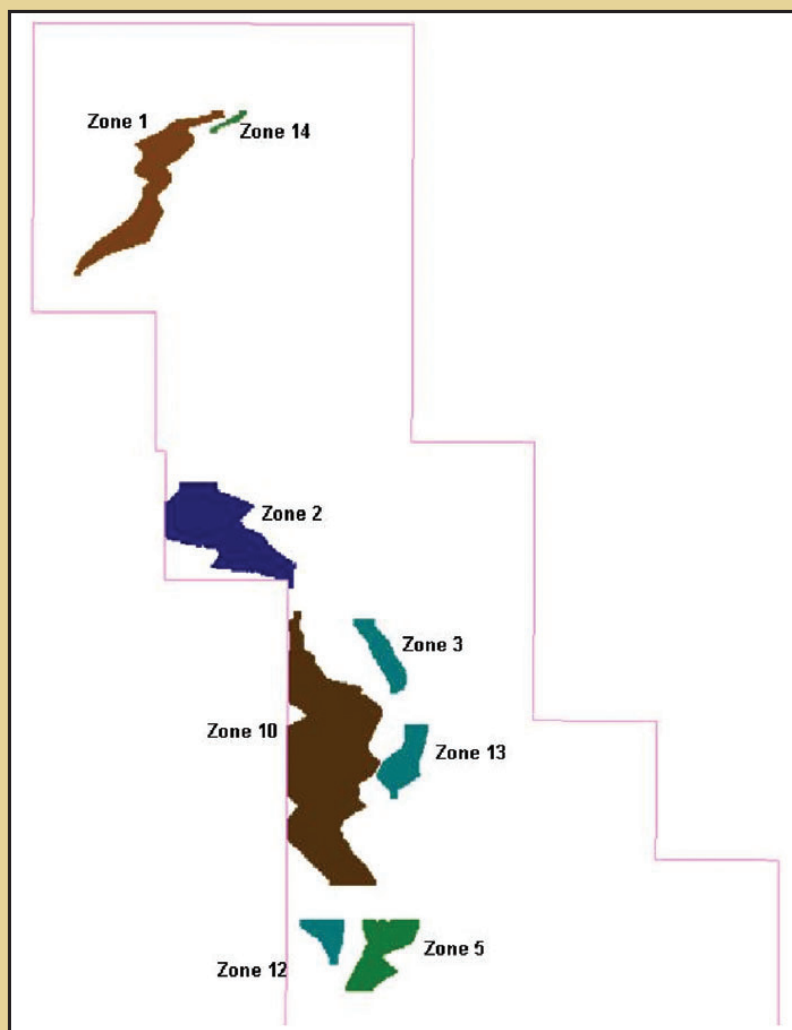


Figure 7: Thatcher Soak Uranium Deposit Illustrative View of Main Mineralised Zones

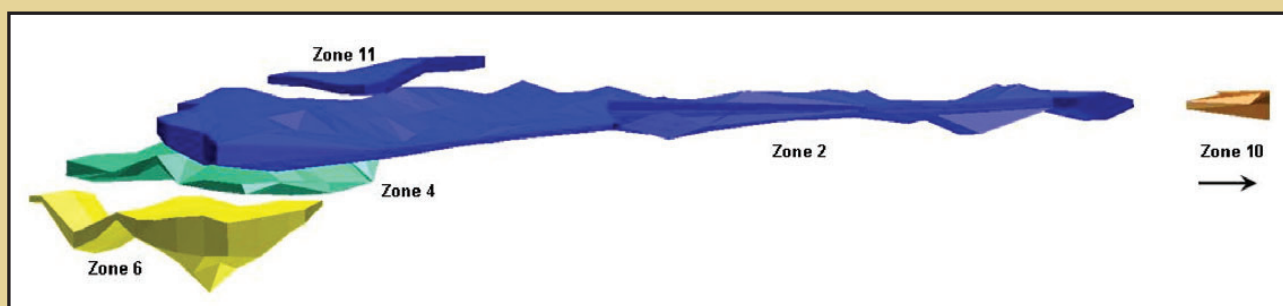


Figure 8: Thatcher Soak Uranium Deposit Illustrative View of Minor Zones Associated with Zone 2

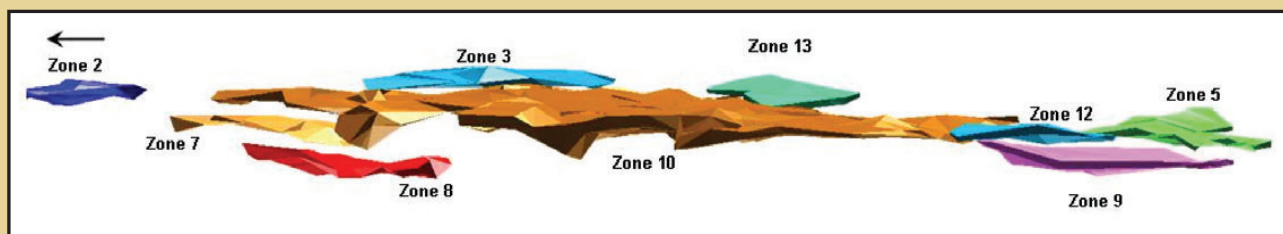


Figure 9: Thatcher Soak Uranium Deposit Illustrative View of Minor Zones Associated with Zone 10

Review of Operations continued

Chromite, PGE's and Copper-Nickel exploration

The Yamarna tenements include portions of layered mafic-ultramafic sequences of the Mount Venn and Yamarna greenstone belts. These belts are considered to have potential for chromite, PGE's and nickel-copper. The Company has initiated exploration for those metals but will explore other funding opportunities in order to expedite exploration for these metals.

Wanderrie Nickel

During September 2007 Quarter, a drilling programme was carried out at Wanderrie and Mt Fleming in E38/526. Due to difficult ground conditions a combination of 2,701m RAB and 1,744m aircore drilling was used. Though the main target was gold, the holes that intercepted ultramafic rocks were also analysed for base metals. A background nickel metal values were reported. Weakly anomalous nickel-cobalt values were intercepted in association with nickel laterite mineralisation.

The drilling and aeromagnetic data indicates that there are several discrete ultramafic units in the Wanderrie area and further work targeting nickel sulphide mineralisation is considered warranted. The strike length of the ultramafic units appears to be at least 4km long and remains open ended.

Yamarna Chromite

Previous historical drilling targeted chromitite float within an ultramafic unit west of the Yamarna homestead and identified up to six seams of medium to high grade chromitite grading up to 30% Cr₂O₃ over a 2m interval, and weak PGE mineralisation of up to 0.2 g/t Pt and 0.82 g/t Pd over 0.9m. The drilling did not close off the chromitite lenses to the north and south.

Six slimline RC holes (EYSRC001 – EYSRC006) for a total of 459m were drilled in July 2007 by Eleckra to follow up chromitite mineralisation drilled in the late 1970's and early 1980's.

Holes EYSRC001 to 004 and EYSRC006 were drilled 100m apart along 400m of strike length of the Yamarna chromite prospect. Hole EYSRC005 was drilled as a step back to EYSRC003 in order to establish the dip of the lithological units. Three holes EYSRC 003, 004 and 006 were terminated too early to fully test the mineralised zones, however all Eleckra's drill holes intersected 40m - 50m of chromium-rich ultramafic unit. The best chromitite intercepts are shown below:

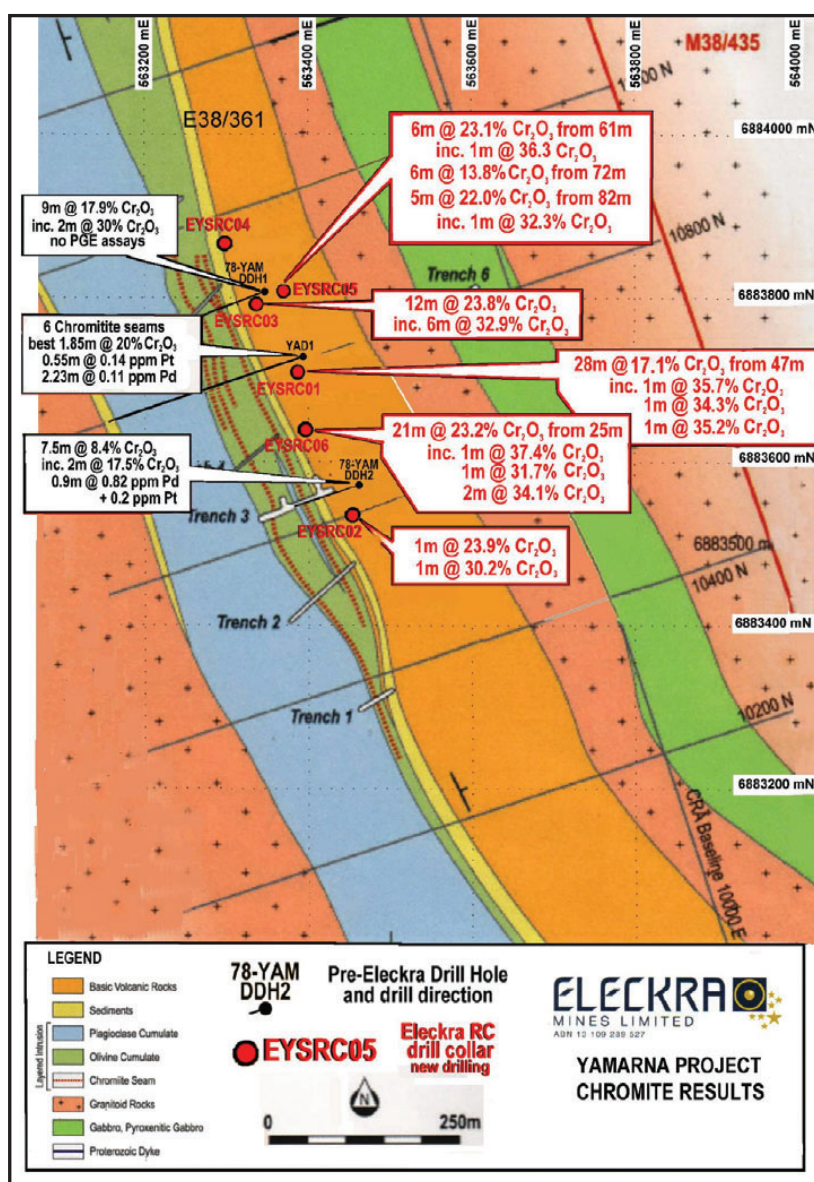


Figure 10: Yamarna Chromite drill location and geological interpretation

Hole Number	From Depth (m)	Interval (m)	Grade % Cr ₂ O ₃
EYSRC001	47	28	17.1
including	55	1	35.7
	58	1	34.3
	70	1	35.2
EYSRC002	68	1	23.9
EYSRC002	70	1	30.2
EYSRC003	22	12	23.8
Including	22	6	32.9
EYSRC004	16	4	10.5
EYSRC004	25	7	11.4
EYSRC005	61	6	23.1
including	62	1	36.3
EYSRC005	72	6	13.8
EYSRC005	82	5	22.0
Including	82	1	32.3
EYSRC006	25	21	23.2
Including	25	1	37.4
	30	1	31.7
	33	2	34.1

Table 9: Yamarna Chromite best hole intercepts

The aeromagnetic data indicates that several other magnetic olivine cumulate units (and the magnetic gabbroic units to the east) may occur at irregular intervals along a strike length of 50km. To date none of these targets have been effectively drill tested.

Eleckra considers there is substantial potential to locate additional chromite mineralisation at Yamarna and further assessment of the economic potential of this material is planned.

Regional Nickel

The recent studies indicate that any Ni-Cu sulphide mineralisation within the Yamarna greenstone belt is most likely to be hosted by komatiite ultramafic rocks. Data from geological maps, drill logs, assay data and petrographic descriptions strongly suggest that the ultramafic sequence that hosts the chromite mineralisation at Yamarna South is the basal zone of relatively thin, but laterally extensive (>80km) layered mafic/ultramafic unit, probably a sill. The presence of chromite mineralisation in a strike-limited zone of thickening within the ultramafic zone of the Yamarna sill may be significant. It is thus probable that zones of thickening within the ultramafic zone of the Yamarna sill may represent loci for formation and/or concentration of any magmatic sulphide present within the sill; i.e. such zones have the highest potential for containing sulphide mineralisation within the sill.

Several other oval magnetic highs have been recognised within the Yamarna Project area that are due or likely to be due to thicker pods of ultramafic rock and that are representing the zones of thickening within the basal ultramafic zone.

Six of the highest priority magnetic targets have been delineated for ground EM or / and airborne VTEM in order to locate nickel sulphide conductors. Ground rather than airborne EM is preferred over targets that require penetrating through deep cover. The best EM conductors will then be drill tested. The EM survey and processing of the data is expected to be completed by the end of the calendar year.

Review of Operations continued

Yamarna Iron Exploration

Aero-magnetic signatures suggest a banded iron formation extends over 80km within Eleckra's Yamarna tenements. Inspection of the available outcrops indicated the presence of strongly magnetic 1m to 40m – wide magnetite banded iron formation. Samples collected from the outcropping areas and submitted to Genalysis returned the following results.

Sample	East GDA94	North GDA94	Fe %	Al ₂ O ₃ %	LOI %	P %	S %	SiO ₂ %
75846	572,460	6,882,340	42	0.41	1.20	0.03	0.015	37.69
75847	572,475	6,882,250	37	0.42	0.73	0.019	0.012	44.92
75848	572,536	6,881,912	39	0.56	1.59	0.033	0.04	43.05
75849	572,345	6,880,942	27	0.54	0.89	0.035	0.022	59.89
75850	572,747	6,881,058	35	0.51	1.10	0.043	0.048	46.98
75851	572,840	6,881,116	33	0.47	1.04	0.028	0.021	50.27
75852	572,325	6,881,570	31	0.51	1.08	0.019	0.029	53.33
75853	572,267	6,882,630	37	0.37	0.75	0.032	0.02	45.28
75854	572,467	6,882,660	37	0.34	0.79	0.03	0.019	44.50
75855	572,140	6,882,994	39	0.47	1.53	0.037	0.079	42.35
75856	571,561	6,884,160	34	1.13	1.80	0.037	0.027	48.76
75857	571,341	6,884,530	34	2.10	3.47	0.038	0.07	44.49
75858	568,994	6,888,222	18	0.41	1.71	0.022	0.075	70.62
75859	568,658	6,888,651	29	0.94	3.04	0.036	0.054	54.46
75860	566,683	6,892,445	47	2.16	2.50	0.073	0.008	28.83
75861	557,353	6,906,786	29	1.71	0.21	0.011	0.008	54.95
75862	557,340	6,906,790	27	1.16	0.05	0.027	0.007	59.93

Table 10: Yamarna Iron Project – Outcrop samples analysed by XRF (Fus/XRFm)

The historical data investigation suggested that very few drill-holes, mostly shallow RAB, targeted the iron formation and none were assayed for iron as the main exploration objective was for gold.

However, one of Eleckra's recent holes, EYRC0058, which was drilled to a depth of 80m, intersected the magnetic high. Drill sample lithology and high magnetic susceptibility indicates the hole intercepted about 60m of banded iron formation. The mineralised intercepts were submitted to Genalysis for iron ore XRF assaying and returned grades averaging approximately 30% Fe over 25m.

Eleckra intends to carry out a mineralogical study of the mineralised drill intercepts and to conduct a first pass drilling program further to assess the iron ore potential at Yamarna.

South West Projects

Darkan

(100% interest in E70/2732)

The Darkan Licence, E70/2732, covering approximately 190km², is centred about 60km southeast of the Boddington gold project in the south west of WA. The tenement covers a 30km long section of the Darkan Fault. The Company's interpretation of available data shows the fault traversing close to the area of the Boddington gold deposit.

Last year's initial laterite sampling within the Darkan Licence returned slightly elevated gold, copper and silver values associated with the fault zone.

Dinninup

(Right to earn up to a 90% of E70/2955)

The Dinninup tenement, E70/2955 is being explored by Eleckra under a Farmin Agreement, enabling the Company to earn a 90% interest in the Licence. This tenement covers an area of about 250km² and is located 200km south of Perth and about 60km to the south of Eleckra's Darkan Project.

A laterite sampling program was completed during the year. Samples were submitted for multi-element analysis. The assay results were received late in the quarter and are currently being assessed.

A preliminary review indicates that slightly elevated gold and copper trends exist within the tenement.

The principal target is gold-copper mineralisation in stockwork vein systems similar in style to the polymetallic Boddington deposit. Previous regional-scale geochemical sampling also returned anomalous tin and tantalum values which are of interest as the Greenbushes tin-tantalum deposits are located 45km to the west. The Dinninup Project will complement Eleckra's Darkan project, and form part of Eleckra's exploration strategy of searching for world-class gold deposits of the Boddington – type in the southwest of WA.

Kitty O'Shea

(100% interest subject to a 1.75% royalty)

Eleckra holds one exploration permit for minerals (EPM16637) covering an area of about 130km² located 70km southwest of Townsville and 30km north of Charters Towers in North Queensland. This is an early stage exploration project considered prospective for gold and copper mineralisation.

Initial reconnaissance work was undertaken during the year.

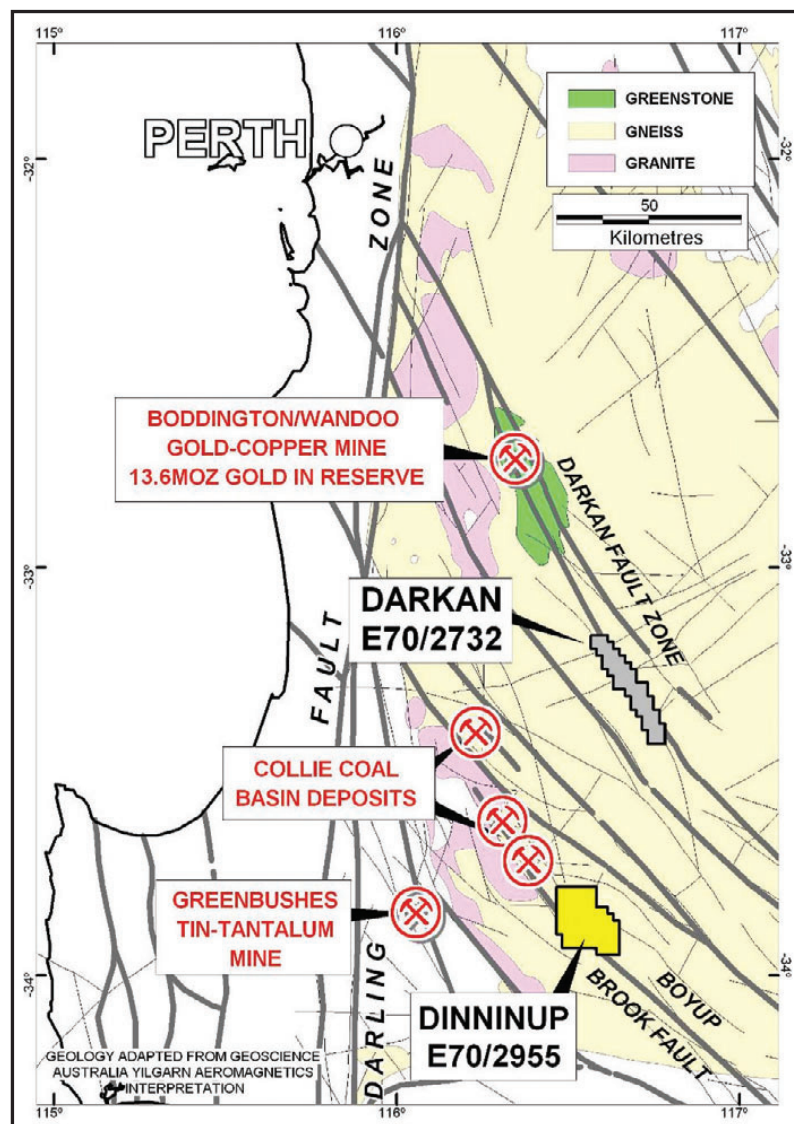


Figure 11: Location of Darkan (E70/2732) and Dinninup Projects (E70/2955)

Review of Operations continued

NOTES:

The information in this report which relates to Exploration Results, or Mineral Resources is based on information compiled by Ziggy Lubieniecki, the Exploration Manager of Eleckra Mines Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Ziggy Lubieniecki has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ziggy Lubieniecki consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report which relate to the Yamarna Gold Project Mineral Resource estimates are based on geostatistical modelling by Ravensgate using sample information and geological interpretation supplied by Eleckra Mines Limited. The Mineral Resource estimates were undertaken by Stephen Hyland, a principal Consultant of Ravensgate. Mr Stephen Hyland is a Members of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Stephen Hyland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report which relate to the Uranium Mineral Resource estimates are based on geostatistical modelling by Coffey Mining Pty Ltd using sample information and geological interpretation supplied by Eleckra Mines Limited. The Mineral Resource estimates were undertaken by Hilary Wright, a Senior Resource Geologist and Neil Inwood, a Special Resource Geologist. Mr Inwood is the competent person responsible for the Resource and is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Inwood consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

**Uranium mineralisation grades through this report annotated with a sub-prefix 'e' have been reported as uranium equivalent grades derived from down hole gamma ray logging results and should be regarded as approximations only.*

Gamma logging or total count gamma logging is a common method used to estimate uranium grade where radiation contribution from thorium and potassium is very small. Sandstone and calcrete hosted deposits are usually of this type. Gamma logging does not account for energy derived from thorium and potassium and thus the result is expressed as an equivalent value or eU_3O_8 .

The contractor used by Eleckra Mines Limited to conduct the down hole gamma log advised Eleckra that it used gamma probe Auslog A075 Total Count Gamma Probe with serial number S939 that was calibrated within the last 12 months at the Department of Water, Land and Biodiversity Conservation (Adelaide, South Australia) test pits that have been constructed under supervision of the CSIRO, to provide for the calibration of radiometric tools. Most probe calibrations in Australia are carried out at this facility.

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, WA					MINING LEASES				
EXPLORATION LICENCES					M38/435	Eleckra Mines Limited	100	Granted	Yamarna
E38/1083	Eleckra Mines Limited	100	Granted	Yamarna	M38/436	Eleckra Mines Limited	100	Granted	Yamarna
E38/1097	Eleckra Mines Limited	100	Granted	Yamarna	M38/437	Eleckra Mines Limited	100	Granted	Yamarna
E38/1315	Eleckra Mines Limited	100	Granted	Yamarna	M38/438	Eleckra Mines Limited	100	Granted	Yamarna
E38/1336	Eleckra Mines Limited	100	Granted	Yamarna	M38/439	Eleckra Mines Limited	100	Granted	Yamarna
E38/1386	Eleckra Mines Limited	100	Granted	Yamarna	M38/658	Eleckra Mines Limited	100	Application	Yamarna
E38/1387	Eleckra Mines Limited	100	Granted	Yamarna	M38/755	Eleckra Mines Limited	100	Application	Yamarna
E38/1388	Eleckra Mines Limited	100	Granted	Yamarna	M38/788	Eleckra Mines Limited	100	Granted	Yamarna
E38/1468	Eleckra Mines Limited	100	Granted	Yamarna	M38/814	Eleckra Mines Limited	100	Granted	Yamarna
E38/1504	Eleckra Mines Limited	100	Granted	Yamarna	M38/841	Eleckra Mines Limited	100	Granted	Yamarna
E38/1528	Eleckra Mines Limited	100	Granted	Yamarna	M38/930	Eleckra Mines Limited	100	Application	Yamarna
E38/1539	Eleckra Mines Limited	100	Granted	Yamarna	M38/931	Eleckra Mines Limited	100	Application	Yamarna
E38/1545	Eleckra Mines Limited	100	Granted	Yamarna	M38/1003	Eleckra Mines Limited	100	Application	Yamarna
E38/1565	Eleckra Mines Limited	100	Granted	Yamarna	M38/1004	Eleckra Mines Limited	100	Application	Yamarna
E38/1567	Eleckra Mines Limited	100	Granted	Yamarna	M38/1147	Eleckra Mines Limited	100	Application	Yamarna
E38/1798	Eleckra Mines Limited	100	Granted	Yamarna	M38/1148	Eleckra Mines Limited	100	Application	Yamarna
E38/1845	Eleckra Mines Limited	100	Granted	Yamarna	M38/1178	Eleckra Mines Limited	100	Application	Yamarna
E38/1847	Eleckra Mines Limited	100	Granted	Yamarna	M38/1179	Eleckra Mines Limited	100	Application	Yamarna
E38/1848	Eleckra Mines Limited	100	Granted	Yamarna	PROSPECTING LICENCES				
E38/1858	Eleckra Mines Limited	100	Granted	Yamarna	P38/2626	Eleckra Mines Limited	100	Granted	Yamarna
E38/1931	Eleckra Mines Limited	100	Application	Yamarna	P38/3337	Eleckra Mines Limited	100	Granted	Yamarna
E38/1932	Eleckra Mines Limited	100	Application	Yamarna	P38/3338	Eleckra Mines Limited	100	Granted	Yamarna
E38/1964	Eleckra Mines Limited	100	Application	Yamarna	P38/3344	Eleckra Mines Limited	100	Granted	Yamarna
E38/1981	Eleckra Mines Limited	100	Granted	Yamarna	P38/3345	Eleckra Mines Limited	100	Granted	Yamarna
E38/1982	Eleckra Mines Limited	100	Application	Yamarna	P38/3346	Eleckra Mines Limited	100	Granted	Yamarna
E38/2046	Eleckra Mines Limited	100	Application	Yamarna	P38/3350	Eleckra Mines Limited	100	Granted	Yamarna
E38/2047	Eleckra Mines Limited	100	Application	Yamarna	P38/3352	Eleckra Mines Limited	100	Application	Yamarna
E38/2048	Eleckra Mines Limited	100	Application	Yamarna	P38/3753	Eleckra Mines Limited	100	Application	Yamarna
E38/2100	Eleckra Mines Limited	100	Application	Yamarna	P38/3754	Eleckra Mines Limited	100	Application	Yamarna
E38/2125	Eleckra Mines Limited	100	Application	Yamarna	P38/3755	Eleckra Mines Limited	100	Application	Yamarna
E38/2131	Eleckra Mines Limited	100	Application	Yamarna	SOUTH WEST PROJECT, WA				
E38/2133	Eleckra Mines Limited	100	Application	Yamarna	EXPLORATION LICENCES				
E38/2173	Eleckra Mines Limited	100	Application	Yamarna	E70/2732	Eleckra Mines Limited	100	Granted	Darkan
E38/2174	Eleckra Mines Limited	100	Application	Yamarna	E70/2955	GWHewlett	0	Granted	Dinninup
E38/2175	Eleckra Mines Limited	100	Application	Yamarna	KITTY O'SHEA, QLD				
E38/2178	Eleckra Mines Limited	100	Application	Yamarna	EPM16636	Eleckra Mines Limited	100	Granted	Kitty O'Shea
E38/361	Eleckra Mines Limited	100	Granted	Yamarna					
E38/525	Eleckra Mines Limited	100	Granted	Yamarna					
E38/526	Eleckra Mines Limited	100	Granted	Yamarna					
E38/607	Eleckra Mines Limited	100	Granted	Yamarna					
E38/608	Eleckra Mines Limited	100	Granted	Yamarna					
E38/610	Eleckra Mines Limited	100	Granted	Yamarna					
E38/691	Eleckra Mines Limited	100	Granted	Yamarna					
E38/797	Eleckra Mines Limited	100	Granted	Yamarna					
E38/804	Eleckra Mines Limited	100	Granted	Yamarna					
E39/1364	Eleckra Mines Limited	100	Application	Yamarna					
E39/1365	Eleckra Mines Limited	100	Application	Yamarna					
E39/1367	Eleckra Mines Limited	100	Application	Yamarna					

Table 11: Eleckra Mines Limited tenement schedule as at June 2008

Corporate Governance Statement

The Directors of Eleckra 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 Eight Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council ("**ASX Principles and Recommendations**").

This Statement sets out the corporate governance practices in place during the course of the financial year and as at the date of this report which comply with the recommendations of the Corporate Governance Council unless otherwise stated.

Corporate Governance Council Principle 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.

Performance review

The Board has not undertaken a formal review of its performance for the year ended 30 June 2008.

The Executive 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.

Corporate Governance Council Principle 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, two Non-Executive Directors and one Executive Chairman.

The Board has assessed the independence of Non-Executive Directors, Mr Hart and Mr Davis according to the definition contained within the ASX Corporate Governance Guidelines. It concluded that, Mr Hart is not independent by virtue of his director related services provided to the Company, through Endeavour Corporate and Mr Davis is not independent as he has previously been employed by the Company in an executive capacity.

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.

Independent professional advice and access to information

Each Director has the right to access all relevant information in respect to the Company and to make appropriate enquiries of senior management.

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 Principle 3

Ethical and responsible decision making

Code of conduct

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

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 Statement continued

Corporate Governance Council Principle 4

Integrity in financial reporting

Executive Chairman and Company Secretary

The Board requires the Executive Chairman 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 Board and the audit engagement partner.

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 Council Principle 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 Securities Exchange Listing Rules.

In view of the size of the Company and its experienced Board and management structure, the Company has not adopted formal 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 Principle 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 publishes all ASX releases including Annual and Half-Yearly financial statements on the Company's website.

Corporate Governance Council Principle 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 Executive Chairman and Company Secretary are required to provide a statement to the Board on the Company's risk management and internal compliance and control systems.

Corporate Governance Council Principle 8

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 principles 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.

Directors' Report

The Directors present their report on Eleckra Mines Limited for the year ended 30 June 2008.

Directors

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

Ian Murray:	Executive Chairman
Russell Davis:	Director (Non-Executive)
Kevin Hart:	Director (Non-Executive)

Ian Murray – BComm, CA(SA), ACA, ACMA, Adv Tax Cert

Executive Chairman

Mr Murray is a chartered accountant and has over 10 years corporate experience in the publicly listed resource sector. Previously he was with DRDGOLD Ltd between 1997 - 2005 during which time he held positions including Chief Financial Officer and Chief Executive Officer.

Mr Murray oversaw DRDGOLD's major acquisitions, restructures and stock exchange listings over the nine years which grew DRDGOLD from a small, lease-bound South African miner into a globally listed multi-mine gold company producing at its peak over 1 moz of gold per annum. Prior to this he qualified as a Chartered Accountant with KPMG, worked in Management Consulting with PricewaterhouseCoopers, worked in the South African Revenue Service and assisted in establishing one of South Africa's most successful biotechnology companies.

Mr Murray is a qualified Chartered Accountant and a member of both the South Africa and Australia institutes, having obtained a Bachelor of Commerce degree and Higher Diploma in Accounting from the University of Cape Town, South Africa. In addition Mr Murray is an associate member of the Chartered Institute of Management Accountants.

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

Non-Executive Director

Mr Davis was a founding director of Eleckra appointed on 28 May 2004 and served as Executive Exploration Director to 1 January 2008 and subsequently as a Non-Executive Director.

Mr Davis is a geologist with over 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 several international mining companies. Mr Davis currently also serves on the board of Syndicated Metals Limited.

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 a 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 – BComm, CA

Company Secretary, Non-Executive Director

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 August 2006 and Non-Executive director on 17 May 2007. 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 of Endeavour Corporate an advisory firm which specialises in the provision of Company Secretarial services to ASX listed entities. Mr Hart holds a Bachelor of Commerce degree from the University of Western Australia.

Richard Harris – BSc (Hons)

Resigned 12 February 2008

Mr Harris was appointed the Executive Chairman on 17 May 2007 and resigned from the Board on 12 February 2008.

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
I Murray ⁽ⁱ⁾	54,000	1,000,000
R Davis	3,130,000	4,000,000
K Hart	Nil	1,000,000

⁽ⁱ⁾ Appointed 15 October 2007

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2008 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Eligible to attend	Attended(i)
I Murray ⁽ⁱ⁾	4	4
R Davis	6	6
K Hart	6	6
R Harris ⁽ⁱⁱ⁾	5	5

⁽ⁱ⁾ Appointed 15 October 2007

⁽ⁱⁱ⁾ Resigned 12 February 2008

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 \$3,384,507 (2007: \$912,828).

Included in the loss for the current year is a write-off of deferred exploration expenditure totalling \$2,123,588 (2007: \$117,394).

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year. No dividend was paid during the previous financial 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 \$1,573,995 (2007: \$4,267,406) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$4,375,251 (2007:\$4,730,800). Mineral exploration and evaluation expenditure during the year for the Company before any write offs was \$1,768,039 (2007: \$2,192,688).

Expenditure was principally focused on the Yamarna gold and uranium projects.

Directors' Report continued

Significant Changes in the State of Affairs

On 1 August 2007 the Company issued 4,000,000 shares at 50 cents each on the conversion of \$2,000,000 Convertible Notes.

Options Over Unissued Capital

Unlisted options

During the financial year and to the date of this report 6,400,000 options over unissued shares were issued. No shares were issued pursuant to the exercise of options during the financial year and to the date of this report.

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
5,400,000	37 cents	30 November 2012
2,000,000 ⁽ⁱⁱ⁾	25 cents	30 May 2011

⁽ⁱ⁾ Unlisted options have a 24 month escrow period from the date of listing on the ASX Limited. The escrow period expired on 4 July 2008.

⁽ⁱⁱ⁾ Out of the 2,000,000 options granted, 1,000,000 will only vest once the Company has formally entered into a transaction which involves the Company acquiring a project or another company which is facilitated by Hartleys or before 1 May 2009.

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

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 other than the following.

On 16 September 2008 the Company issued a further 500,000 options exercisable at 25 cents each expiring on 30 May 2011 in accordance with the Corporate Advisory Agreement with Hartleys.

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 (Audited)

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 who were employed by the Company for whom disclosure is required.

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

YEAR 2008

Directors	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$	Performance Related %
R Harris ⁽ⁱ⁾	116,839	10,516	15,833	70,888	214,076	33.11
I Murray ⁽ⁱⁱ⁾	93,697	–	4,562	70,888	169,147	41.91
R Davis ⁽ⁱⁱⁱ⁾	105,000	9,450	17,737	70,888	203,075	34.91
K Hart	40,000	–	4,562	70,888	115,450	61.40
Total	355,536	19,966	42,694	283,552	701,748	

⁽ⁱ⁾ Resigned 12 February 2008

⁽ⁱⁱ⁾ Appointed 15 October 2007

⁽ⁱⁱⁱ⁾ Previously Exploration Director. Appointed Non-Executive on 1 January 2008

YEAR 2007

Directors	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$
R Revelins ⁽ⁱ⁾	75,000	–	25,000	–	100,000
R Harris	190,000	17,100	1,949	–	209,049
R Davis	170,000	15,300	9,602	–	194,902
K Hart	5,000	–	–	–	5,000
Total	440,000	32,400	36,551	–	508,951

⁽ⁱ⁾ Resigned 17 May 2007

Directors' Report continued

Executive employment agreements

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

Russell Davis – Non-Executive Director (previously Exploration Director)

- Term of agreement – 3 years commencing 4 July 2006 (date Eleckra listed on ASX);
- Base salary of \$170,000 per annum from the date of listing on the Australian Securities 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; and
- On 31 December 2007 Mr Davis stepped down as an executive director and currently serves in a non-executive capacity.

Ian Murray – Executive Chairman

- Appointed 15 October 2007; and
- Base salary of \$40,000 per annum from the date of appointment as non-executive director 15 October 2007 and \$50,000 per annum from 12 February 2008 as chairman plus \$1,000 per day for executive duties.

Kevin Hart – Company Secretary & Non-Executive Director

- Has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provided company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ending 30 June 2008 amounted to \$105,382. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arm's length basis.

Richard Harris – Executive Chairman (resigned 12 February 2008)

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

Option holdings

The number 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.

There were 4,000,000 options granted during the reporting period as remuneration. The issue of these options were approved by shareholders at the Annual General Meeting held on 29 November 2007.

YEAR 2008

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	% Vested
I Murray	–	1,000,000	–	–	1,000,000	–	0%
R Davis	3,000,000	1,000,000	–	–	4,000,000	3,000,000	75%
K Hart	–	1,000,000	–	–	1,000,000	–	0%
R Harris	3,000,000	1,000,000	–	–	4,000,000	3,000,000	75%

YEAR 2007

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	% Vested
R Revelins	500,000	–	–	–	500,000	500,000	100%
R Harris	3,000,000	–	–	–	3,000,000	3,000,000	100%
R Davis	3,000,000	–	–	–	3,000,000	3,000,000	100%
K Hart	–	–	–	–	–	–	0%

Terms and conditions for each grant**YEAR 2008**

Directors	Granted No.	Grant date	Fair value at grant date	Exercise price per option	Expiry date	First exercise date	Last exercise date
I Murray	1,000,000	29 Nov 2007	12 cents	37 cents	30 Nov 2012	29 Nov 2008	30 Nov 2012
R Davis	1,000,000	29 Nov 2007	12 cents	37 cents	30 Nov 2012	29 Nov 2008	30 Nov 2012
K Hart	1,000,000	29 Nov 2007	12 cents	37 cents	30 Nov 2012	29 Nov 2008	30 Nov 2012
R Harris	1,000,000	29 Nov 2007	12 cents	37 cents	30 Nov 2012	29 Nov 2008	30 Nov 2012

YEAR 2007

There were no options granted in 2007.

Options granted as part of remuneration

Directors	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
R Harris	70,888	–	–	33.11
I Murray	70,888	–	–	41.91
R Davis	70,888	–	–	34.91
K Hart	70,888	–	–	61.40

Directors' Report 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 2008

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
I Murray	–	–	54,000	54,000
R Davis	3,130,000	–	–	3,130,000
K Hart	–	–	–	–
R Harris	3,120,000	–	(510,000)	2,610,000

YEAR 2007

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	3,130,000	–	–	3,130,000
K Hart	–	–	–	–

Loans made to key management personnel

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

Other transactions with key management personnel

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provided company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ending 30 June 2008 amounted to \$105,382 (2007: \$50,407).

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms length basis.

Officer's Indemnities and Insurance

Subsequent to the end of the financial year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

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 Partners a related entity of Stantons International, the Company's auditor, has performed certain other services in addition to their statutory duties.

Total remuneration paid to Stantons International and related entity during the financial year:

	2008 \$	2007 \$
Audit and review of the Company's financial statements	24,879	25,094
Taxation and other services	2,000	3,744
TOTAL	26,879	28,838

The Board has considered the non-audit services provided during the year by Stantons International and related entity and is satisfied that the provision of those non-audit services during the year 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 *APES 110 Code of Ethics for Professional Accountants*, 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 22nd day of September 2008.



Ian Murray
Chairman

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
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22 September 2008

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 2008, 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

Member of Russell Bedford International



Income Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Revenue from continuing operations	6	183,972	233,310
Employee expenses		(342,778)	(296,889)
Employee expenses recharged to exploration		92,650	181,737
Option expense	19(a)	(425,530)	–
Non-Executive Directors' fees		(93,526)	(105,000)
Accounting and advisory expenses		(211,140)	(180,375)
Compliance costs		(90,973)	(90,689)
Operating lease expenses		(49,476)	(38,033)
Depreciation expense	11	(32,572)	(23,183)
Corporate and office expenses		(95,622)	(158,008)
Legal costs		(9,182)	(35,918)
Insurance		(41,639)	(28,736)
Finance costs		(24,053)	(37,653)
Travel expenses		(86,570)	(137,658)
Other expenses		(34,480)	(78,339)
Exploration costs written off and expensed	13	(2,123,588)	(117,394)
Loss before income tax		(3,384,507)	(912,828)
Income tax expense	8	–	–
Loss attributable to members for the year	20(b)	(3,384,507)	(912,828)
		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company.			
Basic earnings/(loss) per share	30	(5.48)	(1.57)
Diluted earnings/(loss) per share	30	(5.48)	(1.57)

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

Balance Sheet

AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
Current assets			
Cash and cash equivalents	9	1,573,995	4,267,406
Trade and other receivables	10	36,625	76,542
Total current assets		1,610,620	4,343,948
Non-current assets			
Property, plant and equipment	11	173,103	114,452
Investment in subsidiary	12	598	598
Other financial assets – security deposit		2,500	–
Capitalised mineral exploration and evaluation expenditure	13	4,375,251	4,730,800
Total non-current assets		4,551,452	4,845,850
Total assets		6,162,072	9,189,798
Current liabilities			
Borrowings	14	–	2,000,000
Trade and other payables	15	152,805	142,763
Interest bearing liability	16	–	11,889
Provisions	17	2,681	23,488
Total current liabilities		155,486	2,178,140
Non-current liabilities			
Interest bearing liability	16	–	46,095
Total non-current liabilities		–	46,095
Total liabilities		155,486	2,224,235
Net assets		6,006,586	6,965,563
Equity			
Contributed equity	18	10,062,882	8,062,882
Accumulated losses	20(b)	(4,581,488)	(1,196,981)
Equity remuneration reserve	20(a)	525,192	99,662
Total equity		6,006,586	6,965,563

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 2008

	Note	2008 \$	2007 \$
Total equity at the beginning of the financial year		6,965,563	7,896,457
Loss for the year	20(b)	(3,384,507)	(912,828)
Movement in equity remuneration reserve	20(a)	425,530	—
Transactions with equity holders in their capacity as equity holders:			
Contributions of equity	18(c)	2,000,000	—
Transaction costs of equity issued	18(c)	—	(18,066)
Total equity at the end of the financial year		6,006,586	6,965,563

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 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Interest received		223,547	192,630
Payments to suppliers and employees		(992,843)	(868,752)
Interest paid		(36,831)	(24,875)
Net cash flows used in operating activities	29(a)	(806,127)	(700,997)
Cash flows from investing activities			
Payments for security deposit and bonds		(27,500)	–
Payments for exploration and evaluation		(1,707,221)	(2,103,836)
Payments for tenement acquisition		–	(96,269)
Proceeds from sale of plant and equipment		49,697	1,245
Payment for investment in subsidiary		–	(598)
Payments for plant and equipment		(144,276)	(134,187)
Net cash flows used in investing activities		(1,829,300)	(2,333,645)
Cash flows from financing activities			
Proceeds from loans received		–	2,057,301
Repayment of finance leases		(57,984)	(11,206)
Transaction costs on issue of shares		–	(613,619)
Net cash flows (used in)/from financing activities		(57,984)	1,432,476
Net increase/(decrease) in cash and cash equivalents		(2,693,411)	(1,602,166)
Cash and cash equivalents at the beginning of the financial year		4,267,406	5,869,572
Cash and cash equivalents at the end of the financial year	9	1,573,995	4,267,406
Non cash financing activities	29(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 2008

Note 1 Basis of preparation of the financial report

The following is a summary of the significant accounting policies adopted by Eleckra Mines Limited in the preparation of these financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) and the Corporations Act 2001. The financial report also complies with the IRFSs and interpretations adopted by the International Accounting Standards Board.

(b) Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Company's accounting policies.

At the date of authorisation of the financial report, the following Standards and Interpretations applicable to the Company were in issue but not yet effective:

AASB 8	<i>Operating Segments (1 January 2009).</i>
AASB 2007-3	<i>Amendments to Australian Accounting Standards arising from AASB 8.</i>
AASB 101	<i>Presentation of Financial Statements (1 January 2009).</i>
AASB 2007-6	<i>Amendments to Australian Accounting Standards arising from AASB 123 Borrowing Costs (1 January 2009).</i>
AASB 2007-8	<i>Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009).</i>
AASB 2008-1	<i>Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2].</i>

(c) Report basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

(d) 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 4.

(e) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the ordinary course of business. The ability of the Company to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Company's tenements and/or sale of non-core assets. The Directors are confident of securing funds if and when necessary to meet the Company's obligations as and when they fall due.

Should the Company not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is uncertainty as to whether the Company will be able to continue as a going concern.

If the Company is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the final report.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 2 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 consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing controls, potential voting rights that presently are exercisable are taken into account. The financial statements of a subsidiary where material are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investments in subsidiaries are carried at cost. Refer to note 12.

(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.

(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 26). 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. Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

(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.

(i) Property, plant and equipment

Property, plant and equipment are 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	5-7 years
Office furniture	10-15 years
Field equipment	10 years
Computer equipment	2-3 years
Vehicles	8 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 2(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.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(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

i. 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.

ii. 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.

iii. Share based payments

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

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.

(q) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the option. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

Note 3 Financial risk management

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

i. Trade and other receivables

The Company has no investments and the nature of the business activity does not result in trading receivables. The receivables that the Company recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non recovery of receivables from this source is considered to be negligible.

ii. Cash deposits

The Company's primary banker is Westpac Bank, at balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by their size and reputation. Except for this matter the Company currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

i. Currency risk

The Company is not exposed to any currency risk other than the respective functional currencies of the Company, the Australian dollar (AUD).

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(c) Market risk continued

ii. Interest rate risk

As the Company has significant interest bearing assets, the Company's income and operating cash flows are 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 21 – Financial Instruments).

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in 3(b).

Note 4 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.

(a) Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at 2(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.

(b) Accounting for share based payments

The Company's accounting policy is stated at 2(m). The value of these option payments are based on reasonable estimates using a recognised option pricing model.

Note 5 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.

Note 6 Revenue and other income

	2008 \$	2007 \$
From continuing operations		
Other revenue		
Interest received	183,972	233,310

Note 7 Expenses

Loss before income tax includes the following specific expenses:

Depreciation:

Plant and equipment	5,027	319
Office equipment	20,106	14,979
Vehicles	7,439	7,885
Finance costs – interest on convertible note and finance lease	24,053	37,653
Net loss on disposal of assets	3,356	897
Exploration expenditure written off and expensed	2,123,588	117,394

Note 8 Income tax expense

	2008 \$	2007 \$
(a) Income tax expense		
Current income tax	—	—
Deferred tax	—	—
Income tax expense reported in the income statement	—	—
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(3,384,507)	(912,828)
Tax at Australian rate of 30% (2007: 30%)	(1,015,352)	(273,848)
Non-deductible accrued expenses	600	2,400
Non-deductible leave provisions	(6,242)	7,046
Non-deductible legal costs	2,755	752
Non-deductible share based payment	127,659	—
Non-deductible entertainment	1,540	1,764
Accrued interest income	11,872	(12,204)
Capital raising costs	(41,719)	(42,252)
Exploration costs	106,665	(622,588)
Deferred tax benefit not brought to account	812,222	938,930
Tax benefit	—	—
(c) Deferred tax – Balance Sheet		
<i>Assets</i>		
Revenue losses available to offset against future taxable income	2,640,984	1,828,762
Accrued expenses	5,100	4,500
Leave provisions	804	7,046
Deductible equity raising costs	84,689	123,653
	2,731,577	1,963,961
<i>Liabilities</i>		
Accrued income	(332)	(12,204)
Exploration expenditure	(1,312,575)	(1,351,588)
	(1,312,907)	(1,363,792)
<i>Net deferred tax asset</i>	1,418,670	600,169

Note 9 Current assets – cash and cash equivalents

Cash at bank and in hand	1,573,995	4,267,406
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Cash at bank and on hand

These attract a weighted average interest rate of 6.27% (2007: 5.60%).

Note 10 Current assets – trade and other receivables

Security Deposit	25,000	—
Prepaid expenses	1,141	4,025
Interest receivable	1,105	40,680
GST recoverable	9,379	31,837
	36,625	76,542

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 11 Non-current assets – property, plant and equipment

	2008 \$	2007 \$
<i>Plant and equipment</i>		
At cost	104,682	3,975
Accumulated depreciation	(5,345)	(319)
	99,337	3,656
<i>Office equipment</i>		
At cost	71,350	53,912
Accumulated depreciation	(32,437)	(15,209)
	38,913	38,703
<i>Motor vehicles</i>		
At cost	40,584	79,978
Accumulated depreciation	(5,731)	(7,885)
	34,853	72,093
	173,103	114,452
Reconciliation		
<i>Plant and equipment</i>		
Net book value at start of the year	3,656	–
Additions	100,708	3,975
Depreciation	(5,027)	(319)
Net book value at end of the year	99,337	3,656
<i>Office equipment</i>		
Net book value at start of the year	38,703	4,889
Additions	21,568	50,870
Disposals	(1,252)	(2,077)
Depreciation	(20,106)	(14,979)
Net book value at end of the year	38,913	38,703
<i>Motor vehicles</i>		
Net book value at start of the year	72,093	–
Additions	22,000	79,978
Disposals	(51,801)	–
Depreciation	(7,439)	(7,885)
Net book value at end of the year	34,853	72,093
	173,103	114,452

No items of property, plant and equipment have been pledged as security by the Company.

Note 12 Investment in subsidiary

During the 2007 year Eleckra Mines Limited acquired 100% of Thatcher's Soak Uranium Pty Ltd for \$598, the Company was incorporated in Western Australia on 22 March 2007.

The subsidiary company had no material assets or liabilities at the reporting date and in addition had no revenue or expenses since incorporation.

Consolidated financial statements have not been prepared as the Directors consider to do so would be immaterial to the reporting entity's net assets at the reporting date and its result and cash flows for the year.

Note 13 Non-current assets – capitalised mineral exploration and evaluation expenditure

	2008 \$	2007 \$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	4,730,800	2,655,506
Exploration expenditure during the year	1,768,039	2,192,688
Exploration expenditure written off	(2,123,588)	(117,394)
Cost carried forward	4,375,251	4,730,800

Note 14 Current liabilities – borrowings

Convertible Notes	–	2,000,000
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On 7 May 2007 the Company issued a convertible note. The note had a face value of \$2.0 million and was convertible into 4,000,000 ordinary fully paid shares at 50 cents per share.

The interest rate applicable was 10.00% per annum. The note had a 3 month term from the date of issue and was convertible at the election of the note holder or the Company. The note automatically converted on expiry of the term.

During the current financial year the convertible note was converted into 4,000,000 ordinary fully paid shares at 50 cents each.

Note 15 Current liabilities – trade and other payables

	2008 \$	2007 \$
Trade payables	115,745	95,156
Accruals	37,060	47,607
Trade and other payables	152,805	142,763

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 16 Interest bearing liability

	2008 \$	2007 \$
Finance lease liability		
<i>Minimum Lease Payment</i>		
Less than one year	—	16,636
Between one and five years	—	52,683
	—	69,319
<i>Less: Unexpired Interest Charges</i>		
Less than one year	—	(4,747)
Between one and five years	—	(6,588)
	—	(11,335)
	—	57,984
<i>Disclosed as:</i>		
Current liability	—	11,889
Non-current liability	—	46,095
	—	57,984

The finance lease liability was repaid on 11 February 2008.

(a) Interest rate risk exposure

Details of the Company's exposure to interest rate changes on borrowings are set out in note 21.

(b) Fair value disclosures

Details of the fair value of borrowings for the Company are set out in note 21.

(c) Security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

Motor Vehicle – (refer to note 11)	—	59,475
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Note 17 Provisions – current

Employee entitlements	2,681	23,488
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Note 18 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.

		2008 No.	2007 No.	2008 \$	2007 \$
(b) Share capital					
Issued share capital		62,100,000	58,100,000	10,062,882	8,062,882
(c) Share movements during the year	Issue price				
Balance brought forward		58,100,000	58,100,000	8,062,882	8,080,948
Shares issued on conversion of convertible notes	\$0.50	4,000,000	—	2,000,000	—
Less: costs related to shares issued		—	—	—	(18,066)
At the end of the year		62,100,000	58,100,000	10,062,882	8,062,882

(d) Share Options

Refer to note 19, Share-based payments for movements in share options during the year.

Note 19 Share-based payments

	2008 \$	2007 \$
(a) Recognised share-based payment expenses		
The expense recognised for services received during the year is shown in the table below:		
Expenses arising from equity settled share-based payment transactions	425,530	—

(b) Types of share-based payment plans

The Company's Directors, Employees and other Permitted Persons Option Plan ("the Plan") was approved by ordinary resolution at the Annual General Meeting of shareholders of the Company held on 29 November 2007. All eligible directors, executive officers, employees and consultants of the Company who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan. Options issued under the Plan have a 12 month vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(c) Options granted during the year

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

	2008 No.	2008 WAEP	2007 No.	2007 WAEP
Outstanding at the beginning of the year	6,500,000	\$0.20	6,500,000	\$0.20
Granted during the year ⁽ⁱ⁾	7,400,000	\$0.34	—	—
Forfeited during the year	—	—	—	—
Exercised during the year	—	—	—	—
Expired during the year	—	—	—	—
Outstanding at the end of the year	13,900,000	\$0.27	6,500,000	\$0.20
Exercisable at the end of the year	7,000,000	\$0.20	6,500,000	\$0.20

⁽ⁱ⁾ Unlisted options granted during the year over unissued shares

Number of Options Granted	Exercise Price	Expiry Date
5,400,000	37 cents	30 November 2012
2,000,000	25 cents	30 May 2011

(d) Options outstanding at year end

The outstanding balance as at 30 June 2008 is represented by:

Number of Options Granted	Exercise Price	Expiry Date
6,500,000	20 cents	31 March 2011
5,400,000	37 cents	30 November 2012
2,000,000	25 cents	30 May 2011

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

(e) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2008 is years 3.42 years (2007: 3.8 years).

(f) Weighted average fair value

The weighted average fair value of options granted during the year was \$0.65 (2007: Nil).

(g) Option pricing model

Equity settled transactions:

The fair value of the equity-settled share options granted is estimated as at the date of the grant using the Black-Scholes Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the years ended 30 June 2008 (2007: Nil).

	Option A 2008	Option B 2008
Dividend yield (%)	—	—
Expected volatility (%)	59.75	105
Risk-free interest rate (%)	6.50	6.75
Expected life of option (years)	5	3
Option exercise price (\$)	0.37	0.25
Weighted average share price at measurement date (\$)	0.32	0.12
Model used	Black-Scholes	Black-Scholes

Option A:

Option A represents the 5,400,000 options granted during the year. The share options were granted to directors and employees/consultants on 29 November 2007 and have been valued for inclusion in remunerations disclosures using the Black Scholes option pricing model. The fair value of the options are \$355,968. The options vest 12 months from the date of issue and expire 30 November 2012.

Option B:

Option B represents the 500,000 options granted during the year. 2,000,000 Share options were granted on 1 May 2008 to Hartleys Limited as part consideration on appointing them as Corporate Advisers to the Company. Of these, 500,000 Options were issued on 18 June 2008. These options have been valued for inclusion in share-based payment disclosures using the Black Scholes option pricing model. The fair value of the options is \$32,047. The options vest immediately and expire 30 May 2011. The second 500,000 options have not been issued as at year-end and have a vesting period of 6 months. Conservatively, these options have been valued for inclusion in remunerations disclosures at year end using the Black Scholes option pricing model with similar inputs as noted above for the first 500,000 options issued. The fair value of the options is \$32,047 of which two months (\$10,682) were expensed at year end. The remaining 1,000,000 options will only vest once the Company has formally entered into a transaction which involves the Company acquiring a project or another company which is facilitated by Hartleys on or before 1 May 2009.

Note 20 Reserves and accumulated losses

	2008 \$	2007 \$
(a) Equity remuneration reserve		
Balance brought forward at 1 July 2007	99,662	99,662
Transfer to equity remuneration reserve in respect of options issued	425,530	—
Balance carried forward at 30 June 2008	525,192	99,662
The equity remuneration reserve is used to recognise the fair value of options issued but not exercised.		
(b) Accumulated losses		
Balance brought forward at 1 July 2007	(1,196,981)	(284,153)
Loss for the year	(3,384,507)	(912,828)
Balance carried forward at 30 June 2008	(4,581,488)	(1,196,981)

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 21 Financial instruments

(a) Credit risk

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to note 3(a).

(b) Impairment losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

(c) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to note 3(b).

Company

30 June 2008

In AUD

	Carrying amount \$	Contractual cash flows \$	6 months or less \$
Trade and other payables	152,805	(152,805)	(152,805)
	152,805	(152,805)	(152,805)

Company

30 June 2007

In AUD

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$
Trade and other payables	142,763	(142,763)	(142,763)	
Interest bearing liability	57,984	(57,984)	(11,889)	(46,095)
Borrowings ⁽ⁱ⁾	2,000,000	—	—	—
	2,200,747	(200,747)	(154,652)	(46,095)

⁽ⁱ⁾ Borrowings consist of convertible notes that are convertible into 4,000,000 ordinary fully paid shares at 50 cents each on 1 August 2007.

(d) Currency risk

The Company does not have any exposure to foreign currency risk. Refer to note 3(c).

(e) Interest rate risk

At the reporting date the interest profile of the Company's interest-bearing financial instruments was as follows (refer to note 3(c)):

<i>AUD</i>	Company Carrying amount	
	2008 \$	2007 \$
Fixed rate instruments		
Financial assets	—	4,267,406
Financial liabilities	—	2,057,984
Variable rate instruments		
Financial assets	1,573,995	—

(f) Fair value sensitivity analysis for fixed rate investments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(g) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The 100 basis points sensitivity is based on reasonable possible change over the financial year using the observed range for the historic 2 years.

AUD	Profit or loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2008				
Variable rate instruments	15,990	(15,990)	15,990	(15,990)

(h) Fair values*Fair values versus carrying amounts*

The fair values of financial assets and liabilities approximate their carrying values due to their short term nature.

Note 22 Dividends

No dividends were paid or proposed during the financial year. The Company has no franking credits available as at 30 June 2008.

Note 23 Key management personnel disclosures**(a) Directors**

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

- i. *Executive Chairman*
Ian Murray (appointed Executive Chairman 26 May 2008)
- ii. *Non-Executive director and Company Secretary*
Kevin Hart (appointed 17 May 2007)
- iii. *Executive director*
Richard Harris (resigned 12 February 2008)
- iv. *Non-Executive director*
Russell Davis (appointed 28 May 2004. Became non-executive director on 1 January 2008)

(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) Compensation for key management personnel

	Company Carrying amount	
	2008 \$	2007 \$
Short-term employee benefits	355,536	440,000
Post-employee benefits	19,966	32,400
Other benefits	42,694	36,551
Share-based payment	283,552	—
Total compensation	701,748	508,951

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(d) Equity instrument disclosures relating to key management personnel

i. Option holdings

The number 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.

There were 4,000,000 options granted during the reporting period as remuneration.

YEAR 2008

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
I Murray	–	1,000,000	–	–	1,000,000	–
R Davis	3,000,000	1,000,000	–	–	4,000,000	3,000,000
K Hart	–	1,000,000	–	–	1,000,000	–
R Harris ⁽ⁱ⁾	3,000,000	1,000,000	–	–	4,000,000	3,000,000

⁽ⁱ⁾ Balance at date of resignation on 12 February 2008.

YEAR 2007

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
K Hart	–	–	–	–	–	–

ii. 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 2008

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
I Murray	–	–	54,000	54,000
R Davis	3,130,000	–	–	3,130,000
K Hart	–	–	–	–
R Harris ⁽ⁱ⁾	3,120,000	–	(510,000)	2,610,000

⁽ⁱ⁾ Balance at date of resignation on 12 February 2008.

YEAR 2007

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	3,130,000	—	—	3,130,000
K Hart	—	—	—	—

(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

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provided company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ending 30 June 2008 amounted to \$105,382 (2007: \$50,407).

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms length basis.

Note 24 Remuneration of auditors

	2008 \$	2007 \$
Audit and review of the Company's financial statements	24,879	25,094
Taxation and other services	2,000	3,744
	26,879	28,838

Note 25 Contingencies**(a) Contingent liabilities**

There were no material contingent liabilities noted or provided for in the financial statements of the Company as at 30 June 2008 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.

(b) Contingent assets

There were no material contingent assets as at 30 June 2008.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 26 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 \$2,287,340 (2007: \$2,665,340). These obligations are also subject to variation 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:

	2008 \$	2007 \$
Within one year	31,234	48,300
Later than one year but not later than five years	—	28,175
Later than 5 years	—	—
	31,234	76,475

(c) Contractual commitment

The following contractual commitments in respect of directors' employment contracts are as follows:

Within one year	—	392,400
Later than one year but not later than five years	—	392,400
Later than 5 years	—	—
	—	784,800

The commitments noted in 2007 are no longer applicable as the directors with employment contracts retired during the year.

Note 27 Related party transactions

There were no related party transactions during the year, other than disclosed at note 23.

Note 28 Events occurring after balance sheet date

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 other than the issue of a further 500,000 options on 16 September 2008 exercisable at 25 cents each expiring on 30 May 2011 in accordance with the Corporate Advisory Agreement with Hartleys.

Note 29(a) Reconciliation of loss after tax to net cash inflow from operating activities

	2008 \$	2007 \$
Loss from ordinary activities after income tax	(3,384,507)	(912,828)
Depreciation	32,572	23,183
(Increase)/decrease in accrued interest receivable	39,575	(40,680)
Interest payable	—	12,778
Increase/(decrease) in leave provision	(20,807)	23,488
Net loss on disposal of assets	3,356	897
Exploration expenditure written off	2,123,588	117,394
Share based payments expense	425,530	—
(Increase)/decrease in prepaid expenses	2,884	(4,025)
Increase/(decrease) in payables	(28,318)	78,796
Net cash outflow from operating activities	(806,127)	(700,997)

Note 29(b) Non cash financing and investing activities

Issue of shares on conversion of convertible note	2,000,000	—
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Note 30 Earnings per share

	2008 cents	2007 cents
(a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	(5.48)	(1.57)
(b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	(5.48)	(1.57)
	\$	\$
(c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	(3,384,507)	(912,828)
	No.	No.
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	61,684,699	58,100,000

(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. At year end, none of the options were considered to be dilutive. The options have not been included in the determination of basic earnings per share. Refer to note 19 for details of the options issued.

Directors' Declaration

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

- (a) the financial statements, notes and the additional disclosures included in the directors report designated as audited of the Company 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 2008 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 2008.

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

On behalf of the Board

Signed at Perth this 22nd day of September 2008.



Ian Murray
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECKRA MINES LIMITED

Report on the Financial Report and the AASB 124 remuneration disclosures contained in the Directors' Report

We have audited the accompanying financial report of Eleckra Mines Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

We have also audited the remuneration disclosures contained in the Directors' Report under the heading "remuneration report" on pages 27 to 30.

Directors' responsibility for the Financial Report and the AASB 124 remuneration disclosures contained in the Directors' Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' Report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion that the remuneration disclosures contained in the Directors' Report comply with Australian Accounting Standard AASB 124.

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

of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' Report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of Eleckra Mines Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1.

Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report

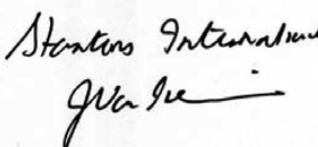
In our opinion the remuneration disclosures that are contained in pages 27 to 30 of the Directors' Report comply with section 300 A of the Corporations Act 2001.

Inherent Uncertainty Regarding Going Concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter.

The ability of the Company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the Company raising further working capital, and/or commencing profitable operations. In the event that the Company cannot raise further equity, the Company may not be able to meet their liabilities as they fall due and the realisable value of the Company's non-current assets may be significantly less than book values.

STANTONS INTERNATIONAL
(An Authorised Audit Company)



J P Van Dieren
Director

West Perth, Western Australia
22 September 2008

ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 23 September 2008.

(a) Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of shareholders
1 – 1,000	3
1,001 – 5,000	23
5,001 – 10,000	48
10,001 – 100,000	158
More than 100,000	81
TOTALS	313

There were 11 shareholders 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	8.05%
Mining Projects Group Ltd	4,650,000	7.49%
Perth Select Seafoods Pty Ltd	4,010,000	6.46%
Geiger Fund Limited	4,000,000	6.44%

ASX Shareholder Information continued

(c) 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	8.05%
Mining Projects Group Ltd	4,650,000	7.49%
Perth Select Seafoods Pty Ltd	4,010,000	6.46%
National Nominees Ltd	4,282,350	6.90%
Terra Gold Mining Ltd	3,000,000	4.83%
Russell John Davis	2,510,000	4.04%
Richard Milne Harris	2,010,000	3.24%
Donald Norman Coultas	1,500,000	2.42%
William Fleiming	1,151,901	1.85%
ANZ Nominees Ltd	1,097,000	1.77%
Allied Mortgage Finance	1,086,775	1.85%
Zenix Nominees Pty Ltd	1,000,000	1.61%
Yorkville Holdings	990,000	1.59%
Lisa Revelins	950,000	1.53%
Apache Investments Ltd	910,000	1.47%
Jemaya Pty Ltd	800,000	1.29%
Cen Pty Ltd	783,700	1.26%
Tangee Pty Ltd	700,000	1.13%
Nefco Nominations Pty Ltd	684,336	1.10%
Michael Owen Meredith	671,750	1.08%
	37,787,812	60.85%

(d) 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.

(e) 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.

(f) Largest Optionholders

The names of the largest holders of unlisted options on issue are listed below. Options A below are exercisable by payment of 20 cents each on or before 31 March 2011 and Options B are exercisable by payment of 37 cents each on or before 30 November 2012.

Optionholder Name	Options A		Options B	
	Number Issued	Percentage of Issued	Number Issued	Percentage of Issued
Ian Murray	–	–	1,000,000	18.5%
Russell Davis	3,000,000	46.15%	1,000,000	18.5%
Kevin Hart	–	–	1,000,000	18.5%
Richard Harris	3,000,000	46.15%	1,000,000	18.5%
Richard Revelins	500,000	7.69%	–	–
	6,500,000	100%	4,000,000	74%



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