



# ELECKRA

MINES LIMITED

ABN 13 109 289 527

ANNUAL REPORT 2010

## Corporate Directory

### **Eleckra Mines Limited**

("Eleckra") ("the Company")

#### **DIRECTORS:**

Ian Murray – Executive Chairman  
Russell Davis – Non-Executive Director  
Kevin Hart – Non-Executive Director  
Martin Pyle – Non-Executive Director

#### **COMPANY SECRETARY:**

Kevin Hart

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# Chairman's Letter

Dear Shareholder

It is my pleasure to present to you Eleckra's 2010 Annual Report.

It has certainly been a busy, but extremely successful year for Eleckra. Our General Manager, Mr Ziggy Lubieniecki, and his geological team have been very active this past year and have completed 30,000 metres of exploration drilling. This is the highest number of metres ever drilled by Eleckra.

The team undertook three main exploration programs during the year, which followed on from 5,500 metre RAB program which was completed in June 2009.

The first was the 7,154 metre RC drilling program for 68 holes during September to November 2009, at Central Bore, Alaric 2, Khan North and Elvis/Granodiorite South. The standout result was certainly Central Bore where 39 holes were drilled for 3,905 metres. The highest grade gold intercept in this drilling program was 1 metre at 183g/t Au (or 5.9oz/t).

The second program was the close-spaced soil surveys which were undertaken over summer. This work successfully identified the possible northern and eastern extensions to Central Bore, as well as new targets at Byzantium and 2.8km long Hann Prospect.

The third program undertaken this financial year was the 10,911 metre RC drilling program for 93 holes, primarily at Central Bore with limited drilling at Byzantium and Hann. 47 of the 48 holes drilled at Central Bore intercepted mineralization, which is an excellent 98% hit rate for the geological team. High grade assays in excess of 1 oz/t were returned from many intercepts. The deepest high-grade gold intercept was 6 metres-downhole at 8.58g/t Au from 290 metres. The gold mineralization at Central Bore is now over an 800 metre strike length and to a depth of 300 metres. The highest grade gold intercept in this drilling program was 1 metres at 404 g/t Au (or 13 oz/t).

To fund these successful exploration programs we announced, on 14 December 2009, the completion of a \$2.35 million capital raising; and on 11 August 2010, the completion of a further \$2.46 million capital raising.

Looking to the year ahead, in September 2010 we started the next 7,000-10,000 metre RC drilling program which will include 8 diamond core holes. We have recently acquired our own auger rig, which will be used throughout the year to accelerate target delineation. Based on the results from this RC/Diamond program and the auger results, we intend to undertake another large RC/Diamond program in the first half of 2011.

It was with great pleasure that we announced the appointment of Mr Martin Pyle as a non-executive director on 22 June 2010. Martin brings over 23 years of mineral industry experience to Eleckra as a resource project financier, mining analyst, geologist and resource company director and we look forward to his contribution to the Board.

I would like to extend my thanks and appreciation to my fellow directors Russell Davis, Kevin Hart and Martin Pyle for assisting me in guiding Eleckra over the past year. To our consultants and advisors, we would like to thank them for the various roles they have performed in building Eleckra.

I would like to also take this opportunity, on behalf of the Eleckra board, to highlight the role our General Manager, Ziggy Lubieniecki, and his exploration/geological team have played over the past year. Shareholders would have seen the steady stream of ASX announcements from the very successful exploration activities, and will be able to read first hand in the Review of Operations the full extent of the work undertaken. It has been a very busy year for the team, and on behalf on the board, and shareholders, I would like to thank Ziggy and his team.



**Ian Murray**

Executive Chairman

24 September 2010

# Review of Operations

## ELECKRA'S PROJECTS

### Exploration Highlights & Strategy

Eleckra currently has two exploration projects in Western Australia – the Yamarna and the Lake Wells Projects in the North Eastern Goldfields (Figure 1). **The Yamarna Project** is the Company's flagship project, covering almost the entire Yamarna greenstone belt.

During the year, Eleckra has made significant gold discoveries within the Yamarna Project. The most important was the discovery of the high-grade gold deposit at Central Bore. Central Bore assay results confirmed gold mineralisation over an 800 metre strike length and to a depth of 300 metres. Multiple high-grade assays in excess of 1oz/t were recorded.

Highest grade assays to date from Central Bore include:

- |   |
|---|
| • 3 metres at 136g/t Au from 192 metres, including 1 metre at 404g/t;                                   |
| • 4 metres at 61g/t Au from 64 metres, including 1 metre at 183g/t; 1 metre at 48g/t; 1 metre at 11g/t; |
| • 2 metres at 53g/t Au from 104 metres, including 1 metre at 105g/t;                                    |
| • 1 metre at 124g/t Au from 35 metres;  |
| • 2 metres at 41g/t Au from 201 metres, including 1 metre at 70g/t;                                     |
| • 3 metres at 26g/t Au from 75 metres, including 1 metre at 73g/t;                                      |
| • 2 metres at 21g/t Au from 188 metres, including 1metre at 40g/t;                                      |
| • 2 metres at 27g/t Au from 100 metres, including 1 metre at 42g/t;                                     |
| • 4 metres at 16g/t Au from 157 metres, including 1 metre at 49g/t;                                     |
| • 6 metres at 9g/t Au from 290 metres, including 2 metres at 18g/t;                                     |
| • 2 metres at 22g/t Au from 152 metres, including 1 metre at 33g/t;                                     |

The deposit remains open at depth.

Metallurgical testwork conducted on Central Bore mineralisation has generated excellent recoveries and indicated the ore is “free” milling. Eleckra will undertake a Resource Estimation followed by a Scoping Study of economic development scenarios for Central Bore gold deposit.

A detailed structural evaluation of the Yamarna gold deposits was undertaken in 2009 which resulted in 10 target areas with high-grade intercepts (>10.0 g/t Au) delineated within the Attila-Alaric Corridor. The high-grade targets were ranked and prioritised. Two areas – Alaric 2 and Khan North – were selected for a close-spaced RC drilling program in September 2009. The aim of the drilling program was to determine the orientation and the continuity of the high-grade shoots. The drilling at Alaric 2 and Khan North confirmed the presence of high-grade shoots within the Yamarna gold resource. There are another eight separate high-grade target areas still to be tested and further work is planned.

Eleckra also made discoveries of significant gold mineralisation at the Hann and Elvis prospects and is planning a second phase of systematic drilling to evaluate their potential.

Soil geochemical surveys identified new gold anomalies in several areas. The most important anomaly, due to its lateral extent and strength, was an anomaly at Central Bore East. This anomaly was RAB drill tested in August 2010 and the best results included 7 metres at 4.32g/t Au from 28 metres and 6 metres at 1.39g/t Au from 24 metres. These results are considered comparable to the intercepts from the original RAB discovery program at the Central Bore gold deposit in 2009.

Project generation and evaluation work continued in Australia and overseas. The Company assessed potential acquisitions and joint ventures on a regular basis during the year.

Eleckra completed a 17,000 metre RAB program in August 2010 to test the Central Bore North and South extensions, Central Bore East and other gold targets. In September 2010, Eleckra will commence a 7,000-10,000 metre RC and diamond drilling program at Central Bore and other targets. This will take the total drilling undertaken in 2010 to a record 30,000 metres.

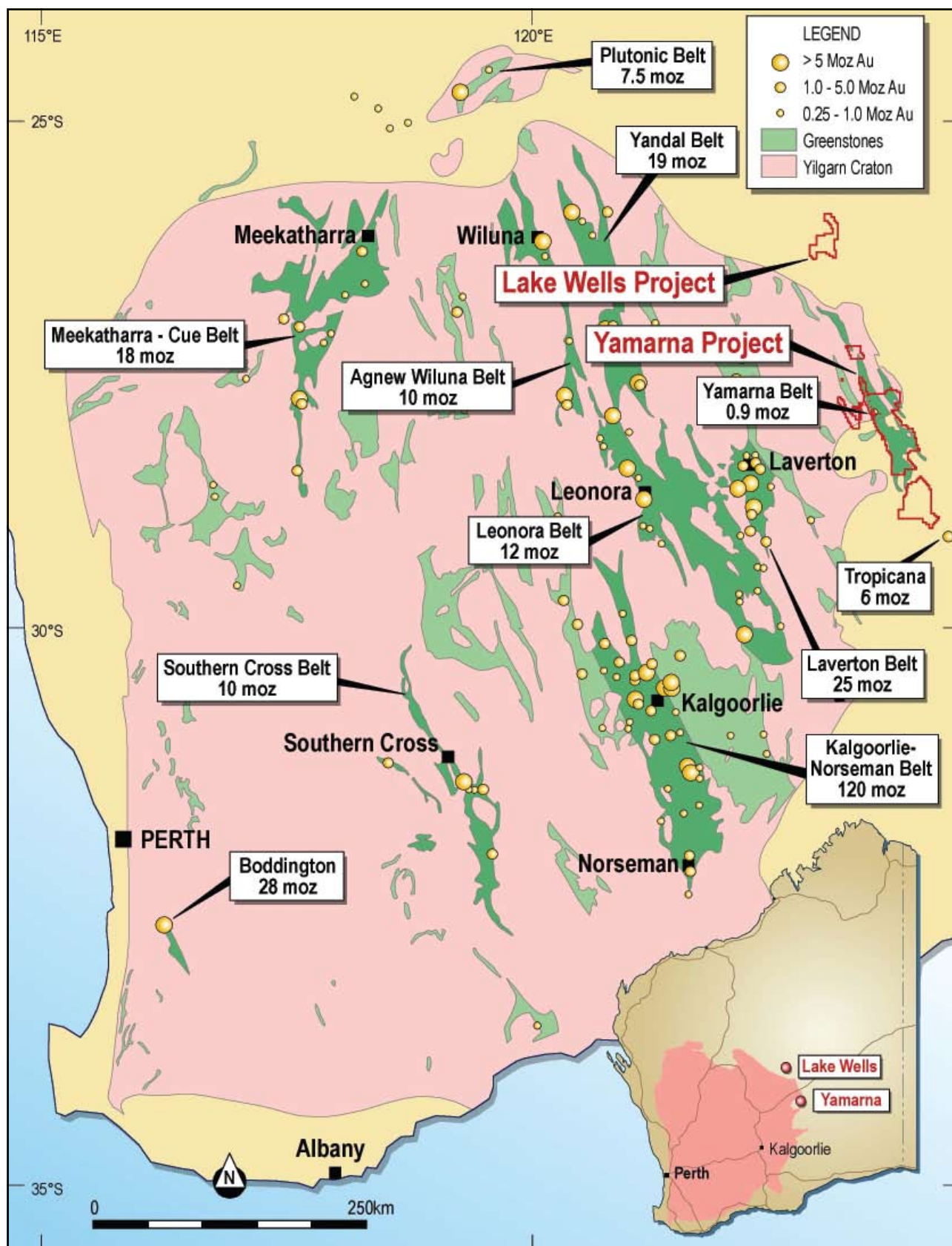


Figure 1: Project Locations.



# Review of Operations continued

## Yamarna Project

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

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

Yamarna has the defined Attila-Alaric gold resource occurring within a regional scale mineralised gold trend termed the Yamarna shear zone. 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 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. During the year Eleckra relinquished and added several exploration license applications prospective for gold and uranium to the project which decreased the area held under tenure by Eleckra in the Yamarna region to approximately 4,100 kilometres<sup>2</sup>.

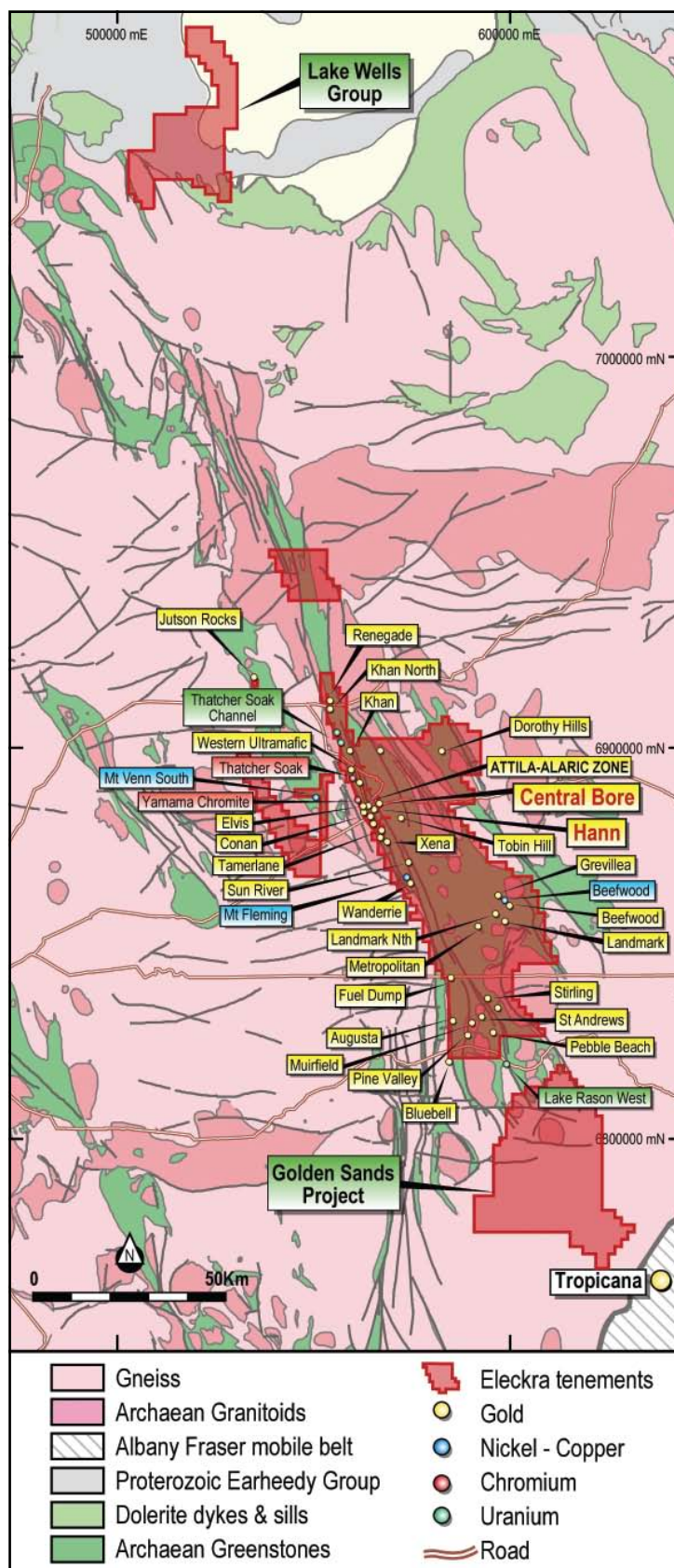


Figure 2: Eleckra's Yamarna Project Location Map as at June 2010.

## Gold Exploration

The Company, in its fourth year at Yamarna, has tested a number of advanced to grass roots gold targets with great success at the Central Bore and Hann prospects. However there remain many targets that still require first pass testing and many which warrant further drilling to determine their significance.

During the year, Eleckra's exploration at Yamarna was directed at testing Yamarna's more advanced regional gold targets at the Central Bore, Hann and Byzantium prospects. Eleckra has focused exploration on two main gold areas:

- Yamarna Regional Targets – more advanced gold prospects at: Central Bore, Hann, Elvis and Byzantium
- Yamarna Gold Resource (Attila-Alaric Corridor)

Programs of geochemical sampling and reconnaissance were undertaken over critical target areas. Metallurgical testwork has also been undertaken.

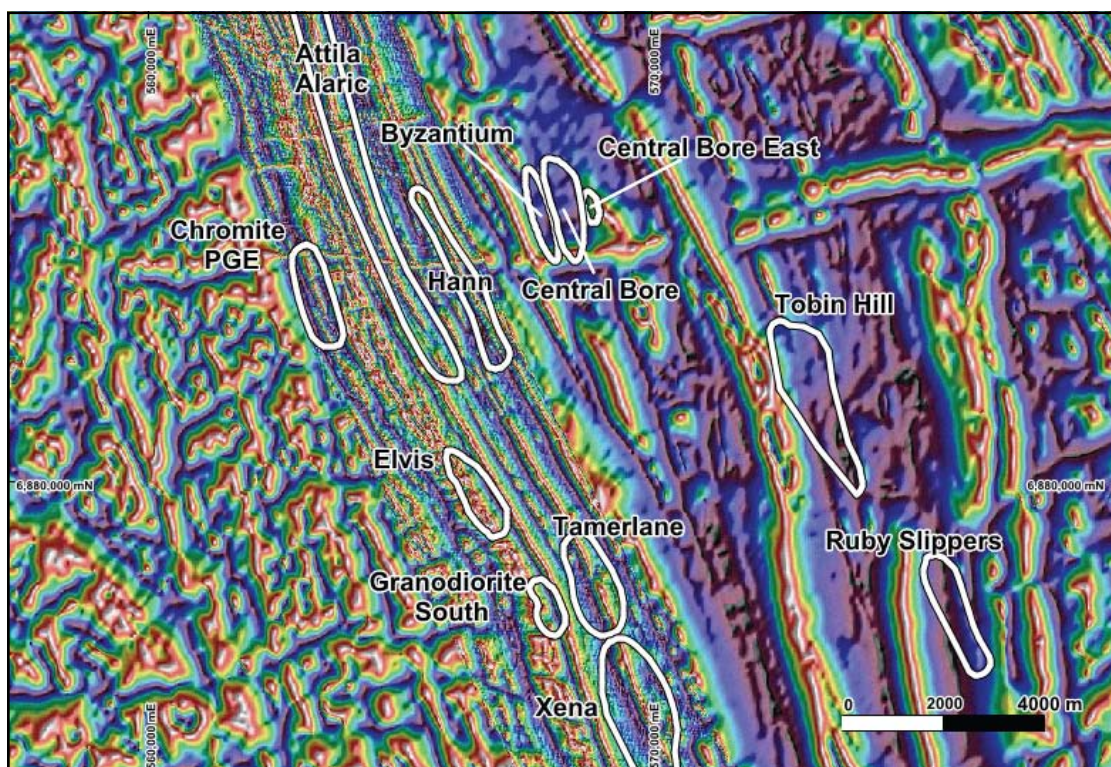


Figure 3: Prospect Location Map overlaid on the Magnetics.



# Review of Operations continued

## September-November 2009 RC Program

From 15th September to 7th November 2009, Eleckra completed an RC drilling program totalling 68 RC holes for 7,154 metres on four prospects.

## Yamarna Regional Targets

Outside of the Attila-Alaric Corridor, 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.

## Central Bore

The **Central Bore** prospect is located approximately 3.7 kilometres east of Attila and 2.5 kilometres east of Hann.

In June 2009, Eleckra drilled seventy RAB holes on 11 fences in order to assess the potential of the prospect. Gold anomalism was intersected in all drill fences over a strike length of 640 metres (refer to Figure 4). Significant gold values were intersected over a 300 metre strike length in the central fences. The best results were 4 metres @ 14.14 g/t Au from 16 metres in drill hole 9EYRB154 and 4 metres @ 4.01 g/t Au from surface in drill hole 9EYRB0135. The RAB drilling results were very encouraging and the prospect was designated for systematic RC drilling during September-November 2009 RC drilling program. This work heralded a completely new discovery.

Thirty-nine RC holes for 3,905 metres were drilled at Central Bore prospect over twelve drill fences to test a strike length of over 500 metres to maximum hole depth of 210 metres. The RC drilling intersected exciting high-grade gold values including 1 metre at 124g/t Au, 4 metres at 60.9 g/t Au, 3 metres at 25.6 g/t Au, 2 metres at 26.5 g/t Au and 2 metres at 22.1 g/t Au.

The high-grade intercepts in this program came mainly from the central drill fences within a 200 metre-long strike. Subsequent drilling in 2010 has extended confirmed gold mineralisation over an 800 metre strike length and to a depth of 300 metres, and confirmed the presence of gold in the southern extension of Central Bore.

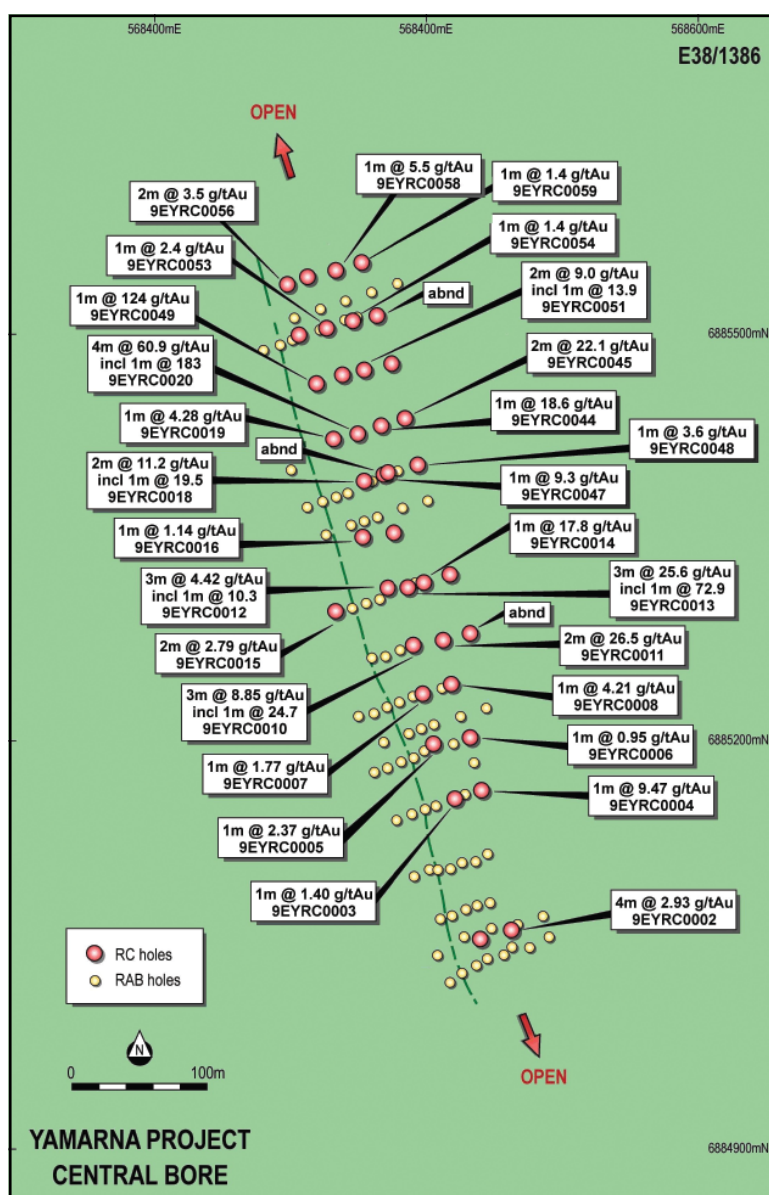


Figure 4: Drill-hole Plan with gold Intercepts at Central Bore.

Footnote: abnd – abandoned hole



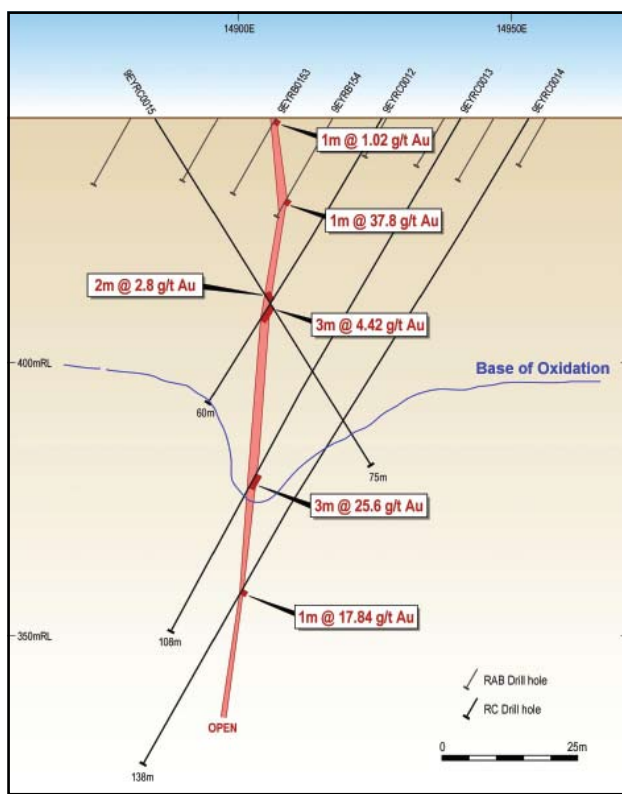


Figure 5: Drill-hole section 10,750N with gold intercepts at Central Bore.

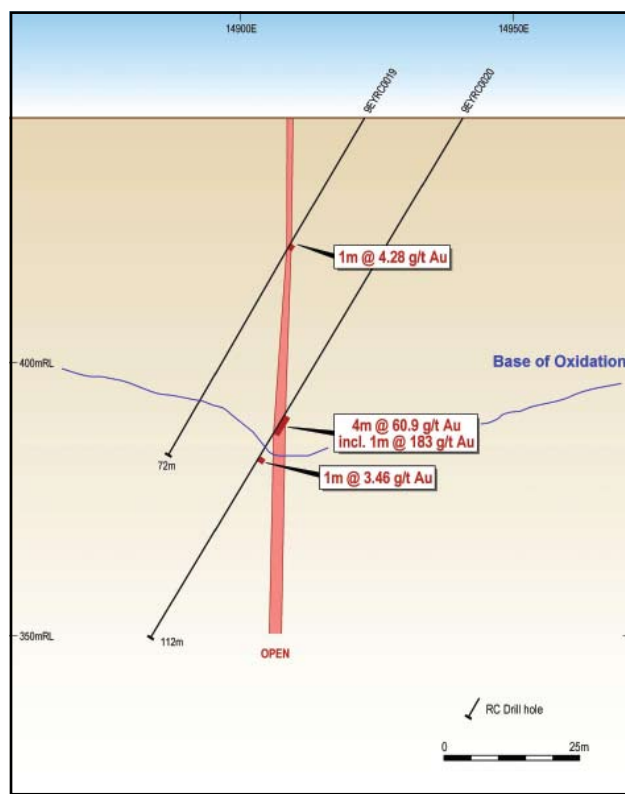


Figure 6: Drill-hole section 10,870N with gold intercepts at Central Bore.

Table 1: Summary of RC drill intercepts >1.0 g/t Au at Central Bore (2009 drill data alone).

Hole ID	m From	m To	Interval	Au (g/t)	E AMG	N AMG
9EYRC0002	95	96	1	1.26	568,463	6,885,061
9EYRC0002	96	97	1	2.55	568,463	6,885,061
9EYRC0002	98	99	1	7.48	568,463	6,885,061
9EYRC0003	44	45	1	1.55	568,422	6,885,157
9EYRC0004	106	107	1	9.47	568,441	6,885,163
9EYRC0005	39	40	1	2.37	568,406	6,885,197
9EYRC0007	45	46	1	1.77	568,398	6,885,234
9EYRC0008	90	91	1	4.21	568,419	6,885,241
9EYRC0010	57	58	1	<b>24.71</b>	568,391	6,885,270
9EYRC0010	59	60	1	1.15	568,391	6,885,270
9EYRC0011	100	101	1	<b>41.99</b>	568,413	6,885,274
9EYRC0011	101	102	1	<b>10.96</b>	568,413	6,885,274
9EYRC0012	40	41	1	<b>10.27</b>	568,372	6,885,312
9EYRC0012	42	43	1	2.84	568,372	6,885,312
9EYRC0013	75	76	1	2.31	568,387	6,885,313
9EYRC0013	76	77	1	<b>72.85</b>	568,387	6,885,313
9EYRC0013	77	78	1	1.54	568,387	6,885,313
9EYRC0014	100	101	1	<b>17.84</b>	568,399	6,885,316
9EYRC0015	36	37	1	1.50	568,334	6,885,295
9EYRC0015	37	38	1	4.10	568,334	6,885,295
9EYRC0016	36	37	1	1.10	568,354	6,885,350
9EYRC0018	46	47	1	<b>19.50</b>	568,355	6,885,391
9EYRC0018	47	48	1	2.90	568,355	6,885,391

Hole ID	m From	m To	Interval	Au (g/t)	E AMG	N AMG
9EYRC0019	27	28	1	4.30	568,332	6,885,422
9EYRC0020	64	65	1	<b>182.80</b>	568,350	6,885,426
9EYRC0020	65	66	1	<b>48.40</b>	568,350	6,885,426
9EYRC0020	66	67	1	<b>11.00</b>	568,350	6,885,426
9EYRC0020	67	68	1	1.30	568,350	6,885,426
9EYRC0020	73	74	1	3.50	568,350	6,885,426
9EYRC0044	99	100	1	18.56	568,367	6,885,432
9EYRC0045	152	153	1	11.22	568,385	6,885,437
9EYRC0045	153	154	1	32.98	568,385	6,885,437
9EYRC0045	157	158	1	2.05	568,385	6,885,437
9EYRC0047	103	104	1	9.26	568,372	6,885,397
9EYRC0047	104	105	1	0.62	568,372	6,885,397
9EYRC0048	134	135	1	3.63	568,394	6,885,403
9EYRC0049	35	36	1	<b>123.69</b>	568,320	6,885,463
9EYRC0051	132	133	1	<b>13.85</b>	568,355	6,885,473
9EYRC0051	133	134	1	4.19	568,355	6,885,473
9EYRC0053	78	79	1	2.42	568,327	6,885,504
9EYRC0054	129	130	1	1.38	568,346	6,885,509
9EYRC0056	24	25	1	4.95	568,298	6,885,536
9EYRC0056	25	26	1	2.08	568,298	6,885,536
9EYRC0058	117	118	1	5.51	568,334	6,885,546

Assays based on 1m intervals.

Gold analysed by 50g Fire Assay (FA50/AAS) at Genalysis.

# Review of Operations continued

## Attila-Alaric Corridor

The Yamarna gold deposits (Attila-Alaric Corridor), have only been partially tested due to their extensive strike length (>17 kilometres), and require deeper and closer-spaced drilling within the higher-grade areas. At best, Attila has been drilled to a 40 metre line spacing, with a few minor infill lines. In large parts of the other deposits, drill spacing is 100 metres or wider.

During the June 2009 quarter, a detailed structural evaluation of the Yamarna gold deposits was undertaken. The study indicated that the high-grade mineralisation within the Yamarna Gold Resource is often associated with dextral cross-faults (refer to Figure 7).

Nine drill target areas with high-grade intercepts (>10.0 g/t Au) have been delineated within the 17 kilometres Attila-Alaric Corridor and one drill target has been delineated at Khan North located about 33 kilometres north-northwest of Attila. The high grade drill targets were ranked and priority targets were selected for a close-spaced RC drilling in the September 2009 quarter. The aim of the drilling program was to determine the orientation and the continuity of high-grade shoots.

Two selective target areas at Alaric 2 and at Khan North were drilled during the September-November 2009 RC program.

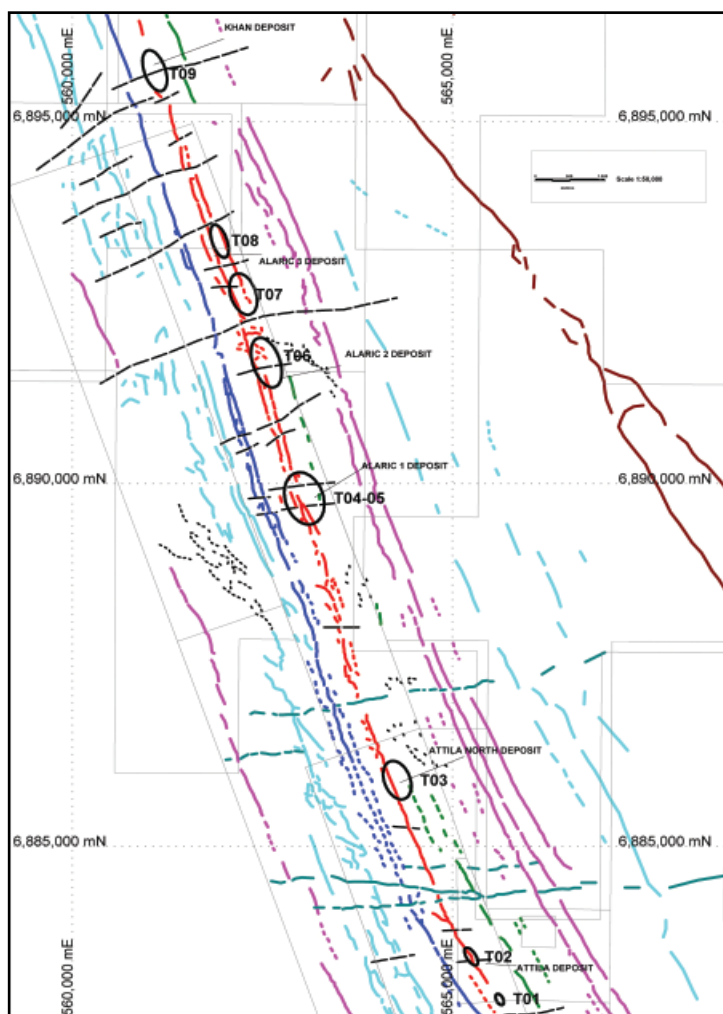


Figure 7: Location of High-grade Drill Targets within Yamarna Gold Deposits (Attila-Alaric Corridor) over Magnetic Interpretation Map.





## Alaric 2

At Alaric 2, 15 RC holes for 2,123 metres were drilled over five drill fences to test continuity of high-grade shoots over a strike length of 150 metres, and down to a maximum depth of 198 metres. The aim of the drilling program was to determine the orientation and the continuity of high-grade shoots.

The infill RC drilling at the Alaric 2 Deposit intersected numerous mineralised zones with exciting high-grade gold values (refer to Figure 8 and Table 2).

The Alaric 2 Deposit is located approximately 9 kilometres north northwest of the Attila gold deposit at the southern end of the 17 kilometre long Yamarna Gold Resource, which have combined Measured, Indicated and Inferred Mineral Resources of 19.8Mt at 1.44 g/t Au for 917,000 ounces of contained gold using a 0.5 g/t cut-off.

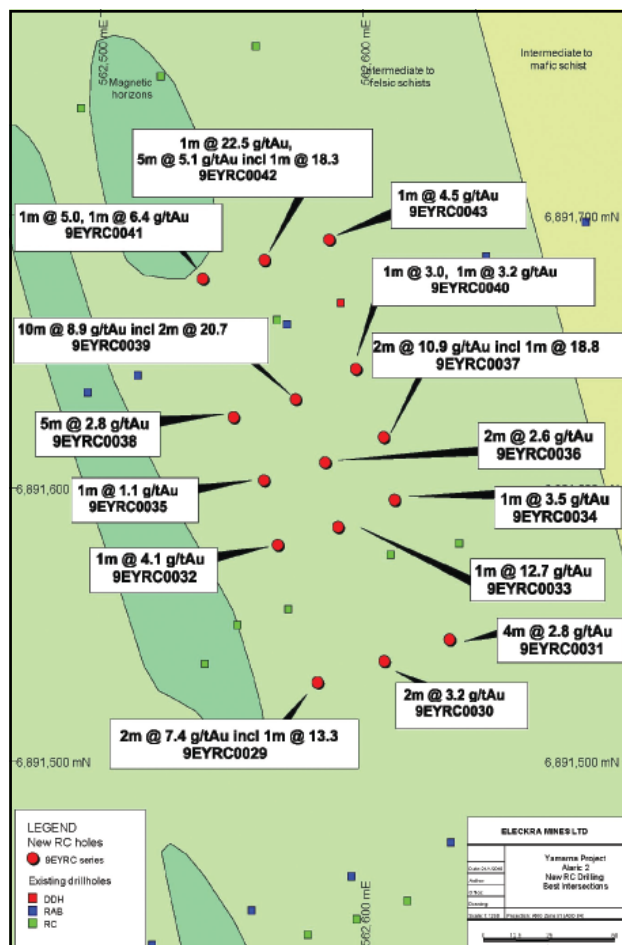


Figure 8: Drill-hole Plan with gold Intercepts at Alaric 2.

Table 2: Summary of best RC drill intercepts >1.0 g/t Au at Alaric 2

Hole ID	m From	m To	Interval	Au (g/t)	E AMG	N AMG
9EYRC0029	42	43	1	3.46	562,582	6,891,529
9EYRC0029	48	49	1	1.09	562,582	6,891,529
9EYRC0029	54	55	1	1.59	562,582	6,891,529
9EYRC0029	61	62	1	1.78	562,582	6,891,529
9EYRC0029	64	65	1	1.18	562,582	6,891,529
9EYRC0029	93	94	1	2.63	562,582	6,891,529
9EYRC0029	94	95	1	1.75	562,582	6,891,529
9EYRC0029	108	109	1	<b>13.26</b>	562,582	6,891,529
9EYRC0029	109	110	1	1.60	562,582	6,891,529
9EYRC0029	118	119	1	1.11	562,582	6,891,529
9EYRC0030	85	86	1	1.19	562,608	6,891,537
9EYRC0030	130	131	1	1.46	562,608	6,891,537
9EYRC0030	131	132	1	4.93	562,608	6,891,537
9EYRC0031	121	122	1	1.52	562,635	6,891,544
9EYRC0031	123	124	1	4.18	562,635	6,891,544
9EYRC0031	124	125	1	5.40	562,635	6,891,544
9EYRC0031	130	131	1	2.53	562,635	6,891,544
9EYRC0031	168	169	1	1.04	562,635	6,891,544
9EYRC0031	177	178	1	2.08	562,635	6,891,544
9EYRC0032	50	51	1	1.47	562,570	6,891,580
9EYRC0032	53	54	1	1.67	562,570	6,891,580
9EYRC0032	58	59	1	2.68	562,570	6,891,580
9EYRC0032	75	76	1	1.66	562,570	6,891,580
9EYRC0032	90	91	1	4.09	562,570	6,891,580
9EYRC0033	67	68	1	<b>12.65</b>	562,593	6,891,588
9EYRC0033	88	89	1	1.14	562,593	6,891,588
9EYRC0033	101	102	1	1.14	562,593	6,891,588
9EYRC0033	103	104	1	4.08	562,593	6,891,588
9EYRC0033	110	111	1	1.97	562,593	6,891,588
9EYRC0034	123	124	1	3.48	562,615	6,891,597
9EYRC0036	59	60	1	2.70	562,587	6,891,610
9EYRC0036	72	73	1	1.12	562,587	6,891,610
9EYRC0036	100	101	1	1.29	562,587	6,891,610
9EYRC0036	101	102	1	3.89	562,587	6,891,610
9EYRC0037	77	78	1	1.04	562,610	6,891,619
9EYRC0037	84	85	1	1.95	562,610	6,891,619
9EYRC0037	88	89	1	1.05	562,610	6,891,619
9EYRC0037	102	103	1	<b>18.82</b>	562,610	6,891,619
9EYRC0037	103	104	1	3.01	562,610	6,891,619
9EYRC0037	132	133	1	1.05	562,610	6,891,619
9EYRC0037	133	134	1	2.84	562,610	6,891,619
9EYRC0037	140	141	1	2.05	562,610	6,891,619
9EYRC0037	141	142	1	2.03	562,610	6,891,619
9EYRC0037	142	143	1	1.31	562,610	6,891,619
9EYRC0037	143	144	1	1.15	562,610	6,891,619
9EYRC0037	145	146	1	1.66	562,610	6,891,619
9EYRC0037	161	162	1	2.67	562,610	6,891,619
9EYRC0038	28	29	1	3.26	562,551	6,891,627
9EYRC0038	29	30	1	2.27	562,551	6,891,627
9EYRC0038	30	31	1	4.97	562,551	6,891,627
9EYRC0038	32	33	1	3.01	562,551	6,891,627
9EYRC0038	41	42	1	2.34	562,551	6,891,627
9EYRC0038	49	50	1	1.63	562,551	6,891,627
9EYRC0038	62	63	1	1.33	562,551	6,891,627
9EYRC0039	32	36	4	1.33	562,575	6,891,633

Table 2 continued overleaf

# Review of Operations continued

## Alaric 2 continued

Table 2: Summary of best RC drill intercepts  
>1.0 g/t Au at Alaric 2 continued

Hole ID	m From	m To	Interval	Au (g/t)	E AMG	N AMG
9EYRC0039	35	36	1	4.85	562,575	6,891,633
9EYRC0039	49	50	1	2.13	562,575	6,891,633
9EYRC0039	52	53	1	1.76	562,575	6,891,633
9EYRC0039	53	54	1	<b>22.12</b>	562,575	6,891,633
9EYRC0039	54	55	1	2.25	562,575	6,891,633
9EYRC0039	55	56	1	<b>10.19</b>	562,575	6,891,633
9EYRC0039	56	57	1	4.10	562,575	6,891,633
9EYRC0039	57	58	1	3.43	562,575	6,891,633
9EYRC0039	58	59	1	<b>20.67</b>	562,575	6,891,633
9EYRC0039	59	60	1	<b>20.62</b>	562,575	6,891,633
9EYRC0039	60	61	1	1.28	562,575	6,891,633
9EYRC0039	61	62	1	2.23	562,575	6,891,633
9EYRC0039	82	83	1	1.00	562,575	6,891,633
9EYRC0039	83	84	1	1.14	562,575	6,891,633
9EYRC0039	103	104	1	1.02	562,575	6,891,633
9EYRC0039	104	105	1	2.36	562,575	6,891,633
9EYRC0039	114	115	1	1.32	562,575	6,891,633
9EYRC0040	71	72	1	2.99	562,599	6,891,644
9EYRC0040	83	84	1	1.54	562,599	6,891,644
9EYRC0040	85	86	1	1.53	562,599	6,891,644
9EYRC0040	89	90	1	1.87	562,599	6,891,644
9EYRC0040	104	105	1	2.25	562,599	6,891,644
9EYRC0040	125	126	1	1.01	562,599	6,891,644
9EYRC0040	126	127	1	1.54	562,599	6,891,644
9EYRC0040	154	155	1	3.20	562,599	6,891,644
9EYRC0041	19	20	1	1.44	562,540	6,891,677
9EYRC0041	22	23	1	2.22	562,540	6,891,677
9EYRC0041	58	59	1	6.35	562,540	6,891,677
9EYRC0041	93	94	1	4.96	562,540	6,891,677
9EYRC0042	56	57	1	1.71	562,564	6,891,684
9EYRC0042	64	65	1	1.11	562,564	6,891,684
9EYRC0042	66	67	1	<b>17.95</b>	562,564	6,891,684
9EYRC0042	67	68	1	3.52	562,564	6,891,684
9EYRC0042	68	69	1	2.07	562,564	6,891,684
9EYRC0042	84	85	1	<b>22.48</b>	562,564	6,891,684
9EYRC0042	108	109	1	2.91	562,564	6,891,684
9EYRC0042	109	110	1	1.10	562,564	6,891,684
9EYRC0042	125	126	1	1.44	562,564	6,891,684
9EYRC0043	83	84	1	2.50	562,591	6,891,693
9EYRC0043	92	93	1	1.01	562,591	6,891,693
9EYRC0043	101	102	1	2.42	562,591	6,891,693
9EYRC0043	135	136	1	1.20	562,591	6,891,693
9EYRC0043	150	151	1	4.47	562,591	6,891,693

Assays based on 1m intervals.  
Gold analysed by 50g Fire Assay.

## Khan North

Khan North was selected by Eleckra as the second of the ten high-grade targets in the Yamarna Gold Resource for a close-spaced 2009 RC drilling program. Historical RC drilling programs at Khan North had intercepted high-grade gold mineralisation on 50 metres spaced traverses over a strike length of 400 metres. The best gold interval of 33 metres at 7.4 g/t Au was intersected in drill-hole YARC0303.

The principle purpose of the drilling was to determine the plunge orientation of high-grade gold shoots through close-spaced drilling. Six RC holes for 594 metres were drilled on two drill fences on 25 metre spaced traverses, 12.5 metre north and south of YARC0303 to define an orientation of a plunge and continuity of high-grade shoots down to a maximum depth of 120 metres.

All holes intercepted a broad halo of low-grade mineralisation up to 22 metres wide in one main, and three subsidiary mineralised zones, which contain consistent narrow 1-metre high-grade shoots. The mineralisation at Khan North is hosted by quartz veining and intermediate porphyry and it is associated with arsenopyrite. Gold mineralisation commences 3 metres below the surface under transported sand and calcrete. It is dipping about 60°-70° to the west southwest.

During the drilling, selective intervals were panned and both **coarse nuggety** and fine gold was observed. The presence of nuggety gold could explain an erratic reproducibility of gold values in original assays, repeats, duplicates and checks. It is quite possible that 50-gram fire assay will underestimate the true value of drill intercepts and that a larger sample might be required for analysis to effectively evaluate gold grades.

Eleckra has since carried out metallurgical testwork on 108 selective 1-metre drill intercepts from the Khan North prospect drill results using the **1-kilogram 24-hour bottle roll accelerated cyanide leach** technique – Leach Well.

The results from the bottle roll show extremely good **gold recoveries averaging 97%** achieved after grinding to CIL size ranges of 75 microns. The samples come from **depths ranging from 7 to 120 metres**, all in **fresh rock**. These results are very encouraging and support the results of earlier metallurgical testwork.

The metallurgical testwork did confirm the presence of nuggety and spotty gold. In spite of this assay variation, the average calculated head grade from the Leach Well testwork was only negligibly different, being 2% higher than the average derived from the original 50-gram fire assays.



Table 3: Summary of maximum RC drill intercepts >1.0 g/t Au at Khan North.

Hole ID	m From	m To	Au (g/t)	E AMG	N AMG
9EYRC0063	28	29	3.99	556,256	6,908,299
9EYRC0063	30	31	1.34	556,256	6,908,299
9EYRC0063	37	38	1.63	556,256	6,908,299
9EYRC0063	39	40	<b>9.24</b>	556,256	6,908,299
9EYRC0063	40	41	1.47	556,256	6,908,299
9EYRC0063	41	42	1.59	556,256	6,908,299
9EYRC0063	68	69	2.67	556,256	6,908,299
9EYRC0063	73	74	2.99	556,256	6,908,299
9EYRC0063	74	75	<b>12.95</b>	556,256	6,908,299
9EYRC0064	14	15	<b>6.22</b>	556,247	6,908,296
9EYRC0064	17	18	1.47	556,247	6,908,296
9EYRC0064	24	25	2.41	556,247	6,908,296
9EYRC0064	57	58	1.90	556,247	6,908,296
9EYRC0064	64	65	4.44	556,247	6,908,296
9EYRC0064	65	66	4.53	556,247	6,908,296
9EYRC0065	23	24	1.10	556,235	6,908,292
9EYRC0065	26	27	1.07	556,235	6,908,292
9EYRC0065	27	28	1.09	556,235	6,908,292
9EYRC0065	29	30	1.46	556,235	6,908,292
9EYRC0065	56	57	1.78	556,235	6,908,292
9EYRC0065	63	64	<b>5.76</b>	556,235	6,908,292
9EYRC0065	64	65	1.60	556,235	6,908,292
9EYRC0065	77	78	1.32	556,235	6,908,292
9EYRC0065	78	79	1.00	556,235	6,908,292
9EYRC0065	79	80	<b>5.47</b>	556,235	6,908,292
9EYRC0065	80	81	1.05	556,235	6,908,292
9EYRC0065	81	82	1.55	556,235	6,908,292
9EYRC0065	88	89	1.03	556,235	6,908,292
9EYRC0065	93	94	1.62	556,235	6,908,292
9EYRC0065	98	99	<b>7.80</b>	556,235	6,908,292
9EYRC0065	107	108	1.09	556,235	6,908,292
9EYRC0066	23	24	<b>8.66</b>	556,216	6,908,314
9EYRC0066	71	72	2.17	556,216	6,908,314
9EYRC0066	72	73	3.84	556,216	6,908,314
9EYRC0066	89	90	2.03	556,216	6,908,314
9EYRC0066	92	93	1.34	556,216	6,908,314
9EYRC0066	94	95	3.31	556,216	6,908,314
9EYRC0066	95	96	1.09	556,216	6,908,314
9EYRC0066	116	117	2.16	556,216	6,908,314
9EYRC0066	118	119	2.13	556,216	6,908,314
9EYRC0067	8	9	1.93	556,229	6,908,319
9EYRC0067	33	34	<b>8.70</b>	556,229	6,908,319
9EYRC0067	34	35	1.61	556,229	6,908,319
9EYRC0067	36	37	2.71	556,229	6,908,319

Hole ID	m From	m To	Au (g/t)	E AMG	N AMG
9EYRC0067	57	58	1.06	556,229	6,908,319
9EYRC0067	60	61	1.50	556,229	6,908,319
9EYRC0067	62	63	1.49	556,229	6,908,319
9EYRC0067	63	64	<b>9.21</b>	556,229	6,908,319
9EYRC0068	16	17	4.61	556,241	6,908,322
9EYRC0068	34	35	1.17	556,241	6,908,322
9EYRC0068	35	36	2.52	556,241	6,908,322
9EYRC0068	41	42	<b>5.84</b>	556,241	6,908,322
9EYRC0068	51	52	1.19	556,241	6,908,322
9EYRC0068	60	61	1.81	556,241	6,908,322
9EYRC0068	62	63	1.56	556,241	6,908,322
9EYRC0068	67	68	3.31	556,241	6,908,322

Assays based on 1m intervals.

Gold analysed by Fire Assay.

Maximum gold grades from either original 50gm fire or laboratory repeats of 25 gm fire assays.

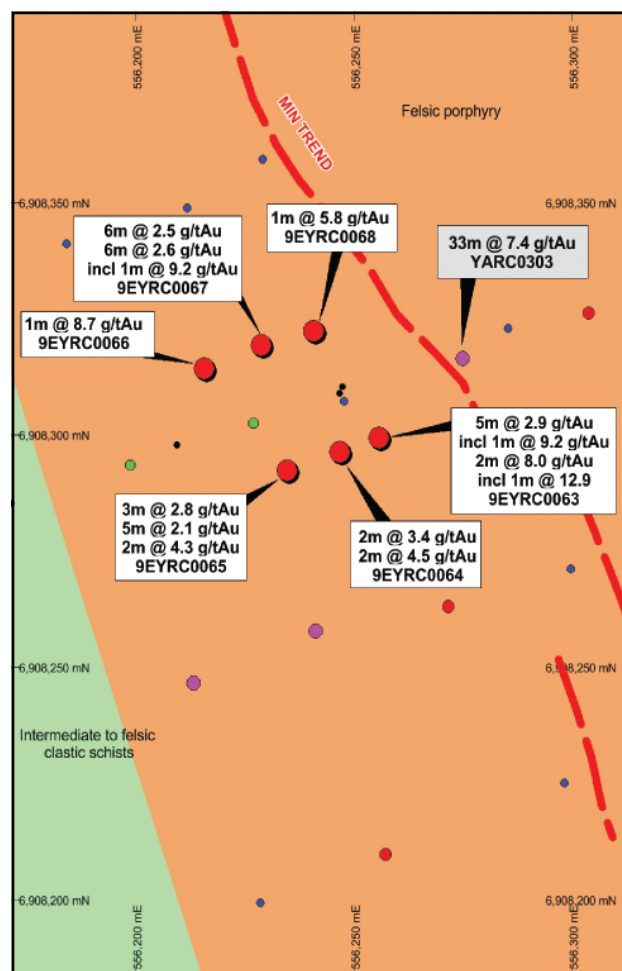


Figure 9: Drill-hole Plan significant gold Intercepts at Khan North.

# Review of Operations continued

## Elvis/Granodiorite South

Eight reconnaissance RC holes were drilled for 532 metres at the Elvis prospect in order to test five separate gold anomalies identified by soil surveys and RAB drilling. Gold mineralisation has been intercepted in numerous holes indicating that the previously poorly tested Elvis prospect area has strong potential for gold mineralisation. The best results are shown in table below.

*Table 4: Summary of RC drill intercepts >0.5 g/t Au at Elvis*

Hole ID	m From	m To	Interval	Au (g/t)	E AMG	N AMG
9EYRC0023	27	28	1	2.36	566,105	6,880,264
9EYRC0023	30	31	1	1.44	566,105	6,880,264
9EYRC0023	33	34	1	2.03	566,105	6,880,264
9EYRC0023	44	45	1	0.5	566,105	6,880,264
9EYRC0025	20	21	1	0.91	566,599	6,880,020
9EYRC0028	37	38	1	0.54	566,676	6,879,836
9EYRC0028	38	39	1	1.81	566,676	6,879,836
9EYRC0028	41	42	1	1.38	566,676	6,879,836
9EYRC0028	42	43	1	0.82	566,676	6,879,836
9EYRC0028	43	44	1	1.03	566,676	6,879,836
9EYRC0028	76	77	1	0.51	566,676	6,879,836

Assays based on 1m intervals.

Gold analysed by 50g Fire Assay (FA50/AAS) at Genalysis.

At the most western anomaly, the gold intercepts were associated with a broad, up to 15 metre-wide copper zone, with up to 0.4% Cu. The Elvis prospect is located approximately 3 kilometres south of the Attila deposit, a unit that is one kilometre west of and parallel to Attila-Alaric Corridor. The gold mineralisation appears to be hosted by multiple narrow quartz veins within a 200-metre-wide eastern portion of the granodiorite unit. The surface rock chips from numerous quartz veins returned values up to 8g/t Au.

It is considered that the mineralisation further to the south from Elvis along the trend at the Granodiorite South prospect is located in a more deeply weathered zone and there is a possibility of upgrading the average gold grade by screening separating mineralised quartz from barren clays. Further drilling and screening tests will follow. Most of the area at Granodiorite South and further to the south of it along the trend is virtually untested.





## Summer 2009-2010 Soil Survey Programs

During the summer of 2009-2010, Eleckra carried out campaigns of closed-spaced soil survey programs at the Central Bore, Byzantium and Hann prospect areas.

### Central Bore Prospect Area

The soil survey confirmed the anomaly over the Central Bore gold discovery and identified a possible northern extension along strike to the north. The soil geochemistry program also defined at **Central Bore East** six new gold anomalies, up to 600 metres-long, that contain elevated gold values of up to 0.84 g/t Au. These new anomalies are located between 200 metres and 1 kilometre east of the recently discovered Central Bore high-grade gold deposit (refer to Figure 10).

At **Byzantium**, which is located 500 metres west of Central Bore, the soil geochemistry program has defined a 1 kilometre-long gold anomaly that contained elevated gold values up to 0.14 g/t Au. The multi-element soil assay results indicated two 1 kilometre-long gold anomalies that display a north-northwesterly orientation. The eastern gold trend was associated with anomalous molybdenum values. The western 1-kilometre-long lead-zinc-copper-arsenic (up to 0.14% Pb) anomaly is associated with sporadic but elevated gold. The base metal anomaly coincides with an outcropping sulphide-rich alteration zone and is located approximately 200 metres west of the gold anomaly.

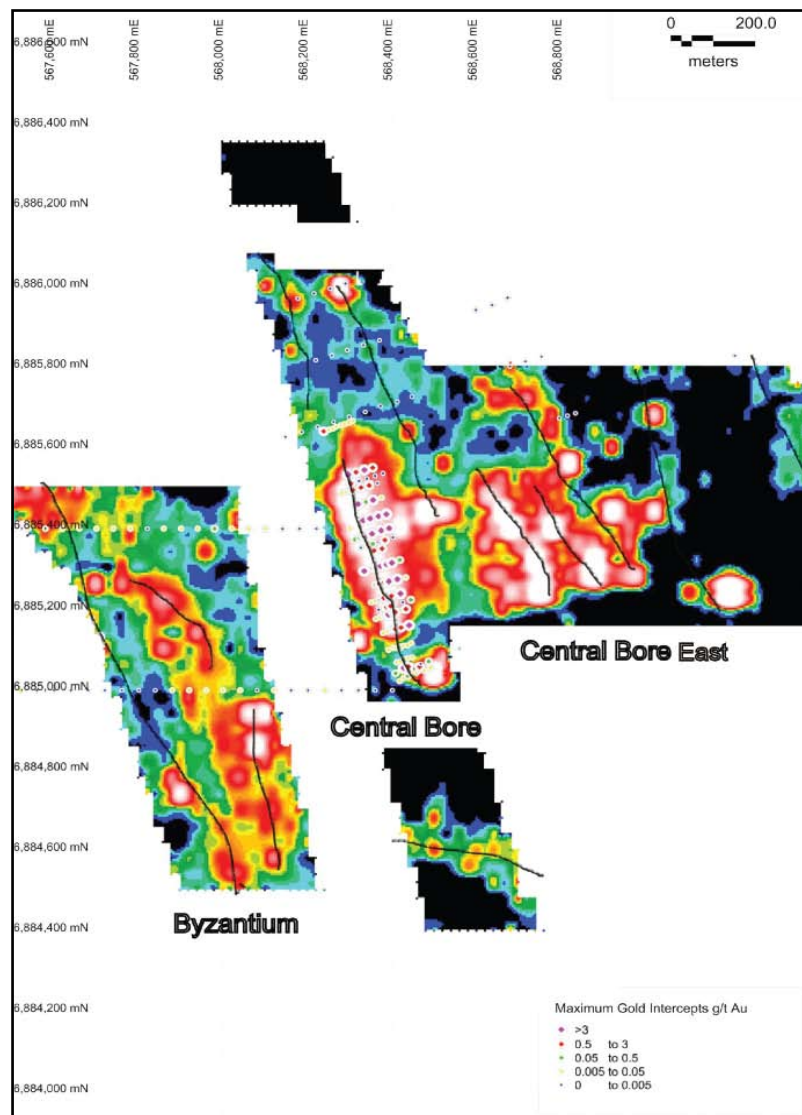


Figure 10: Image of Unlevelled Gold Anomalies from the January-February 2010 Soil Survey at Central Bore Prospect Area. The large circles indicate maximum gold intercepts in 2009 RC holes at Central Bore Gold Deposit. The black lines show gold trends.

# Review of Operations continued

## Hann Prospect

A close-spaced geochemical soil survey was carried out at the Hann prospect in December 2009. The soil geochemistry program defined a strong 2.8 kilometre-long gold anomaly at Hann that contained elevated gold values, only 1.1 kilometres east of the **Attila** gold deposit and 2.4 kilometres west of the **Central Bore** gold discovery in a parallel magnetic structure (refer to Figures 11 and 12). The original assays and repeat results indicate the presence of coarse gold in the soil samples.

The soil survey at the Hann prospect was undertaken as a follow up to the previous wide-spaced traverses of shallow auger and RAB drill-holes. In June 2009, Eleckra drilled 26 shallow RAB holes on the prospect that returned encouraging gold results. However, the drilling program was terminated as the RAB drilling could not penetrate the hard and silicified rocks present at the prospect. To determine the extent of, and to better define the anomaly, Eleckra undertook a close-spaced geochemical soil survey (1-5mm lag). Approximately 950 soil samples were collected on a 20 metres x 40 metres grid over a total strike length of 2.8 kilometres.

The southern end of the sampled area is predominantly over Archaean bedrock and calcareous soils (residual), while the northern part is over saprolite erosional plains. Samples were collected mainly over the area with sub-outcropping and residual soil regolith. Generally, sampling was avoided over the major drainage basins and channels as soil sampling would not be effective.

Samples were assayed by Genalysis using Aqua Regia for Au, Ag, As, Cr, Cu, Fe, Mo, Ni, Pb, Te, Zn. Gold and other elements were levelled for the effects of regolith.

The unlevelled gold image (refer to Figure 11) shows a very strong 800 metre-long anomaly over the area with Archaean bedrock in the south-eastern grid, with grades

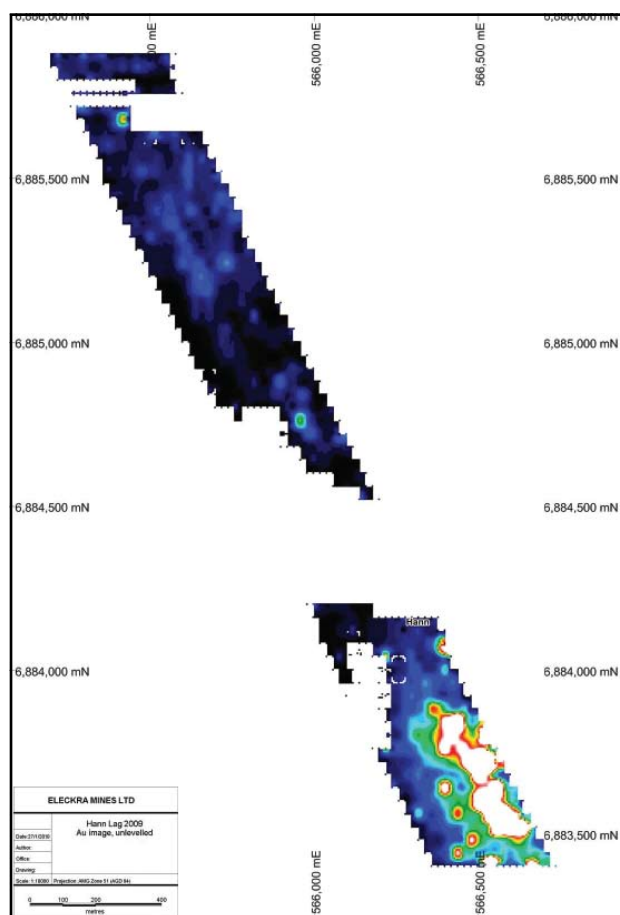


Figure 11: Image of Unlevelled Gold Anomalies from the December 2009 Soil Survey at Hann Prospect.

up to **2.1 g/t Au**. A weaker trend is visible in the north-western grid over the area with the saprolite erosional plains, which mask the response.

The levelled gold image (refer to Figure 12) clearly shows three parallel trends that continue from southeast to northwest on the saprolite. Anomalies relative to background are of the same order of magnitude over both grids.

The levelled arsenic image also shows a strong anomaly in the southern grid that is associated with the eastern gold trend.

To better define the target area, in February and March 2010, Eleckra carried out detailed **1-metre-channel soil sampling** over selected gold anomalies identified in the December 2009 survey at the Hann southern grid. The batch of 988 samples returned excellent gold assay results with up to **429g/t Au, 16g/t Au, 8.4g/t Au, 2.1g/t Au and 1.3g/t Au, each over 1 metre sample intervals**. These results were indicative of more than one mineralised zones and indicated the presence of coarse gold (refer to Figure 13 and Table 4).



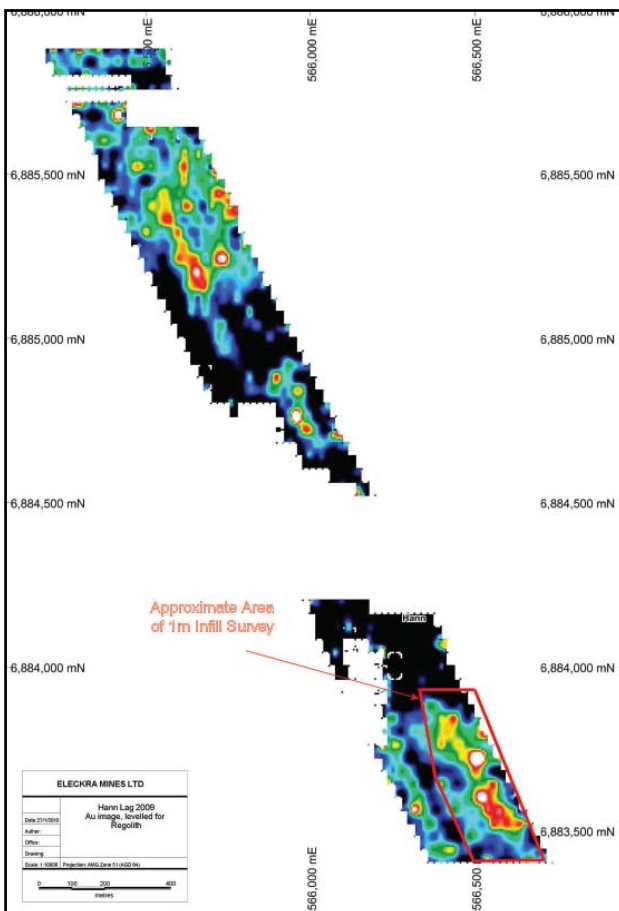


Figure 12: Image of Levelled for Regolith Gold Anomalies from the December 2009 Soil Survey at Hann Prospect

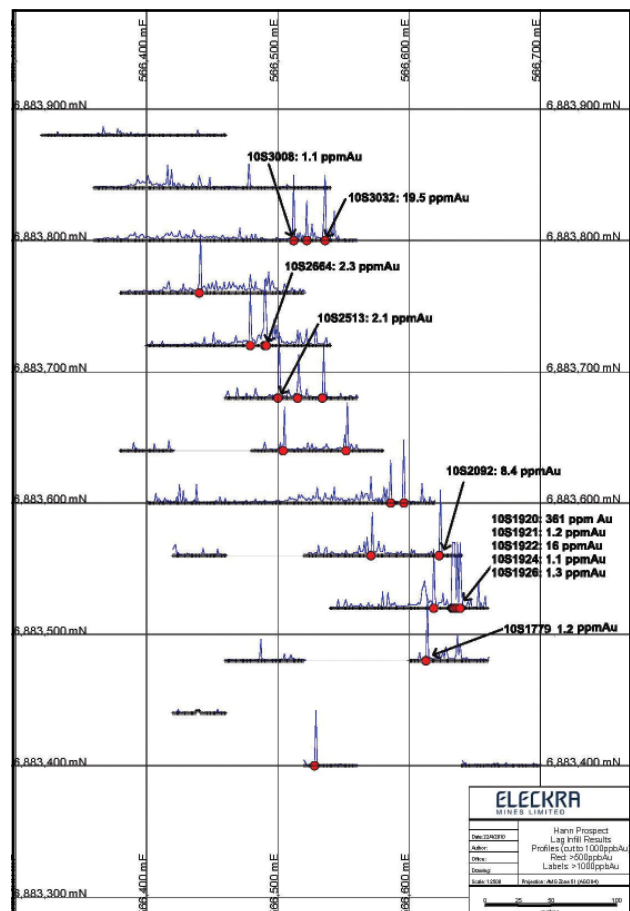


Figure 13: Profiles of 1-metre-channel Soil Infill Survey at Hann Prospect.

# Review of Operations continued

*Table 4: Summary of best 1-metre-intervals >100ppb Au (0.1g/t Au) from Soil Infill Survey at Hann Prospect*

Sample ID	AMG East	AMG North	Line No.	Au ppb	Au Rp1 ppb	Au Rp2 ppb	Au Rp3 g/t	Au Rp4 g/t
10S1570	566528	6883400	1	848			0.44	0.81
10S1731	566486	6883480	3	328			0.47	
10S1749	566504	6883480	3	110	34	81		
10S1773	566607	6883480	3	131	765	34		
10S1779	566613	6883480	3	1,234			0.11	0.05
10S1791	566625	6883480	3	136	86	79		
10S1793	566627	6883480	3	206	209		0.14	
10S1794	566628	6883480	3	125	64			
10S1801	566635	6883480	3	112	93			
10S1802	566636	6883480	3	396	334			
10S1804	566638	6883480	3	258			0.18	0.24
10S1833	566546	6883520	4	130				
10S1839	566552	6883520	4	133				
10S1867	566580	6883520	4	254				0.02
10S1871	566584	6883520	4	242				
10S1897	566610	6883520	4	286			0.17	0.14
10S1898	566611	6883520	4	338			0.46	0.21
10S1899	566612	6883520	4	417			0.25	1.56
10S1900	566613	6883520	4	264			1.23	0.17
10S1903	566616	6883520	4	108				
10S1904	566617	6883520	4	112				
10S1906	566619	6883520	4	891			0.10	0.08
10S1907	566620	6883520	4	157				
10S1913	566626	6883520	4	234				
10S1916	566629	6883520	4	133				
10S1920	566633	6883520	4	360,577			428.71	
10S1921	566634	6883520	4	1,191			1.14	
10S1922	566635	6883520	4	16,034			14.64	8.21
10S1923	566636	6883520	4	139			0.28	0.04
10S1924	566637	6883520	4	1,054			0.47	0.54
10S1926	566639	6883520	4	1,281			0.08	0.18
10S1927	566640	6883520	4	303			0.25	0.31
10S1934	566647	6883520	4	139				
10S1940	566653	6883520	4	403			0.02	0.02
10S1945	566658	6883520	4	181				
10S1949	566421	6883560	5	173				
10S1970	566442	6883560	5	111				
10S1981	566453	6883560	5	103				
10S1999	566530	6883560	5	157				
10S2005	566536	6883560	5	128				
10S2030	566561	6883560	5	152				
10S2034	566565	6883560	5	214				
10S2036	566567	6883560	5	280			0.04	0.03
10S2040	566571	6883560	5	656			0.04	0.53
10S2044	566575	6883560	5	117				

Table 4: Summary of best 1-metre-intervals >100ppb Au (0.1g/t Au) from Soil Infill Survey at Hann Prospect continued

Sample ID	AMG East	AMG North	Line No.	Au ppb	Au Rp1 ppb	Au Rp2 ppb	Au Rp3 g/t	Au Rp4 g/t
10S2045	566576	6883560	5	221				
10S2049	566580	6883560	5	156				
10S2092	566623	6883560	5	8,404			0.13	0.43
10S2117	566407	6883600	6	146				
10S2135	566425	6883600	6	284			0.6	0.76
10S2138	566428	6883600	6	191				
10S2148	566438	6883600	6	281			0.19	0.01
10S2166	566456	6883600	6	102				
10S2226	566516	6883600	6	132				
10S2228	566518	6883600	6	116				
10S2237	566527	6883600	6	105				
10S2240	566530	6883600	6	237			0.31	0.27
10S2246	566536	6883600	6	156				
10S2251	566541	6883600	6	117				
10S2253	566543	6883600	6	243			0.04	0.06
10S2270	566560	6883600	6	134				
10S2274	566564	6883600	6	181				
10S2277	566567	6883600	6	147				
10S2278	566568	6883600	6	151				
10S2281	566571	6883600	6	402			0.28	0.13
10S2291	566581	6883600	6	255			0.75	0.09
10S2293	566583	6883600	6	221			0.03	0.14
10S2296	566586	6883600	6	660			0.04	0.04
10S2306	566596	6883600	6	961			0.76	1.12
10S2320	566610	6883600	6	304			0.41	0.24
10S2340	566389	6883640	7	122				
10S2356	566405	6883640	7	103				
10S2367	566416	6883640	7	147			3.08	0.54
10S2381	566489	6883640	7	129				
10S2393	566501	6883640	7	117				
10S2396	566504	6883640	7	664			0.12	0.1
10S2414	566522	6883640	7	124				
10S2442	566550	6883640	7	237			0.18	0.1
10S2444	566552	6883640	7	730			1.06	0.61
10S2474	566461	6883680	8	108				
10S2481	566468	6883680	8	163			0.19	0.22
10S2495	566482	6883680	8	147			0.02	0.08
10S2513	566500	6883680	8	2,102			0.65	0.07
10S2514	566501	6883680	8	242			0.15	1.64
10S2520	566507	6883680	8	133				
10S2527	566514	6883680	8	181			0.19	0.11
10S2528	566515	6883680	8	661			0.48	0.35
10S2529	566516	6883680	8	192			0.06	0.07
10S2534	566521	6883680	8	143				
10S2547	566534	6883680	8	773			1.46	1.12



# Review of Operations continued

## April-July 2010 RC Program

During the June 2010 quarter, Eleckra completed a 93 hole, 10,911 metre RC drilling program on three prospects: Central Bore, Hann and Byzantium.

Prospect	No. of Holes	Metres
Central Bore	48	8,103
Byzantium	6	468
Hann	39	2,340
<b>Total</b>	<b>93</b>	<b>10,911</b>

At the **Central Bore** prospect, the main purpose of the RC drilling program was to follow up the September 2009 RC drilling program, and to test the depth extensions and continuity of the high-grade shoots. Detailed surface channel sampling at Central Bore returned values of up to **559 g/t Au** and **88 g/t Au** across 0.5 metre widths indicating the high-grade mineralisation at Central Bore extends right to surface.

Eleckra also carried out its maiden RC drilling program at the neighbouring **Hann** and **Byzantium** prospects as a follow up to the closed-spaced soil survey programs which identified strong gold anomalism.

## Central Bore

Between April and June 2010 at the Central Bore prospect, Eleckra completed 48 RC holes for 8,103 metres. Hole depths ranged from 54 metres to a maximum of 348 metres with an average depth of 169 metres.

**47 of the 48 holes drilled intercepted gold mineralisation (a 98% success rate).** The drilling program confirmed

gold mineralisation over an 800m strike length and to a 300m depth and it confirmed the presence of two new shoots in southern extension at Central Bore. High-grade assays in excess of 1oz/t were returned from many intercepts. The deepest high-grade gold intercept to date was 6 metres-downhole at 8.58g/t Au from 290m.

- These assay results confirmed gold mineralisation at Central Bore over 800 metres strike length by 300 metres depth;
- Highest grade assays from Central Bore include:
  - 3 metres at 136g/t Au from 192 metres, including 1 metre at 404g/t;
  - 2 metres at 53g/t Au from 104 metres, including 1 metre at 105g/t;
  - 2 metres at 21g/t Au from 188 metres, including 1 metre at 40g/t;
  - 2 metres at 41g/t Au from 201 metres, including 1 metre at 70g/t;
  - 4 metres at 16g/t Au from 157 metres, including 1 metre at 49g/t;
  - 6 metres at 9g/t Au from 290 metres, including 2 metres at 18g/t.

Drilling to date at Central Bore indicates that the mineralisation and associated alteration is still open along strike and at depth. From September 2010, Eleckra is planning to drill 8 diamond holes at Central Bore and number of RC holes, as part of a 7,000-10,000 metre drilling program.

The Central Bore maiden resource is expected to be announced later in 2010.

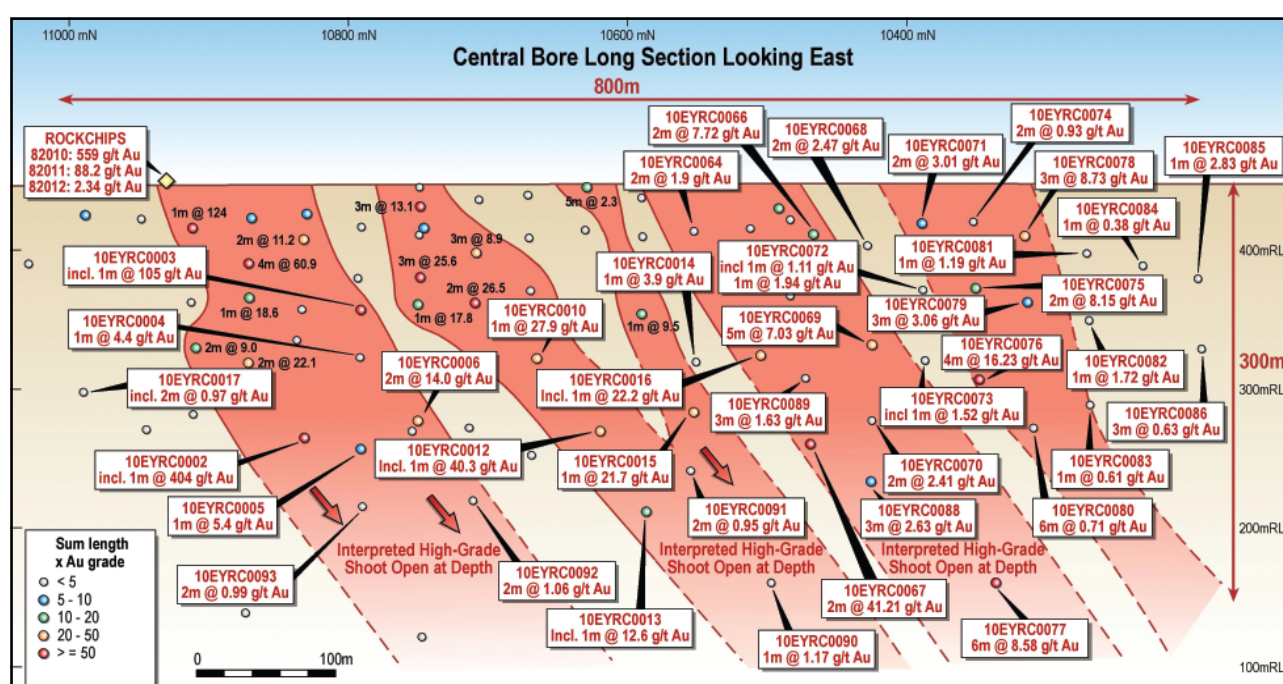


Figure 14: Drill-hole Long Section (looking east) showing Central Bore RC Intercepts.

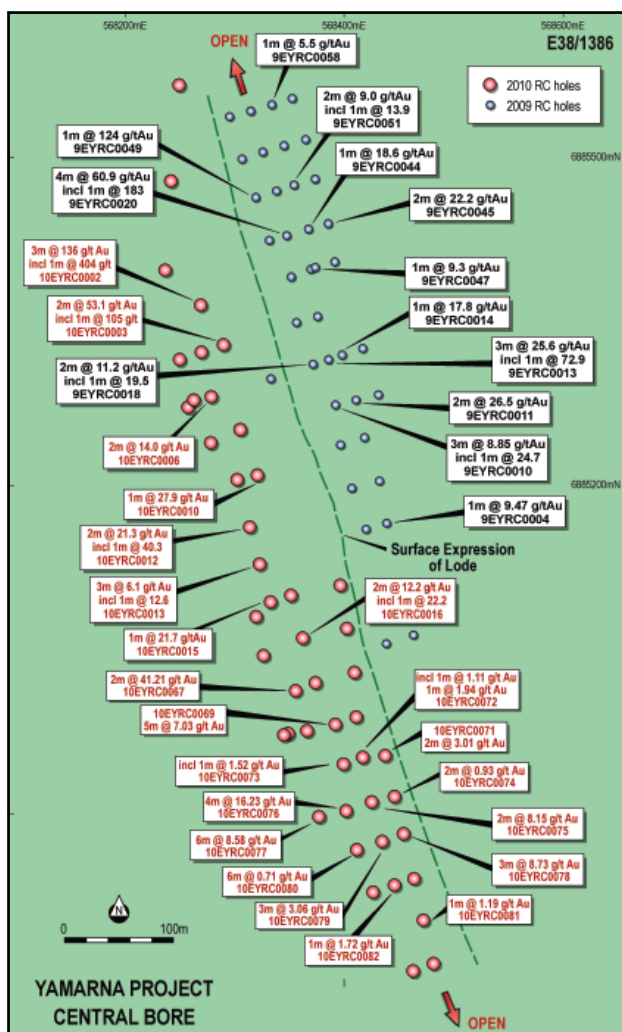


Figure 15: Drill-hole Plan with gold Intercepts at Central Bore.



Table 5: Summary of Significant RC Drill Intercepts at Central Bore – assay results from all batches.

Hole ID	m From	m To	Interval	Au g/t	Au g/t Rpt1	E AMG	N AMG	Notes
10EYRC0001	331	332	1	1.7	1.8	568,237	6,885,394	
10EYRC0001	332	333	1	0.6	0.6	568,237	6,885,394	
10EYRC0002	133	134	1	0.72		568,269	6,885,361	
10EYRC0002	134	135	1	2.91	1.65	568,269	6,885,361	
10EYRC0002	136	137	1	1.49		568,269	6,885,361	
10EYRC0002	178	179	1	7.79	8.38	568,269	6,885,361	
10EYRC0002	192	193	1	<b>403.63</b>	<b>392.40</b>	568,269	6,885,361	
10EYRC0002	192	193	1	<b>403.71</b>	<b>443.74</b>	568,269	6,885,361	Duplicate
10EYRC0002	193	194	1	3.10	3.56	568,269	6,885,361	
10EYRC0002	194	195	1	2.45	2.55	568,269	6,885,361	
10EYRC0002	194	195	1	2.59	2.64	568,269	6,885,361	Duplicate
10EYRC0003	104	105	1	<b>105.10</b>	<b>121.29</b>	568,290	6,885,325	
10EYRC0003	104	105	1	<b>92.44</b>		568,290	6,885,325	Duplicate
10EYRC0003	105	106	1	1.16		568,290	6,885,325	

Table 5 continued overleaf

# Review of Operations continued

Table 5: Summary of Significant RC Drill Intercepts at Central Bore – assay results from all batches continued

Hole ID	m From	m To	Interval	Au g/t	Au g/t Rpt1	E AMG	N AMG	Notes
10EYRC0004	143	144	1	4.61	4.60	568,270	6,885,319	
10EYRC0004	143	144	1	4.35	4.28	568,270	6,885,319	Duplicate
10EYRC0005	211	212	1	5.42	6.26	568,249	6,885,312	
10EYRC0005	211	212	1	5.71	6.54	568,249	6,885,312	Duplicate
10EYRC0006	178	179	1	<b>17.84</b>	<b>22.59</b>	568,278	6,885,278	
10EYRC0006	178	179	1	<b>24.65</b>	<b>27.35</b>	568,278	6,885,278	Duplicate
10EYRC0006	179	180	1	<b>10.17</b>	<b>9.75</b>	568,278	6,885,278	
10EYRC0006	179	180	1	<b>14.06</b>	<b>10.93</b>	568,278	6,885,278	Duplicate
10EYRC0008	331	332	1	0.6	0.7	568,258	6,885,268	
10EYRC0010	125	126	1	<b>27.93</b>	<b>27.30</b>	568,321	6,885,205	
10EYRC0010	125	126	1	<b>29.16</b>	<b>27.83</b>	568,321	6,885,205	Duplicate
10EYRC0011	193	194	1	1.01		568,303	6,885,201	
10EYRC0011	193	194	1	1.08		568,303	6,885,201	Duplicate
10EYRC0012	188	189	1	<b>40.27</b>	<b>34.10</b>	568,314	6,885,158	
10EYRC0012	188	189	1	<b>30.20</b>	<b>27.69</b>	568,314	6,885,158	Duplicate
10EYRC0012	189	190	1	2.33		568,314	6,885,158	
10EYRC0012	189	190	1	1.56		568,314	6,885,158	Duplicate
10EYRC0012	190	191	1	1.74		568,314	6,885,158	Duplicate
10EYRC0013	224	225	1	2.94		568,323	6,885,124	
10EYRC0013	224	225	1	2.99		568,323	6,885,124	Duplicate
10EYRC0013	225	226	1	<b>12.56</b>	<b>10.73</b>	568,323	6,885,124	
10EYRC0013	225	226	1	<b>9.09</b>	<b>10.77</b>	568,323	6,885,124	Duplicate
10EYRC0013	226	227	1	2.93		568,323	6,885,124	
10EYRC0013	226	227	1	2.74		568,323	6,885,124	Duplicate
10EYRC0014	133	134	1	3.94	4.02	568,352	6,885,095	
10EYRC0014	133	134	1	3.88	3.97	568,352	6,885,095	Duplicate
10EYRC0015	173	174	1	<b>21.7</b>	<b>21.5</b>	568,333	6,885,090	
10EYRC0015	173	174	1	<b>21.8</b>	<b>21.8</b>	568,333	6,885,090	Duplicate
10EYRC0016	136	137	1	<b>22.2</b>	<b>23.0</b>	568,364	6,885,056	
10EYRC0016	136	137	1	<b>29.2</b>	<b>30.2</b>	568,364	6,885,056	Duplicate
10EYRC0016	137	138	1	2.2	1.8	568,364	6,885,056	
10EYRC0016	137	138	1	2.8	1.9	568,364	6,885,056	Duplicate
10EYRC0017	186	187	1	1.14		568,242	6,885,476	
10EYRC0017	187	188	1	0.79		568,242	6,885,476	
10EYRC0064	45	46	1	1.26		568,397	6,885,107	
10EYRC0064	45	46	1	1.39		568,397	6,885,107	Duplicate
10EYRC0064	46	47	1	2.53	2.87	568,397	6,885,107	
10EYRC0064	46	47	1	2.27	2.45	568,397	6,885,107	Duplicate
10EYRC0064	47	48	1	0.14		568,397	6,885,107	
10EYRC0066	47	48	1	6.89	6.95	568,410	6,885,027	
10EYRC0066	47	48	1	6.75	6.06	568,410	6,885,027	Duplicate
10EYRC0066	48	49	1	<b>8.54</b>	<b>8.35</b>	568,410	6,885,027	
10EYRC0066	48	49	1	<b>9.44</b>	<b>9.64</b>	568,410	6,885,027	Duplicate
10EYRC0067	201	202	1	<b>12.83</b>	<b>14.58</b>	568,355	6,885,010	
10EYRC0067	201	202	1	<b>13.44</b>	<b>13.98</b>	568,355	6,885,010	Duplicate
10EYRC0067	202	203	1	<b>69.59</b>		568,355	6,885,010	



Table 5: Summary of Significant RC Drill Intercepts at Central Bore – assay results from all batches continued

Hole ID	m From	m To	Interval	Au g/t	Au g/t Rpt1	E AMG	N AMG	Notes
10EYRC0067	202	203	1	<b>84.79</b>	<b>81.31</b>	568,355	6,885,010	Duplicate
10EYRC0067	203	204	1	0.57		568,355	6,885,010	
10EYRC0068	48	49	1	0.54		568,411	6,884,985	
10EYRC0068	66	67	1	0.77		568,411	6,884,985	
10EYRC0068	67	68	1	4.16	4.20	568,411	6,884,985	
10EYRC0069	125	126	1	0.51		568,391	6,884,979	
10EYRC0069	127	128	1	<b>20.47</b>	<b>17.89</b>	568,391	6,884,979	
10EYRC0069	127	128	1	<b>19.12</b>	<b>31.85</b>	568,391	6,884,979	Duplicate
10EYRC0069	128	129	1	0.38		568,391	6,884,979	
10EYRC0069	129	130	1	1.56		568,391	6,884,979	
10EYRC0069	129	130	1	1.43		568,391	6,884,979	Duplicate
10EYRC0069	130	131	1	<b>11.58</b>	<b>11.59</b>	568,391	6,884,979	
10EYRC0069	130	131	1	<b>12.59</b>	<b>14.44</b>	568,391	6,884,979	Duplicate
10EYRC0069	131	132	1	1.18		568,391	6,884,979	
10EYRC0070	178	179	1	1.29		568,366	6,884,972	Duplicate
10EYRC0070	179	180	1	4.28	4.38	568,366	6,884,972	
10EYRC0070	179	180	1	5.16	5.37	568,366	6,884,972	Duplicate
10EYRC0070	180	181	1	0.54		568,366	6,884,972	
10EYRC0070	181	182	1	0.42		568,366	6,884,972	
10EYRC0071	32	36	4	0.46		568,438	6,884,950	
10EYRC0071	36	37	1	4.08	3.86	568,438	6,884,950	
10EYRC0071	37	38	1	1.93	1.60	568,438	6,884,950	
10EYRC0072	74	75	1	1.11		568,417	6,884,948	
10EYRC0072	74	75	1	1.01		568,417	6,884,948	Duplicate
10EYRC0072	78	79	1	0.51		568,417	6,884,948	
10EYRC0072	80	81	1	1.94		568,417	6,884,948	
10EYRC0072	80	81	1	1.72		568,417	6,884,948	Duplicate
10EYRC0073	129	130	1	0.73		568,400	6,884,942	
10EYRC0073	129	130	1	1.52		568,400	6,884,942	Duplicate
10EYRC0074	43	44	1	1.03		568,446	6,884,912	
10EYRC0074	44	45	1	0.83		568,446	6,884,912	
10EYRC0075	72	76	4	1.12		568,426	6,884,907	
10EYRC0075	90	91	1	7.10	10.10	568,426	6,884,907	
10EYRC0075	90	91	1	7.37	7.69	568,426	6,884,907	Duplicate
10EYRC0075	91	92	1	<b>9.20</b>	<b>9.93</b>	568,426	6,884,907	
10EYRC0075	91	92	1	<b>10.60</b>	<b>10.82</b>	568,426	6,884,907	Duplicate
10EYRC0076	157	158	1	2.67		568,402	6,884,899	
10EYRC0076	158	159	1	<b>9.51</b>	<b>9.54</b>	568,402	6,884,899	
10EYRC0076	158	159	1	<b>9.87</b>	<b>9.33</b>	568,402	6,884,899	Duplicate
10EYRC0076	159	160	1	<b>48.53</b>	<b>49.72</b>	568,402	6,884,899	
10EYRC0076	159	160	1	<b>51.72</b>	<b>47.10</b>	568,402	6,884,899	Duplicate
10EYRC0076	160	161	1	4.21		568,402	6,884,899	
10EYRC0076	160	161	1	3.84		568,402	6,884,899	Duplicate
10EYRC0077	286	287	1	1.07		568,377	6,884,894	
10EYRC0077	289	290	1	0.83		568,377	6,884,894	
10EYRC0077	290	291	1	1.28		568,377	6,884,894	

Table 5 continued overleaf

# Review of Operations continued

Table 5: Summary of Significant RC Drill Intercepts at Central Bore – assay results from all batches continued

Hole ID	m From	m To	Interval	Au g/t	Au g/t Rpt1	E AMG	N AMG	Notes
10EYRC0077	291	292	1	<b>18.35</b>	<b>11.88</b>	568,377	6,884,894	
10EYRC0077	291	292	1	<b>19.70</b>	<b>14.84</b>	568,377	6,884,894	Duplicate
10EYRC0077	292	293	1	<b>4.83</b>	<b>4.14</b>	568,377	6,884,894	
10EYRC0077	292	293	1	<b>4.76</b>	<b>3.46</b>	568,377	6,884,894	Duplicate
10EYRC0077	293	294	1	<b>18.18</b>	<b>17.04</b>	568,377	6,884,894	
10EYRC0077	293	294	1	<b>29.54</b>	<b>17.96</b>	568,377	6,884,894	Duplicate
10EYRC0077	294	295	1	6.22		568,377	6,884,894	
10EYRC0077	294	295	1	5.61		568,377	6,884,894	Duplicate
10EYRC0077	295	296	1	2.59		568,377	6,884,894	
10EYRC0077	296	297	1	0.57		568,377	6,884,894	
10EYRC0078	49	50	1	1.45		568,455	6,884,877	
10EYRC0078	49	50	1	1.25		568,455	6,884,877	Duplicate
10EYRC0078	50	51	1	<b>23.03</b>	<b>21.03</b>	568,455	6,884,877	
10EYRC0078	50	51	1	<b>26.86</b>	<b>21.00</b>	568,455	6,884,877	Duplicate
10EYRC0078	51	52	1	1.72		568,455	6,884,877	
10EYRC0079	103	104	1	0.94	0.90	568,435	6,884,870	
10EYRC0079	104	105	1	7.44	8.46	568,435	6,884,870	
10EYRC0079	105	106	1	0.81		568,435	6,884,870	
10EYRC0080	196	198	2	0.60		568,412	6,884,863	
10EYRC0080	198	199	1	1.19	1.08	568,412	6,884,863	
10EYRC0080	200	201	1	0.84		568,412	6,884,863	
10EYRC0080	201	202	1	0.61		568,412	6,884,863	
10EYRC0081	63	64	1	1.19	0.99	568,465	6,884,836	
10EYRC0082	106	107	1	1.72	1.96	568,447	6,884,830	
10EYRC0083	176	180	4	0.61	0.70	568,427	6,884,823	
10EYRC0085	83	84	1	2.83		568,482	6,884,757	
10EYRC0086	137	138	1	0.55	0.53	568,463	6,884,751	
10EYRC0086	139	140	1	0.94	1.13	568,463	6,884,751	
10EYRC0088	229	230	1	2.68	2.50	568,344	6,884,969	
10EYRC0088	230	231	1	3.60	4.06	568,344	6,884,969	
10EYRC0088	231	232	1	1.62	1.74	568,344	6,884,969	
10EYRC0088	231	232	1	1.63	1.72	568,344	6,884,969	Duplicate
10EYRC0089	136	137	1	1.70		568,374	6,885,017	
10EYRC0089	136	137	1	3.99	2.23	568,374	6,885,017	Duplicate
10EYRC0089	137	138	1	0.49		568,374	6,885,017	
10EYRC0089	137	138	1	0.78		568,374	6,885,017	Duplicate
10EYRC0089	138	139	1	2.71	2.55	568,374	6,885,017	
10EYRC0089	138	139	1	2.64	2.75	568,374	6,885,017	Duplicate
10EYRC0090	313	314	1	1.17		568,326	6,885,042	
10EYRC0091	213	214	1	1.35	1.65	568,318	6,885,079	
10EYRC0091	214	215	1	0.55		568,318	6,885,079	
10EYRC0092	234	235	1	0.74		568,277	6,885,239	
10EYRC0092	235	236	1	1.38		568,277	6,885,239	
10EYRC0093	229	230	1	0.73		568,235	6,885,316	
10EYRC0093	230	231	1	1.24		568,235	6,885,316	

Gold Analysed by Fire Assay.

### Central Bore continued

All holes intercepted alteration associated with the mineralisation and abundant visible gold was panned from several intervals.

Eleckra has carried out metallurgical testwork on 42 selective 1-metre drill intercepts of primary ore from 12 RC holes at the Central Bore deposit using the 1-kilogram 24-hour bottle roll accelerated cyanide leach technique – Leach Well. The results from the bottle roll show excellent **gold recoveries averaging 96%** achieved after grinding to Carbon-in-Leach (CIL) size ranges of 75 microns.



Figure 16: Photo Showing a Tail of Free Gold Panned from 192-193 Intercept in Hole 10EYRC0002 (fine yellow gold and silvery sulphides).

Table 6: Summary of 24-hour bottle roll accelerated cyanide leach (Leach Well) at Central Bore.

Sample	Hole ID	m From	m To	E AMG	N AMG	Calculated Head Au (g/t)	Recovery Au (%)	Notes
83742	10EYRC0002	134	135	568,269	6,885,361	2.48	95%	
83744	10EYRC0002	136	137	568,269	6,885,361	1.72	84%	
83788	10EYRC0002	178	179	568,269	6,885,361	8.65	95%	
84726	10EYRC0002	178	179	568,269	6,885,361	8.72	96%	Duplicate
83739	10EYRC0002	192	193	568,269	6,885,361	433.26	97%	
83802	10EYRC0002	192	193	568,269	6,885,361	387.09	97%	Duplicate
83803	10EYRC0002	193	194	568,269	6,885,361	3.87	97%	
83779	10EYRC0002	193	194	568,269	6,885,361	3.05	96%	Duplicate
83804	10EYRC0002	194	195	568,269	6,885,361	3.03	96%	
83851	10EYRC0003	104	105	568,290	6,885,325	130.83	95%	
83863	10EYRC0003	104	105	568,290	6,885,325	107.39	94%	Duplicate
83852	10EYRC0003	105	106	568,290	6,885,325	1.12	96%	
83917	10EYRC0004	143	144	568,270	6,885,319	4.53	95%	
83899	10EYRC0004	143	144	568,270	6,885,319	4.21	94%	Duplicate
83991	10EYRC0005	211	212	568,249	6,885,312	5.8	97%	
83979	10EYRC0005	211	212	568,249	6,885,312	6.27	96%	Duplicate
84063	10EYRC0006	178	179	568,278	6,885,278	22.87	98%	
84019	10EYRC0006	178	179	568,278	6,885,278	29.89	97%	Duplicate
84059	10EYRC0006	179	180	568,278	6,885,278	11.54	98%	
84064	10EYRC0006	179	180	568,278	6,885,278	10.79	96%	Duplicate
84314	10EYRC0010	125	126	568,321	6,885,205	27.93	91%	
84299	10EYRC0010	125	126	568,321	6,885,205	29.23	89%	Duplicate
84379	10EYRC0011	193	194	568,303	6,885,201	1.12	90%	
84394	10EYRC0011	193	194	568,303	6,885,201	1.09	91%	Duplicate
84459	10EYRC0012	188	189	568,314	6,885,158	38.26	97%	
84460	10EYRC0012	188	189	568,314	6,885,158	31.33	97%	Duplicate
84461	10EYRC0012	189	190	568,314	6,885,158	2.99	94%	
84462	10EYRC0012	189	190	568,314	6,885,158	1.67	92%	Duplicate

Table 6 continued overleaf



# Review of Operations continued

Table 6: Summary of 24-hour bottle roll accelerated cyanide leach (Leach Well) at Central Bore continued

Sample	Hole ID	m From	m To	E AMG	N AMG	Calculated Head Au (g/t)	Recovery Au (%)	Notes
84499	10EYRC0013	224	225	568,323	6,885,124	2.88	89%	
84501	10EYRC0013	224	225	568,323	6,885,124	2.84	87%	Duplicate
84502	10EYRC0013	225	226	568,323	6,885,124	11.56	93%	
84503	10EYRC0013	225	226	568,323	6,885,124	11.36	92%	Duplicate
84504	10EYRC0013	226	227	568,323	6,885,124	3.32	95%	
84505	10EYRC0013	226	227	568,323	6,885,124	3.38	95%	Duplicate
84511	10EYRC0014	133	134	568,352	6,885,095	4.16	92%	
84512	10EYRC0014	133	134	568,352	6,885,095	3.98	91%	Duplicate
84666	10EYRC0015	173	174	568,333	6,885,090	21.98	96%	
84667	10EYRC0015	173	174	568,333	6,885,090	21.85	95%	Duplicate
84718	10EYRC0016	136	137	568,364	6,885,056	23.3	98%	
84719	10EYRC0016	136	137	568,364	6,885,056	28.96	95%	Duplicate
84720	10EYRC0016	137	138	568,364	6,885,056	2.22	97%	
84721	10EYRC0016	137	138	568,364	6,885,056	2.23	94%	Duplicate

The results demonstrate that conventional CIL technology will generate high recoveries on Central Bore ore. Given the abundant visible gold panned during drill sampling it is expected to achieve good recovery from simple, low cost gravity separation which would reduce the size of the leach plant and reagent consumption necessary for CIL gold recovery.

The gravity separation testwork has commenced on mineralised samples from Central Bore in order to determine gold recovery through a gravity circuit. The results are expected later in 2010.

## Hann

The December 2009 soil geochemistry program defined a strong 2.8 kilometre-long gold anomaly at the Hann prospect. Hann is located only 1.1 kilometres east of the Attila gold deposit and 2.4 kilometres west of the Central Bore gold discovery in a parallel structure.

Eleckra elected to carry out a systematic drilling program to test these soils anomalies. Thirty-nine shallow reconnaissance RC holes for 2,340 metres were completed over five fences and strike length of 160 metres at the southern portion of the 2.8 kilometre long Hann prospect to test high-grade gold anomalies in soils.

All holes were drilled to a nominal depth of 60 metres and were inclined 55° to an azimuth of 250°. However, due to high-grade gold intercepts at Central Bore South, Eleckra temporarily suspended the Hann drilling program and moved the drill rig back to Central Bore South to further test the southern extension. The temporarily suspended RC drilling at Hann will continue in the September 2010 RC program.

The results from the shortened Hann drilling program, however, have confirmed a new gold discovery at the Hann Prospect associated with multiple zones of mineralisation.

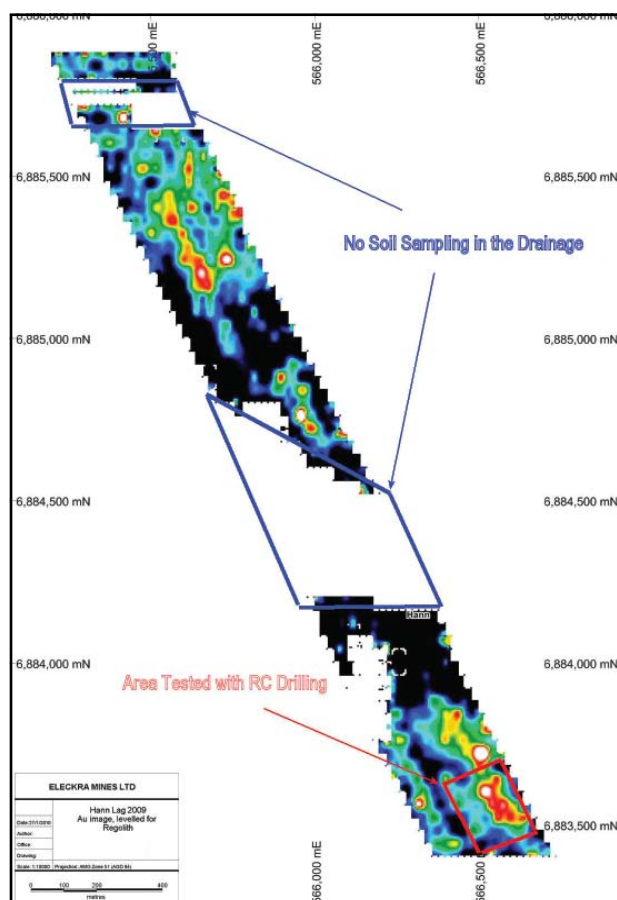


Figure 17: Image of Levelled for Regolith Gold Anomalies from the December 2009 Soil Survey at Hann Prospect.

Significant results at Hann included:

- 2 metres at 5.10g/t Au from 31 metres, including 1 metre at 7.61g/t Au;
- 1 metre at 4.13g/t Au from 58 metres;
- 2 metres at 2.42g/t Au from 0 metres, including 3.98g/t Au (6.11g/t Au in repeat sample);
- 1 metre at 3.31g/t Au from 36 metres;
- 2 metres at 1.85g/t Au from 54 metres, including 1 metre at 3.05g/t Au.

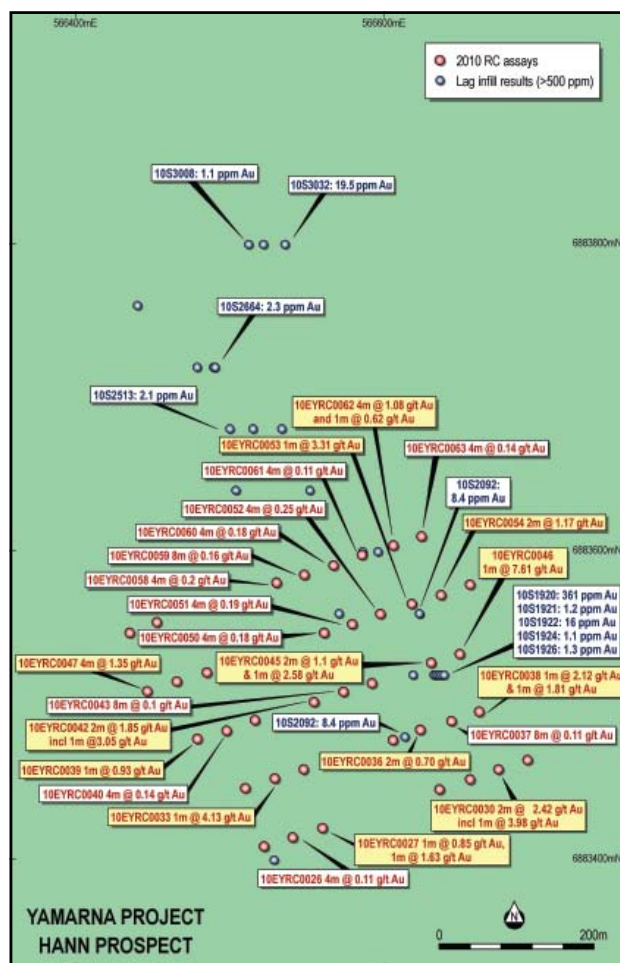


Figure 18: Drill-hole Plan at Hann with Best RC Intercepts.  
Note: 1ppm = 1g/t.



# Review of Operations continued

Table 7: Summary of Significant RC Drill Intercepts at Hann – assay results from all batches.

Hole ID	m From	m To	Interval	Au g/t	Au g/t Rpt1	E AMG	N AMG
10EYRC0019	6	7	1	0.83		567,902	6,884,742
10EYRC0019	6	7	1	0.86	0.90	567,902	6,884,742
10EYRC0022	60	64	4	0.58	0.60	568,107	6,884,815
10EYRC0027	16	17	1	0.85		566,566	6,883,421
10EYRC0027	19	20	1	1.63	1.07	566,566	6,883,421
10EYRC0030	0	1	1	<b>3.98</b>	<b>6.11</b>	566,684	6,883,458
10EYRC0030	1	2	1	0.85		566,684	6,883,458
10EYRC0033	58	59	1	<b>4.13</b>	0.89	566,536	6,883,453
10EYRC0036	25	26	1	0.76		566,630	6,883,486
10EYRC0036	26	27	1	0.64		566,630	6,883,486
10EYRC0038	42	43	1	2.12	<b>4.50</b>	566,669	6,883,499
10EYRC0038	52	53	1	1.81	1.30	566,669	6,883,499
10EYRC0039	19	20	1	0.93		566,484	6,883,479
10EYRC0042	54	55	1	3.05		566,561	6,883,504
10EYRC0042	55	56	1	0.65		566,561	6,883,504
10EYRC0045	28	29	1	1.62		566,637	6,883,528
10EYRC0045	29	30	1	0.58		566,637	6,883,528
10EYRC0045	31	32	1	2.58		566,637	6,883,528
10EYRC0046	32	33	1	<b>7.61</b>		566,656	6,883,533
10EYRC0047	32	36	4	1.35		566,454	6,883,511
10EYRC0053	36	37	1	<b>3.31</b>	<b>3.58</b>	566,625	6,883,566
10EYRC0054	56	57	1	1.64		566,644	6,883,571
10EYRC0054	57	58	1	0.69		566,644	6,883,571
10EYRC0062	40	41	1	1.54		566,611	6,883,603
10EYRC0062	42	43	1	0.63		566,611	6,883,603
10EYRC0062	43	44	1	1.98		566,611	6,883,603
10EYRC0062	47	48	1	0.62		566,611	6,883,603

## Byzantium

The December 2009 soil geochemistry program at Byzantium prospect identified two 1-kilometre-long gold anomalies, 500 metres west of the Central Bore high-grade gold deposit.

These anomalies were tested by a reconnaissance RC drilling program, which consisted of 6 holes for a total of 470 metres. Three holes on one traverse tested the western base-metal anomaly with the best intercept of 1 metre at 0.8 g/t Au associated with 0.3% Pb (assayed with Portable Niton XRF) in hole 10EYRC0019. The surface samples from gossanous sulphidic volcanoclastic outcrop near hole 10EYRC0019 returned up to 1.5% Pb, elevated zinc, copper, barium, arsenic and molybdenum (assayed with Portable Niton XRF). The laboratory assay of a selective sample returned an elevated value of 3.11 g/t Au.

Three holes were drilled to test the eastern anomaly at Byzantium. Weak gold mineralisation was intersected in all three holes associated with a narrow 3 metre-wide basalt unit within an intermediate volcanoclastic unit. The best result was 4 metres at 0.58 g/t Au from 60 metres in hole 10EYRC0022. It is considered that the area around Byzantium and Central Bore could have a potential for hosting volcanogenic massive sulphide (VMS) style of base metal deposits.



## August 2010 RAB Program

During August 2010, Eleckra completed a 17,000 metre RAB drilling program over the northern and southern extensions of the Central Bore gold deposit. The drilling also tested soil gold anomalies at Central Bore East and at Hann North, Elvis and Granodiorite South.

Initial assay results from this program came from the Central Bore East area, approximately 200 metres east of the Central Bore gold deposit, where the previous soil survey produced strong gold anomalies. Significant RAB results include **7 metres at 4.32g/t Au from 28 metres and 6 metres at 1.39g/t Au from 24 metres**. These results are considered comparable to the intercepts from the original RAB discovery program at the Central Bore gold deposit in 2009. Anomalous gold results have been intercepted by the drilling for a distance of at least 300 metres over an average width across strike of about 30-50 metres. The initial results also extended the Central Bore mineralised zone about 200 metres further to the north. Further results will be reported as they come to hand.



## Uranium Exploration

Eleckra holds a highly prospective uranium portfolio in the Yamarna region with its Thatcher Soak uranium deposit and earlier stage projects at Lake Wells and Golden Sands. No work was carried out in the 2009/2010 financial year on uranium.

### Thatcher Soak

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.

Table 8: Thatcher Soak Uranium Project Inferred Resource Estimate. Note: figures have been rounded.

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

On 30 June 2008 Uranex NL, owner of the western portion of the Thatcher Soak deposit, announced an Inferred Mineral Resource estimate for its portion of the Thatcher Soak deposit of 28 million tonnes averaging 220ppm  $U_3O_8$  for 14 million pounds of contained  $U_3O_8$  using a 100ppm  $U_3O_8$  cut-off.

The total resource at Thatcher Soak within Eleckra's and Uranex's tenements is 44.1 million tonnes averaging 203ppm  $U_3O_8$  for 20.2 million pounds of contained  $U_3O_8$  using a 100ppm  $U_3O_8$  cut-off. This makes Thatcher Soak the fourth largest uranium calcrete deposit in Western Australia. The total length of uranium mineralisation at Thatcher Soak is approximately 15 kilometres.

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 1 to 2 metres thick.

# Review of Operations continued

Table 9: Summary of Significant (>0.1 g/t Au) RAB Drill Intercepts at Central Bore Area.

Hole ID	m From	m To	Interval	Au g/t	AMG E	AMG N
10EYRB0052	44	47	3	0.16	568,935	6,884,040
10EYRB0140	20	24	4	0.25	568,998	6,883,849
10EYRB0140	24	28	4	0.24	568,998	6,883,849
10EYRB0140	42	43	1	0.18	568,998	6,883,849
10EYRB0141	28	29	1	0.23	568,989	6,883,846
10EYRB0174	24	28	4	0.35	569,029	6,883,756
10EYRB0174	35	36	1	0.12	569,029	6,883,756
10EYRB0359	12	16	4	0.29	568,701	6,885,177
10EYRB0360	16	20	4	0.10	568,692	6,885,174
10EYRB0360	20	24	4	0.20	568,692	6,885,174
10EYRB0361	12	16	4	0.37	568,681	6,885,171
10EYRB0361	16	20	4	<b>1.36</b>	568,681	6,885,171
10EYRB0362	12	16	4	0.40	568,673	6,885,168
10EYRB0362	22	23	1	<b>1.20</b>	568,673	6,885,168
10EYRB0363	12	16	4	0.11	568,663	6,885,164
10EYRB0381	20	24	4	0.21	568,672	6,885,273
10EYRB0393	0	4	4	0.92	568,687	6,885,383
10EYRB0393	4	8	4	0.17	568,687	6,885,383
10EYRB0393	8	12	4	0.12	568,687	6,885,383
10EYRB0394	0	4	4	0.18	568,678	6,885,381
10EYRB0394	8	12	4	0.28	568,678	6,885,381
10EYRB0394	12	16	4	0.10	568,678	6,885,381
10EYRB0394	24	28	4	<b>1.45</b>	568,678	6,885,381
10EYRB0394	28	30	2	<b>1.26</b>	568,678	6,885,381
10EYRB0394	30	31	1	0.10	568,678	6,885,381
10EYRB0395	28	32	4	<b>3.58</b>	568,667	6,885,377
10EYRB0395	32	35	3	<b>5.32</b>	568,667	6,885,377
10EYRB0395	35	36	1	0.76	568,667	6,885,377
10EYRB0411	20	24	4	0.56	568,672	6,885,485
10EYRB0411	24	28	4	0.58	568,672	6,885,485
10EYRB0413	16	20	4	0.20	568,655	6,885,479
10EYRB0413	20	24	4	0.25	568,655	6,885,479
10EYRB0413	24	28	4	<b>1.40</b>	568,655	6,885,479
10EYRB0413	28	32	4	0.13	568,655	6,885,479
10EYRB0413	36	40	4	0.30	568,655	6,885,479
10EYRB0414	48	49	1	0.18	568,645	6,885,475
10EYRB0414	49	50	1	0.60	568,645	6,885,475
10EYRB0535	12	16	4	0.17	568,182	6,885,853
10EYRB0535	16	20	4	0.10	568,182	6,885,853
10EYRB0537	12	16	4	0.18	568,164	6,885,846

## Golden Sands

The **Golden Sands** tenements are also considered to be highly prospective for uranium mineralisation. They are located approximately 140 kilometres south-southeast of Thatcher Soak and about 100 kilometres northeast of Mulga Rocks. Golden Sands is located in the southwestern portion of the Gunbarrel Basin that also hosts the Mulga Rock uranium deposit.

## Lake Wells

At Lake Wells, the main target is calcrete associated uranium mineralisation within channels that are adjacent to a radiometrically active basement. Several radiometric anomalies are present in the area, including one highly anomalous target as outlined on the uranium channel radiometrics, which may prove to be calcrete hosted.

### NOTES:

*The information in this report which relates to Exploration Results, or Mineral Resources is based on information compiled by Ziggy Lubieniecki, the General 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.*

### APPENDIX:

The Yamarna Project is located approximately 150km east of Laverton on the eastern edge of the Yilgarn Craton and within the Yamarna Greenstone Belt.

The Mineral Resources according to JORC code for the Yamarna Gold project (Refer to Eleckra's ASX announcement dated 1 September 2008).

Table 10: The Mineral Resource inventory for the Yamarna Gold project as at 21 August 2008. (Note: rounding errors may occur.)

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
<b>Total</b>	<b>19,817,000</b>	<b>1.44</b>	<b>917,000</b>

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
<b>Total</b>	<b>13,128,000</b>	<b>1.78</b>	<b>749,000</b>



# Schedule of Interests in Mining Tenements

Tenement Number	Registered Title Holder	Eleckra Interest	Status	Project
<b>YAMARNA PROJECT, WA</b>				
<b>EXPLORATION LICENCES</b>				
E 38/361	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1097	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1083	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1388	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1386	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1798	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1858	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1932	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1931	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2178	Eleckra Mines Limited	100	Granted	Yamarna
E 38/1964	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2250	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2235	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2236	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2294	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2363	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2326	Eleckra Mines Limited	100	Granted	Yamarna
E 38/2285	Eleckra Mines Limited	100	Application	Yamarna
E 38/2290	Eleckra Mines Limited	100	Application	Yamarna
E 38/2291	Eleckra Mines Limited	100	Application	Yamarna
E 38/2292	Eleckra Mines Limited	100	Application	Yamarna
E 38/2293	Eleckra Mines Limited	100	Application	Yamarna
E 38/2319	Eleckra Mines Limited	100	Application	Yamarna
E 38/2320	Eleckra Mines Limited	100	Application	Yamarna
E 38/2325	Eleckra Mines Limited	100	Application	Yamarna
E 38/2327	Eleckra Mines Limited	100	Application	Yamarna
E 38/2336	Eleckra Mines Limited	100	Application	Yamarna
E 38/2355	Eleckra Mines Limited	100	Application	Yamarna
E 38/2356	Eleckra Mines Limited	100	Application	Yamarna
E 38/2362	Eleckra Mines Limited	100	Application	Yamarna
E 38/2415	Eleckra Mines Limited	100	Application	Yamarna
E 38/2427	Eleckra Mines Limited	100	Application	Yamarna
Tenement Number	Registered Title Holder	Eleckra Interest	Status	Project
E 38/2428	Eleckra Mines Limited	100	Application	Yamarna
E 38/2429	Eleckra Mines Limited	100	Application	Yamarna
E 38/2445	Eleckra Mines Limited	100	Application	Yamarna
E 38/2446	Eleckra Mines Limited	100	Application	Yamarna
E 38/2447	Eleckra Mines Limited	100	Application	Yamarna
E 39/1553	Eleckra Mines Limited	100	Application	Yamarna
E 39/1554	Eleckra Mines Limited	100	Application	Yamarna
E 39/1555	Eleckra Mines Limited	100	Application	Yamarna
E 38/2249	Eleckra Mines Limited	100	Application	Yamarna
<b>MINING LEASES</b>				
M 38/436	Eleckra Mines Limited	100	Granted	Yamarna
M 38/437	Eleckra Mines Limited	100	Granted	Yamarna
M 38/438	Eleckra Mines Limited	100	Granted	Yamarna
M 38/439	Eleckra Mines Limited	100	Granted	Yamarna
M 38/788	Eleckra Mines Limited	100	Granted	Yamarna
M 38/814	Eleckra Mines Limited	100	Granted	Yamarna
M 38/841	Eleckra Mines Limited	100	Granted	Yamarna
M 38/435	Eleckra Mines Limited	100	Granted	Yamarna
M 38/1178	Eleckra Mines Limited	100	Application	Yamarna
M 38/1179	Eleckra Mines Limited	100	Application	Yamarna
<b>PROSPECTING LICENCES</b>				
P 38/3338	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3344	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3345	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3346	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3350	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3337	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3352	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3824	Eleckra Mines Limited	100	Granted	Yamarna
P 38/3869	Eleckra Mines Limited	100	Application	Yamarna
P 38/3870	Eleckra Mines Limited	100	Application	Yamarna
P 38/3895	Eleckra Mines Limited	100	Application	Yamarna
P 38/3896	Eleckra Mines Limited	100	Application	Yamarna

Table 11: Eleckra Mines Limited tenement schedule as at June 2010.

# Corporate Governance Statement

The Directors of Eleckra support the establishment and ongoing development of good corporate governance for the Company.

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"**).

Further information about the Company's corporate governance practices is set out on the Company's website at [www.eleckramines.com.au](http://www.eleckramines.com.au). In accordance with the recommendations of the ASX, information published on the Company's website includes:

1. Board Charter
2. Nomination Committee Charter
3. Policy and Procedure for Selection and Appointment of New Directors
4. Code of Conduct
5. Policy for Dealing in the Company Securities
6. Continuous Disclosure Policy
7. Shareholder Communications Policy
8. Company's Risk Management Policy

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

### ***Lay Solid Foundations for Management and Oversight***

#### **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 Company 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 complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes. A copy of the Board Charter and the responsibilities of senior executives and management is available on the Company's website.

#### **Board Processes**

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Executive Chairman and the Company Secretary.

#### **Evaluation of Senior Executive Performance**

The Company has not complied with Recommendation 1.2 of the Corporate Governance Council. 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 projects, the Board intends to establish appropriate evaluation procedures. The Executive Chairman currently assesses the performance of the Board, individual directors and key executives on an informal basis.

# Corporate Governance Statement continued

## Corporate Governance Council Principle 2

### **Structure the Board to Add Value**

#### **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 Company, 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 four members, three Non-Executive Directors and one Executive Chairman.

The Board has assessed the independence of the Non-Executive Directors in accordance with the definition contained within the ASX Corporate Governance Guidelines and has concluded that majority of the Non-Executive Directors, do not meet the recommended independence criteria. As a result the Company does not comply with Recommendation 2.1 of the Corporate Governance Council. 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.

#### **Independent Chairman**

The Chairman is an Executive of the Company and therefore not an independent Chairman. As such Recommendation 2.2 of the Corporate Governance Council has not been complied with. The Board however believes that Mr Murray is the most appropriate person for the position as Chairman because of his industry experience and proven track record as a public company Director.

The Board at this point in time has one independent Non-Executive Director, Mr. Martin Pyle. However the Board considers both its structure and composition are appropriate given the size of the Company and its current scale of operation.

#### **Roles of Chairman and Chief Executive Officer**

The roles of Chairman and Chief Executive Officer are not exercised by different individuals, and as such the Company does not comply with Recommendation 2.3 of the Corporate Governance Council. The Executive Chairman of the Company is currently exercising both these roles. Due to the size of the Company and Mr Murray's experience, the Board is of the opinion that Mr Murray has the capacity to fulfil both these roles at the present time.

A profile of each Director, including their skills, experience and relevant expertise, and the date each Director was appointed to the Board is set out in the Directors' Report.

#### **Nomination Committee**

The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and as such does not comply with Recommendation 2.4 of the Corporate Governance Council. The selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making.

A copy of the Nomination Committee Charter and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website.

#### **Evaluation of Board Performance**

The Company does not have a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 2.5 of the Corporate Governance Council. The Board is of the opinion that the competitive environment in which the Company operates will effectively provide a measure of the performance of the Directors, in addition the Chairman assesses the performance of the Board, individual Directors and key executives on an informal basis from time to time.



## **Education**

All Directors are encouraged to attend professional education courses relevant to their roles.

## **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**

### ***Promote 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 and as such complies with Recommendation 3.1 of the Corporate Governance Council. 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 the Code.

A copy of the Company's Code of Conduct is available on the Company's website.

#### **Security Trading Policy**

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a policy 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 and as such complies with Recommendation 3.2 of the Corporate Governance Council. The policy also provides that notification of intended trading should be given to the Chairman prior to trading. A copy of the Policy for dealing in Company Securities is available on the Company's website.

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

### ***Safeguarding Integrity in Financial Reporting***

#### **Audit Committee**

The Company does not have a separately constituted audit committee with a composition as suggested by Recommendations 4.1, 4.2 and 4.3 of the Corporate Governance Council. The full Board carries out the function of an audit committee. The Board believes that the Company is not of a sufficient size to warrant a separate committee and that the full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report.

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 director.

#### **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.

#### **Financial Reporting**

The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Executive Chairman and Company Secretary who reports to the Board at the scheduled Board meetings.

## Corporate Governance Council Principle 5

### ***Make Timely and Balanced Disclosure***

#### **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 Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The Company has adopted formal written policies and procedures, designed to ensure compliance with the ASX Listing Rule Requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council. A copy of the Continuous Disclosure Policy is available on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

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

## Corporate Governance Council Principle 6

### ***Respect the Rights of Shareholders***

#### **Communications**

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. During the period this has been incorporated into a formal shareholder communication strategy, and so complies with Recommendation 6.1 of the Corporate Governance Council.

A copy of the Shareholder Communications Policy is available on the Company's website.

In addition to electronic communication via the ASX website, the Company publishes all ASX releases including Annual and Half-Yearly financial statements on the Company's website at [www.eleckramines.com.au](http://www.eleckramines.com.au).

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company Annual General Meeting for that purpose.

## Corporate Governance Council Principle 7

### ***Recognise and Manage Risk***

#### **Risk Management Policy**

During the financial year the Board adopted a formal risk management policy and therefore complied with Recommendation 7.1 of the Corporate Governance Council during the current period. The Board delegates day-to-day management of risk to the Executive Chairman, Company Secretary and senior executives who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed. A copy of the Company's Risk Management Policy is available on the Company's website.

#### **Risk Management and the Internal Control System**

The Executive Chairman and Company Secretary, with the assistance of senior executives as required, have responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an ongoing basis as follows:

- Business risk management  
The Company manages its activities within budgets and operational and strategic plans.
- Internal controls  
The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.
- Financial reporting  
Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.
- Operations review  
Members of the Board regularly visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations.
- Environment and safety  
The Company is committed to ensuring that sound environmental management and safety practices are maintained on its exploration activities.

The Company's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

#### **Risk Reporting**

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively, therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing monitoring and managing risk in the Company.

The Board is seeking to improve and formalise the Company's risk management of internal control systems.

The Company does not have an internal audit function.



## **Executive Chairman and Company Secretary Written Statement**

The Board requires the Executive Chairman and the Company Secretary provide a written statement that the financial statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporations Act. The Board also requires that the Executive Chairman and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 7.3 of the Corporate Governance Council.

## **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.

### **Remuneration Committee**

The Board does not have a separate remuneration committee and as such does not comply with Recommendation 8.1 of the Corporate Governance Council. 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.

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.

### **Distinguish Between Executive and Non-Executive Remuneration**

The Company does distinguish between the remuneration policies of its Executive and Non-Executive Directors in accordance with Recommendation 8.2 of the Corporate Governance Council.

Executive Directors receive salary packages which may include performance based components, designed to reward and motivate, including the granting of share options, subject to shareholder approval and with vesting conditions relating to continuity of engagement.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings.

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 2010.

## Directors

The names and details of the Directors of Eleckra Mines Limited ("Eleckra") 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)
Martin Pyle	Director (Non-Executive) – <i>appointed 22 June 2010</i>

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

#### *Executive Chairman*

Mr Murray was appointed on 15 October 2007 as Non-Executive Director and on 12 February 2008 as Executive Chairman.

Mr Murray is a chartered accountant and has over 15 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 has held no other directorships in public listed companies in the past three years.

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.

Mr Murray is 44 years of age.

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

#### *Non-Executive Director*

Mr Davis was a founding director of Eleckra appointed on 28 May 2004. He 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. He did not hold any other directorships in public listed companies in the past three years.

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.

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

Mr Davis is 52 years of age.

# Directors' Report continued

## **Kevin R Hart – BCom, 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 currently also serves on the board of Alloy Resources Limited and did not hold any other directorships in public listed companies in the past three years. Mr Hart holds a Bachelor of Commerce degree from the University of Western Australia.

Mr Hart is 48 years of age.

## **Martin Pyle – BSc (First Class Hons – Geology), MBA**

*Non-Executive Director*

Mr Pyle, a mining industry consultant was appointed on 22 June 2010 as Non-Executive Director and holds a Bachelor of Science (First Class Honours – Geology) and MBA.

Mr Pyle has a broad range of experience gained over 23 years in the resources industry in Australia. His roles have included positions as Corporate Finance Executive with prominent East and West Coast broking firms. During this time he was responsible for the generation and execution of resources related equity raisings, mergers & acquisitions, corporate advisory and research. Most recently he has provided corporate advisory services to a number of junior resource companies and is Chairman of Syndicated Metals Limited and Midwinter Resources Limited; Managing Director of Aurora Minerals Limited and Executive Director of Desert Energy Limited.

Mr Pyle is 45 years of age.

## 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 Listed Options	Directors' Interests in Unlisted Options
I Murray	8,108,000	4,027,000	4,000,000
R Davis	6,260,000	1,565,000	4,000,000
K Hart	Nil	Nil	1,000,000
M Pyle	1,500,000	500,000	300,000

## Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2010 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Eligible to attend	Attended
I Murray	3	3
R Davis	3	3
K Hart	3	3
M Pyle	1	1



## 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 \$2,057,357 (2009: \$2,978,822).

Included in the loss for the current year is a write-off of capitalised exploration and evaluation expenditure totalling \$866,719 (2009: \$1,859,490).

## 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 \$1,769,715 (2009: \$2,354,675) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$5,144,613 (2009: \$3,487,596). Mineral exploration and evaluation expenditure incurred during the year for the Company before any write-offs was \$2,523,736 (2009: \$971,835).

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

## Significant Changes In The State Of Affairs

- On 18 December 2009 the Company completed a Placement that raised \$2,355,500, before capital raising costs, from the issue of 22,433,333 ordinary shares at 10.5 cents each.
- On 8 January 2010 the Company completed a Placement that raised \$315,000, before capital raising costs, from the issue of 3,000,000 ordinary shares at 10.5 cents each.

## Options Over Unissued Capital

### **Listed options**

During the financial year and to the date of this report no listed options have been exercised.

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

Number of Options Granted	Exercise Price	Expiry Date
57,155,000	7 cents	30 June 2011

### **Unlisted options**

During the financial year 1,200,000 and subsequent to year end and to the date of this report 2,700,000 unlisted 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.

# Directors' Report continued

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

Number of Options Granted	Exercise Price	Expiry Date
6,500,000 <sup>(i)</sup>	20 cents	31 March 2011
5,400,000	37 cents	30 November 2012
1,000,000 <sup>(ii)</sup>	25 cents	30 May 2011
3,000,000 <sup>(iii)</sup>	18.5/22/26 cents	30 May 2013
2,000,000 <sup>(iv)</sup>	7/10/15 cents	30 June 2014
900,000 <sup>(v)</sup>	15 cents	31 December 2012
300,000 <sup>(vi)</sup>	17 cents	31 May 2013
2,700,000 <sup>(vii)</sup>	9.5/10.7/12.8 cents	30 September 2015

- <sup>(i)</sup> 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.
- <sup>(ii)</sup> 2,000,000 options were granted to Hartley's Ltd on 1 May 2008. Of these, 1,000,000 options were forfeited on 1 May 2009 due to certain vesting conditions not being met.
- <sup>(iii)</sup> Unlisted options issued to Mr Ian Murray (Executive Chairman) approved at the 28 November 2008 annual general meeting. 1,000,000 Options vest on 27 November 2009 with an exercise price of 18.5 cents each, 1,000,000 options vest on 27 November 2010 with an exercise price of 22 cents each and 1,000,000 options vest on 27 November 2011 with an exercise price of 26 cents each.
- <sup>(iv)</sup> Employee options issued to Mr Ziggy Lubieniecki (General Manager) pursuant to the terms and conditions of the Company's Directors, Employees and Other Permitted Persons Option Plan. 700,000 Options vest on 30 June 2010 with an exercise price of 7 cents each, 700,000 vest on 30 June 2011 with an exercise price of 10 cents each and 600,000 vest on 30 June 2012 with an exercise price of 15 cents each.
- <sup>(v)</sup> Employee options issued to various staff members pursuant to the terms and conditions of the Company's Directors, Employees and Other Permitted Persons Option Plan.
- <sup>(vi)</sup> Unlisted options issued to Mr Martin Pyle (Non-Executive Director) as compensation for Corporate and Strategic advice services rendered to the Company prior to his appointment as Non-Executive Director.
- <sup>(vii)</sup> Employee options issued to various staff members pursuant to the terms and conditions of the Company's Directors, Employees and Other Permitted Persons Option Plan. 900,000 Options vest on 30 September 2011 with an exercise price of 9.5 cents each, 900,000 vest on 30 September 2012 with an exercise price of 10.7 cents each and 900,000 vest on 30 September 2013 with an exercise price of 12.8 cents each.

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

Other than the matters below, there has not arisen in the interval between the end of the period 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.

On 16 August 2010 the Company completed a placement of 29,000,000 ordinary fully paid shares at 8.5 cents each to raise \$2,465,000, before capital raising costs.

## 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 activities.

## 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 Board's 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 except for:

(i) *Executive Officer*

Ziggy Lubieniecki (appointment General Manager 1 August 2009)

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

#### YEAR 2010

Directors/ Executives	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$	Performance Related %	Remuneration consisting of options %
I Murray	235,784	–	3,275	97,383	336,442	29	29
R Davis	44,583	–	3,275	–	47,858	–	–
K Hart	44,583	–	3,275	–	47,858	–	–
M Pyle*	–	–	–	–	–	–	–
Z Lubieniecki	203,016	16,920	–	29,576	249,512	12	12
<b>Total</b>	<b>527,966</b>	<b>16,920</b>	<b>9,825</b>	<b>126,959</b>	<b>681,670</b>		

\*M Pyle was appointed a director on 22 June 2010

#### YEAR 2009

Directors/ Executives	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options \$	Total \$	Performance Related %	Remuneration consisting of options %
I Murray	150,000	–	3,275	85,689	238,964	35.86	35.86
R Davis	42,000	–	3,275	–	45,275	–	–
K Hart	40,000	–	3,275	–	43,275	–	–
<b>Total</b>	<b>232,000</b>	<b>–</b>	<b>9,825</b>	<b>85,689</b>	<b>327,514</b>		



# Directors' Report continued

## **Executive employment agreements**

Remuneration and other terms of employment for the Executive Chairman are set out in his Executive Employment Agreement. Major provisions are as follows:

### **Ian Murray – Executive Chairman**

- Appointed 15 October 2007; and
- Base salary of \$55,000 per annum from 1 August 2009 as Chairman plus \$1,200 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 2010 amounted to \$114,380. 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.

### **Ziggy Lubieniecki – General Manager**

- Appointed as general manager to fixed term commencing on 1 August 2009; and
- Total remuneration package set at \$188,000 per annum plus statutory superannuation.
- Employment may be terminated by no less than six months notice in writing. Forfeiture or payment of six month salary as the case may be, may be made or given in lieu of notice.

## **Option holdings**

The number of options over ordinary shares in the Company held during the financial year by each director and executive of Eleckra Mines Limited is set out below.

No options were granted to directors or executives during the year except for 300,000 options issued to Mr Martin Pyle for corporate and strategic services rendered to the company prior to his appointment as director of the Company.

### **YEAR 2010**

Directors/ Executives	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	8,027,000	–	–	–	8,027,000	6,027,000	75%
R Davis	5,565,000	–	–	–	5,565,000	5,565,000	100%
K Hart	1,000,000	–	–	–	1,000,000	1,000,000	100%
M Pyle*	800,000	–	–	–	800,000	800,000	100%
Z Lubieniecki*	3,100,000	–	–	–	3,100,000	1,200,000	39%

\*Represents balances of holdings at the date of appointment to director/key management personnel position.

### **YEAR 2009**

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year <sup>(i)</sup>	Balance at the end of the year	Vested and exercisable at the end of the year	% Vested
I Murray	1,000,000	3,000,000	–	4,027,000	8,027,000 <sup>(ii)</sup>	5,027,000	63%
R Davis	4,000,000	–	–	1,565,000	5,565,000 <sup>(ii)</sup>	5,565,000	100%
K Hart	1,000,000	–	–	–	1,000,000	1,000,000	100%

<sup>(i)</sup> These are listed options taken up by the Directors during the Placement and Non-renounceable Entitlement Issue announced by the Company on 19 March 2009.

<sup>(ii)</sup> Includes 4,000,000 unlisted options.

### Terms and conditions for each grant

#### YEAR 2010

Directors/ Executives	Granted No.	Grant Date	Fair value at grant date	Exercise price per option	Expiry date	First exercise date	Last exercise date
M Pyle	300,000	31 May 2010	8.8 cents	17 cents	31 May 2013	31 May 2010	30 May 2013

#### YEAR 2009

Directors/ Executives	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	27 Nov 2008	8.2 cents	18.5 cents	30 May 2013	27 Nov 2009	30 May 2013
I Murray	1,000,000	27 Nov 2008	7.8 cents	22 cents	30 May 2013	27 Nov 2010	30 May 2013
I Murray	1,000,000	27 Nov 2008	7.5 cents	26 cents	30 May 2013	27 Nov 2011	30 May 2013

### 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 %
M Pyle*	–	–	–	–

\*The value of these options was calculated as \$26,348. The options issued however did not form part of directors remuneration as it was issued as compensation for services rendered prior to Mr Pyle's appointment as director.

### 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 2010

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	8,108,000	–	–	8,108,000
R Davis	6,260,000	–	–	6,260,000
K Hart	–	–	–	–
M Pyle*	1,500,000	–	–	1,500,000
Z Lubieniecki*	1,200,000	–	–	1,200,000

\*Represents balances of holdings at the date of appointment to director/key management personnel position.

#### YEAR 2009

Directors	Balance at start of the year	Received during the year on exercise of options	Other changes during the year <sup>(i)</sup>	Balance at the end of the year
I Murray	54,000	–	8,054,000	8,108,000
R Davis	3,130,000	–	3,130,000	6,260,000
K Hart	–	–	–	–

<sup>(i)</sup> Shares purchased by the Directors and their related parties pursuant to the terms of the Placement and Non-renounceable Entitlement Issue announced by the company on 19 March 2009.

**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 ended 30 June 2010 amounted to \$114,380 (2009: \$114,988).

During the year, and prior to his appointment to the Board as Non-Executive Director, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2010 amounted to \$29,650.

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

The Company's auditor, Stantons International, did not provide any non-audit services during the year.

Total remuneration paid to Stantons International during the financial year:

	<b>2010</b>	2009
	<b>\$</b>	\$
Audit and review of the Company's financial statements	<b>30,104</b>	27,396

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 46.

## 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 24th day of September 2010.



**Ian Murray**  
Executive Chairman



24 September 2010

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 2010, 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**

# Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	30 June 2010 \$	30 June 2009 \$
Revenue		<b>92,413</b>	46,443
<b>Total revenue</b>		<b>92,413</b>	46,443
Employee expenses		<b>(375,407)</b>	(130,907)
Employee expenses recharged to exploration		<b>355,934</b>	99,724
Equity based remuneration expense	17(a)	<b>(229,269)</b>	(384,510)
Director's fees		<b>(143,750)</b>	(130,000)
Depreciation expense	11	<b>(29,898)</b>	(30,623)
Accounting and advisory expenses		<b>(441,072)</b>	(324,886)
Compliance costs		<b>(97,258)</b>	(63,925)
Operating lease expenses		<b>(62,166)</b>	(57,530)
Legal costs		<b>(40,285)</b>	(4,830)
Insurance		<b>(24,589)</b>	(26,381)
Travel expenses		<b>(71,012)</b>	(42,601)
Office expenses		<b>(74,635)</b>	(47,329)
Other expenses from ordinary activities		<b>(49,644)</b>	(21,977)
Exploration costs written off and expensed	13	<b>(866,719)</b>	(1,859,490)
<b>Loss before income tax</b>		<b>(2,057,357)</b>	(2,978,822)
Income tax expense	8	–	–
<b>Loss for the year</b>	18(b)	<b>(2,057,357)</b>	(2,978,822)
Other comprehensive income for the year		–	–
<b>Total comprehensive loss for the year</b>		<b>(2,057,357)</b>	(2,978,822)
		<b>Cents</b>	Cents
Basic loss per share (cents)	28	<b>(1.12)</b>	(3.95)
Diluted loss per share (cents)	28	<b>(1.12)</b>	(3.95)

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

# Statement of Financial Position

AS AT 30 JUNE 2010

	Note	30 June 2010 \$	30 June 2009 \$
<b>Current assets</b>			
Cash and cash equivalents	9	<b>1,769,715</b>	2,354,675
Trade and other receivables	10	<b>34,675</b>	50,636
<b>Total current assets</b>		<b>1,804,390</b>	2,405,311
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>262,702</b>	169,468
Investment in subsidiary	12	<b>598</b>	598
Capitalised mineral exploration and evaluation expenditure	13	<b>5,144,613</b>	3,487,596
<b>Total non-current assets</b>		<b>5,407,913</b>	3,657,662
<b>Total assets</b>		<b>7,212,303</b>	6,062,973
<b>Current liabilities</b>			
Trade and other payables	14	<b>503,622</b>	76,194
Provisions	15	<b>15,016</b>	–
<b>Total current liabilities</b>		<b>518,638</b>	76,194
<b>Total liabilities</b>		<b>518,638</b>	76,194
<b>Net assets</b>		<b>6,693,665</b>	5,986,779
<b>Equity</b>			
Contributed equity	16	<b>15,142,361</b>	12,607,387
Equity remuneration reserve	18(a)	<b>1,168,971</b>	939,702
Accumulated losses	18(b)	<b>(9,617,667)</b>	(7,560,310)
<b>Total equity</b>		<b>6,693,665</b>	5,986,779

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Ordinary Shares \$	Accumulated losses \$	Equity Remuneration Reserve \$	Total \$
<b>Balance as at 1 July 2009</b>	<b>12,607,387</b>	<b>(7,560,310)</b>	<b>939,702</b>	<b>5,986,779</b>
Loss for the year	–	<b>(2,057,357)</b>	–	<b>(2,057,357)</b>
Other comprehensive income for the year	–	–	–	–
Total comprehensive loss for the year	–	<b>(2,057,357)</b>	–	<b>(2,057,357)</b>
Movement in equity remuneration reserve	–	–	<b>229,269</b>	<b>229,269</b>
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	<b>2,670,500</b>	–	–	<b>2,670,500</b>
Transaction costs of equity issued	<b>(135,526)</b>	–	–	<b>(135,526)</b>
<b>Balance at 30 June 2010</b>	<b>15,142,361</b>	<b>(9,617,667)</b>	<b>1,168,971</b>	<b>6,693,665</b>
<b>Balance as at 1 July 2008</b>	10,062,882	(4,581,488)	525,192	6,006,586
Loss for the year	–	(2,978,822)	–	(2,978,822)
Other comprehensive income for the year	–	–	–	–
Total comprehensive loss for the year	–	(2,978,822)	–	(2,978,822)
Movement in equity remuneration reserve	–	–	414,510	414,510
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	2,707,750	–	–	2,707,750
Transaction costs of equity issued	(163,245)	–	–	(163,245)
<b>Balance at 30 June 2009</b>	<b>12,607,387</b>	<b>(7,560,310)</b>	<b>939,702</b>	<b>5,986,779</b>

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



# Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Interest received		77,672	47,548
Payments to suppliers and employees		(945,216)	(785,814)
<b>Net cash flows (used in) operating activities</b>	27	<b>(867,544)</b>	<b>(738,266)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(2,129,258)	(1,021,005)
Payments for plant and equipment		(123,132)	(26,988)
<b>Net cash flows (used in) investing activities</b>		<b>(2,252,390)</b>	<b>(1,047,993)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		2,670,500	2,612,250
Transaction costs on issue of shares		(135,526)	(45,311)
<b>Net cash flows from financing activities</b>		<b>2,534,974</b>	<b>2,566,939</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(584,960)</b>	<b>780,680</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>2,354,675</b>	<b>1,573,995</b>
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>1,769,715</b>	<b>2,354,675</b>

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

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 1 Basis of preparation of the financial report

The following is a summary of the significant accounting policies adopted by Eleckra Mines Limited (the Company) 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

During the year, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards, relevant to the Company are:

- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segment reporting – new AASB 8 *Operating Segments*
- Financial Instruments – revised AASB 7 *Financial Instruments: Disclosures*
- Borrowing Costs – revised AASB 123 *Borrowing Costs*
- Presentation of Financial Statements – AASB101

The Company applies revised AASB 101 *Presentation of Financial Statements*, which became effective as of 1 July 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

The Company has not elected to adopt any new standards early. Standards available for early adoption are not expected to have any impact on the financial results of the Company.

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this report:

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 9 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.

- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 1 Basis of preparation of the financial report continued

### (b) Adoption of new and revised Accounting Standards continued

- AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions* resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 *Scope of AASB 2* and AI 11 *AASB 2 – Group and Treasury Share Transactions* will be withdrawn from the application date. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issue* [AASB 132] (October 2010) clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments, which will become mandatory for the Group's 30 June 2011 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-14 *Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement – AASB 14* make amendments to Interpretation 14 AASB 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements* removing an unintended consequence arising from the treatment of the prepayments of future contributions in some circumstances when there is a minimum funding requirement. The amendments will become mandatory for the Group's 30 June 2012 financial statements, with retrospective application required. The amendments are not expected to have any impact on the financial statements.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. IFRIC 19 will become mandatory for the Group's 30 June 2011 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.

### (c) Report basis and conventions

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

## 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.

### **(a) Basis of consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Eleckra Mines Limited at the end of the reporting period. A controlled entity is any entity over which Eleckra Mines Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period they were controlled.

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of equity since that date.

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

### **(b) Segment reporting**

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Company's Chief Operating Decision Maker, as defined by AASB 8. Adoption of AASB 8 by the Company has not resulted in a redefinition of previously reported operating segments.

### **(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.



# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 2 Summary of significant accounting policies continued

### **(d) Income tax** continued

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 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income 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 statement of financial position.

### **(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 and any impairment losses. 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 statement of comprehensive income 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 reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(f)).

## Note 2 Summary of significant accounting policies *continued*

### **(j) Mineral exploration and evaluation expenditure**

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

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

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

### **(k) Joint ventures**

Interests in joint ventures are 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 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.

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 reporting 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.

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 2 Summary of significant accounting policies continued

### **(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 statement of financial position.

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

### 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 trade 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 reporting 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 as it only transacts in the functional currency of the Company, the Australian dollar (AUD).

##### *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 19 – 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).



# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## 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 statement of comprehensive income 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.

### (c) Deferred taxation

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

## Note 5 Segment information

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

2010	2009
\$	\$

## Note 6 Revenue and other income

### From continuing operations

#### Other revenue

Interest received	77,672	46,443
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## Note 7 Expenses

Loss before income tax includes the following specific expenses:

#### Depreciation:

Plant and equipment	13,272	12,087
Office equipment	7,985	13,463
Vehicles	5,073	5,073
Camp buildings	3,568	—
Exploration expenditure written off and expensed	866,719	1,859,490

## Note 8 Income tax expense

### (a) Income tax expense

Current income tax

Deferred tax

Income tax expense reported in the statement of comprehensive income

2010 \$	2009 \$
–	–
–	–
–	–

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

Loss from continuing operations before income tax expense

Tax at Australian rate of 30% (2009 – 30%)

Non-deductible accrued expenses

Non-deductible leave provisions

Non-deductible legal costs

Non-deductible share based payment

Non-deductible entertainment

Accrued interest income

Capital raising costs

Exploration costs

Deferred tax benefit not brought to account

Tax benefit

(2,057,357)	(2,978,822)
(617,207)	(893,647)
1,050	(56)
4,505	(804)
12,085	1,449
68,781	115,353
1,314	906
–	332
(59,645)	(51,803)
(497,105)	266,297
1,086,222	561,973
–	–

### (c) Deferred tax – Statement of Financial Position

#### Assets

Tax losses available to offset against future taxable income (a)

Accrued expenses

Leave provisions

Deductible equity raising costs

3,562,783	2,473,957
5,250	5,044
4,505	–
63,163	83,309
3,635,701	2,562,310

#### Liabilities

Accrued income

Exploration expenditure

(1,339)	(1,339)
(1,543,384)	(1,046,279)
(1,544,723)	(1,047,618)

Net deferred tax asset

2,090,978	1,514,692
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#### (a) Tax losses

The balance of potential deferred tax assets attributable to tax losses carried forward of \$11,875,944 (2009: \$8,255,205) in respect of the Company has not been brought to account because directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. Tax loss availability is dependent on the company deriving future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be realised, the Company continuing to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the Company.

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>Note 9 Current assets – cash and cash equivalents</b>		
Cash at bank and on hand	<b>1,769,715</b>	2,354,675
These attract a weighted average interest rate of 4.80% (2009: 4.50%).		

## Note 10 Current assets – trade and other receivables

Security deposit	<b>25,000</b>	25,000
Prepaid expenses	<b>4,462</b>	4,462
GST recoverable	<b>5,213</b>	21,174
	<b>34,675</b>	50,636

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

### *Plant and equipment*

At cost	<b>131,670</b>	131,670
Accumulated depreciation	<b>(30,704)</b>	(17,432)
	<b>100,966</b>	114,238

### *Office equipment*

At cost	<b>87,440</b>	71,350
Accumulated depreciation	<b>(53,885)</b>	(45,900)
	<b>33,555</b>	25,450

### *Motor vehicles*

At cost	<b>40,584</b>	40,584
Accumulated depreciation	<b>(15,877)</b>	(10,804)
	<b>24,707</b>	29,780

### *Camp buildings*

At cost	<b>107,042</b>	–
Accumulated depreciation	<b>(3,568)</b>	–
	<b>103,474</b>	–
	<b>262,702</b>	169,468

### **Reconciliation**

#### *Plant and equipment*

Net book value at start of the year	<b>114,238</b>	99,337
Additions	<b>–</b>	26,988
Depreciation	<b>(13,272)</b>	(12,087)
Net book value at end of the year	<b>100,966</b>	114,238

	2010 \$	2009 \$
<b>Note 11 Non-current assets – property, plant and equipment</b> <i>continued</i>		
<i>Office equipment</i>		
Net book value at start of the year	<b>25,450</b>	38,913
Additions	<b>16,090</b>	–
Depreciation	<b>(7,985)</b>	(13,463)
Net book value at end of the year	<b>33,555</b>	25,450
<i>Motor vehicles</i>		
Net book value at start of the year	<b>29,780</b>	34,853
Additions	–	–
Depreciation	<b>(5,073)</b>	(5,073)
Net book value at end of the year	<b>24,707</b>	29,780
<i>Camp buildings</i>		
Net book value at start of the year	–	–
Additions	<b>107,042</b>	–
Depreciation	<b>(3,568)</b>	–
Net book value at end of the year	<b>103,474</b>	–
	<b>262,702</b>	169,468

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

## **Note 12 Non-current assets – 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**

### *In the exploration and evaluation phase*

Cost brought forward	<b>3,487,596</b>	4,375,251
Exploration expenditure during the year	<b>2,523,736</b>	971,835
Exploration expenditure written off	<b>(866,719)</b>	(1,859,490)
Cost carried forward	<b>5,144,613</b>	3,487,596

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.



# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>Note 14 Current liabilities – trade and other payables</b>		
Trade payables	<b>102,752</b>	47,380
Accruals	<b>400,870</b>	28,814
Trade and other payables	<b>503,622</b>	76,194

## Note 15 Current liabilities – provisions

Employee entitlements*	<b>15,016</b>	–
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\*The Company has one employee at 30 June 2010

## Note 16 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.

		2010 No.	2009 No.	2010 \$	2009 \$
<b>(b) Share capital</b>					
Issued share capital		<b>195,843,333</b>	170,410,000	<b>15,142,361</b>	12,607,387
<b>(c) Share movements during the year</b>	<i>Issue price</i>				
Balance brought forward		<b>170,410,000</b>	62,100,000	<b>12,607,387</b>	10,062,882
Placement	\$0.025	–	40,000,000	–	1,000,000
Entitlement issue	\$0.025	–	68,310,000	–	1,707,750
Placement	\$0.105	<b>22,433,333</b>	–	<b>2,355,500</b>	–
Placement	\$0.105	<b>3,000,000</b>	–	<b>315,000</b>	–
Less: costs related to shares issued		–	–	<b>(135,526)</b>	(163,245)
At the end of the year		<b>195,843,333</b>	170,410,000	<b>15,142,361</b>	12,607,387

## Note 16 Contributed equity *continued*

### (d) Share Options

#### (i) 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:

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Outstanding at the beginning of the year	<b>75,055,004</b>	<b>\$0.11</b>	13,900,000	\$0.27
Granted during the year <sup>(1)</sup>	<b>1,200,000</b>	<b>\$0.15</b>	5,000,000	\$0.17
Granted during the year	–	–	57,155,004	\$0.07
Forfeited during the year	–	–	(1,000,000)	\$0.27
Outstanding at the end of the year	<b>76,255,004</b>	<b>\$0.11</b>	75,055,004	\$0.11
Exercisable at the end of the year	<b>72,055,004</b>	<b>\$0.11</b>	70,055,004	\$0.10

<sup>(1)</sup> Unlisted options granted during the year over unissued shares:

Number of options granted	Exercise price	Expiry date
900,000	15 cents	31 December 2012
300,000	17 cents	31 May 2013

#### (ii) Options outstanding at year-end

The outstanding balance as at 30 June 2010 amounts to and is represented by (2009: 75,055,004):

Number of options outstanding	Exercise price	Expiry date
6,500,000	20 cents	31 March 2011
5,400,000	37 cents	30 November 2012
1,000,000	25 cents	30 May 2011
1,000,000	18.5 cents	30 May 2013
1,000,000	22 cents	30 May 2013
1,000,000	26 cents	30 May 2013
900,000	15 cents	31 December 2012
700,000	7 cents	30 June 2014
700,000	10 cents	30 June 2014
600,000	15 cents	30 June 2014
300,000	17 cents	31 May 2013
57,155,004 (EKMO)	7 cents	30 June 2011

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

#### (iii) Weighted average remaining contractual life

The weighted average remaining contractual life for the unlisted share options outstanding as at 30 June 2010 is 2.03 years (2009: 2.99 years).

#### (iv) Weighted average fair value

The weighted average fair value of the unlisted options granted during the year was 0.12 cents (2009: 5.72 cents).

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 16 Contributed equity continued

### (d) Share Options continued

#### (v) 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 2010, 30 June 2009 and 30 June 2008:

	30 June 2010		30 June 2009		30 June 2008	
	Option A	Option B	Option C	Option D	Option E	Option F
Dividend yield (%)	–	–	–	–	–	–
Expected volatility (%)	<b>321</b>	<b>156.63</b>	95	152	59.75	105
Risk-free interest rate (%)	<b>4.99</b>	<b>4.74</b>	4.05	4	6.50	6.75
Expected life of option (years)	<b>3.2</b>	<b>3</b>	4.5	5	5	3
Option exercise price (\$)	<b>0.15</b>	<b>0.17</b>	Various	Various	0.37	0.25
Weighted average share price at measurement date (\$)	<b>0.13</b>	<b>0.088</b>	Various	Various	0.32	0.12
Model used	<b>Black-Scholes</b>	<b>Black-Scholes</b>	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

#### Option A:

Option A represents the 900,000 options granted on 4 November 2009 to employees/consultants pursuant to the terms and conditions of the Eleckra Mines Limited Directors, Employees and Other Permitted Persons Option Plan. These options have been valued for inclusion in remuneration disclosures using the Black-Scholes option pricing model. The fair value of the options is \$116,497 which is being expensed over the vesting period. The options vest 12 months from the date of issue and expire 31 December 2012.

#### Option B:

Option B represents the 300,000 options granted on 31 May 2010 to Mr Martin Pyle prior to his appointment to the Board of Directors of Eleckra Mines Limited as compensation for Corporate and Strategic advice services rendered to the Company. These options have been valued for inclusion in remuneration disclosures using the Black-Scholes option pricing model. The fair value of the options is \$26,348 which was expensed on grant date. The options vested on grant date and expire 31 May 2013.

#### Option C:

Option C represents the 3,000,000 options granted on 27 November 2008 to the Executive Chairman, Mr Murray. These options have been valued for inclusion in remuneration disclosures using the Black-Scholes option pricing model. The fair value of the options is \$234,121 which is being expensed over the vesting period. The options expire on 30 May 2013. The vesting periods and weighted average share price at measurement date is as follows:

Number of options issued	Vesting period	Option exercise price	Fair value per option
1,000,000	12 months	18.5 cents	8.16 cents
1,000,000	24 months	22 cents	7.80 cents
1,000,000	36 months	26 cents	7.45 cents

## Note 16 Contributed equity *continued*

### **Option D:**

Option D represents the 2,000,000 options granted on 29 April 2009 to the General Manager, Mr Lubieniecki. 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 \$51,911 which is being expensed over the vesting period. The options expire on 30 June 2014. The vesting periods and weighted average share price at measurement date is as follows:

Number of options issued	Vesting period	Option exercise price	Fair value per option
700,000	12 months	7 cents	2.66 cents
700,000	24 months	10 cents	2.60 cents
600,000	36 months	15 cents	2.52 cents

### **Option E:**

Option E represents the 5,400,000 options granted during the year ended 30 June 2008. The share options were granted to directors and employees/consultants on 29 November 2007 and have been valued for inclusion in remuneration disclosures using the Black-Scholes option pricing model. The fair value of the options is \$355,968. The options vest 12 months from the date of issue and expire 30 November 2012.

### **Option F:**

Option F represents 2,000,000 options granted on 1 May 2008 to Hartleys Limited as part consideration on appointing them as Corporate Advisers to the Company. The first tranche of 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 and was fully expensed in 2008 as they vested immediately. The options expire 30 May 2011.

The second tranche of 500,000 options were issued on 16 September 2008 and have a vesting period of 6 months. Conservatively, these options have been valued for inclusion in the 2008 remuneration disclosures using the Black-Scholes option pricing model with similar inputs as noted above for the first tranche issued. The fair value of the options is \$32,047 of which two months (\$10,682) were expensed in 2008. The remaining \$21,365 was expensed during the 2009 financial year.

The balance of 1,000,000 options would only vest once the Company had 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. At the date of this report, these 1,000,000 options have been forfeited.

<b>2010</b>	2009
<b>\$</b>	<b>\$</b>

## Note 17 Share-based payments

### **(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

- Recognised in Statement of Comprehensive Income
- Recognised in Equity

<b>229,269</b>	384,510
–	30,000
<b>229,269</b>	414,510

### **(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 vesting period prior to exercise, except under certain circumstances whereby options may be capable of exercise prior to the expiry of the vesting period.

Refer to Note 16(d) Share Options for movements in share options during the year.



# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>Note 18 Reserves and accumulated losses</b>		
<b>(a) Equity remuneration reserve</b>		
Balance brought forward at 1 July	939,702	525,192
Transfer to equity remuneration reserve in respect of options issued	229,269	414,510
Balance carried forward at 30 June	1,168,971	939,702

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

<b>(b) Accumulated losses</b>		
Balance brought forward at 1 July	(7,560,310)	(4,581,488)
Loss for the year	(2,057,357)	(2,978,822)
Balance carried forward at 30 June	(9,617,667)	(7,560,310)

## Note 19 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	Carrying amount \$	Contractual cash flows \$	6 months or less \$
<b>In AUD</b>			
<b>30 June 2010</b>			
Trade and other payables	503,622	(503,622)	(503,622)
	503,622	(503,622)	(503,622)
<b>30 June 2009</b>			
Trade and other payables	76,194	(76,194)	(76,194)
	76,194	(76,194)	(76,194)

### (d) Currency risk

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

## Note 19 Financial instruments continued

### (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)):

<b>AUD</b>	<b>Company Carrying Amount</b>	
	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Fixed rate instruments</b>		
Financial assets	—	—
Financial liabilities	—	—
<b>Variable rate instruments</b>		
Financial assets	<b>1,769,715</b>	<b>2,354,675</b>

### (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.

<b>AUD</b>	<b>Profit or loss</b>		<b>Equity</b>	
	<b>100bp increase \$</b>	<b>100bp decrease \$</b>	<b>100bp increase \$</b>	<b>100bp Decrease \$</b>
<b>30 June 2010</b>				
Variable rate instruments	<b>17,697</b>	<b>(17,697)</b>	<b>17,697</b>	<b>(17,697)</b>
<b>30 June 2009</b>				
Variable rate instruments	23,547	(23,547)	23,547	(23,547)

### (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 20 Dividends

No dividends were paid or proposed during the financial year.

The Company has no franking credits available as at 30 June 2010.

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 21 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 12 February 2008)
- (ii) *Non-Executive Director and Company Secretary*  
Kevin Hart (appointed Non-Executive Director 17 May 2007)
- (iii) *Non-Executive Director*  
Russell Davis (appointed 28 May 2004. Became Non-Executive Director on 1 January 2008)
- (iv) *Non-Executive Director*  
Martin Pyle (appointed 22 June 2010)

### (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 except for;

- (i) *General Manager*  
Ziggy Lubieniecki (appointment General Manager 1 August 2009)

### (c) Compensation for key management personnel

<i>AUD</i>	Company Carrying Amount	
	2010 \$	2009 \$
Short-term employee benefits	527,966	232,000
Post-employee benefits	16,920	–
Other benefits	9,825	9,825
Share-based payment	126,959	85,689
Total compensation	681,670	327,514

### (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.

#### YEAR 2010

Directors/ Executives	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	8,027,000	–	–	–	8,027,000	6,027,000
R Davis	5,565,000	–	–	–	5,565,000	5,565,000
K Hart	1,000,000	–	–	–	1,000,000	1,000,000
M Pyle*	800,000	–	–	–	800,000	800,000
Z Lubieniecki*	3,100,000	–	–	–	3,100,000	1,800,000

\*Represents balances of holdings at the date of appointment to director/key management personnel position.

## Note 21 Key management personnel disclosures *continued*

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

#### YEAR 2009

Directors/ Executives	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	3,000,000	–	4,027,000	8,027,000	5,027,000
R Davis	4,000,000	–	–	1,565,000	5,565,000	5,565,000
K Hart	1,000,000	–	–	–	1,000,000	1,000,000

#### 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 2010

Directors/Executives	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	8,108,000	–	–	8,108,000
R Davis	6,260,000	–	–	6,260,000
K Hart	–	–	–	–
M Pyle*	1,500,000	–	–	1,500,000
Z Lubieniecki*	1,200,000	–	–	1,200,000

\*Represents balances of holdings at the date of appointment to director/key management personnel position.

#### YEAR 2009

Directors/Executives	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	–	8,054,000	8,108,000
R Davis	3,130,000	–	3,130,000	6,260,000
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 ended 30 June 2010 amounted to \$114,380 (2009: \$114,988).

During the year, and prior to his appointment to the Board as non-executive director, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2010 amounted to \$29,650.

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.

# Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

## Note 22 Remuneration of auditors

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

2010 \$	2009 \$
<b>30,104</b>	27,396
–	1,800
<b>30,104</b>	29,196

## Note 23 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 2010 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 2010.

## Note 24 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 reporting date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve month period amount to \$1,046,455 (2009: \$1,508,840). These obligations are also subject to variation by farm-out arrangements or sale of the relevant tenements.

### (b) Operating lease commitments

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

Within one year	<b>37,184</b>	35,886
Later than one year but not later than five years	–	–
Later than 5 years	–	–
	<b>37,184</b>	35,886

### (c) Contractual commitment

Within one year  
Later than one year but not later than five years  
Later than 5 years

–	<b>38,500</b>
–	–
–	–
–	<b>38,500</b>

There are no contractual commitments in respect of directors' employment contracts.

There are no other material contractual commitments as at 30 June 2010 other than those disclosed above and not otherwise disclosed in the Financial Statements.

## Note 25 Related party transactions

There were no related party transactions during the year, other than disclosed at Note 21.



## Note 26 Events occurring after the reporting date

Other than the matters below, there has not arisen in the interval between the end of the period 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.

On 16 August 2010 the Company completed a placement of 29,000,000 ordinary fully paid shares at 8.5 cents each to raise \$2,465,000, before capital raising costs.

## Note 27 Reconciliation of loss after tax to net cash outflow from operating activities

	2010 \$	2009 \$
Loss from ordinary activities after income tax	(2,057,357)	(2,978,822)
Depreciation	29,898	30,623
Decrease in accrued interest receivable	–	1,105
Increase/(Decrease) in leave provision	15,016	(2,681)
Exploration expenditure written off	866,719	1,859,490
Share based payments expense	229,269	384,510
(Increase)/decrease in prepaid expenses	–	(821)
Increase/(Decrease) in trade and other payables	48,911	(31,670)
Net cash outflow from operating activities	(867,544)	(738,266)

## Note 28 Earnings per share

### (a) Basic earnings per share

Loss attributable to ordinary equity holders of the Company	(1.12)	(3.95)
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### (b) Diluted earnings per share

Loss attributable to ordinary equity holders of the Company	(1.12)	(3.95)
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### (c) Loss used in calculation of basic and diluted loss per share

Loss for the year	(2,057,357)	(2,978,822)
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### (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	No. 183,755,388	No. 75,434,906
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### (e) Information concerning the classification of securities

#### 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 16 (d) for details of the options issued.

# Directors' Declaration

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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 are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the financial position of the Company as at 30 June 2010 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 2010.

The directors draw attention to Note 1(a) to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

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

On behalf of the Board

Signed at Perth this 24th day of September 2010.



**Ian Murray**

Executive Chairman

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

### **Report on the Financial Report**

We have audited the accompanying financial report of Eleckra Mines Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' responsibility for the Financial Report*

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with 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(a), 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.

#### *Auditor's Responsibility*

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ELECKRA MINES LIMITED (continued)**

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*

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 2010 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(a).

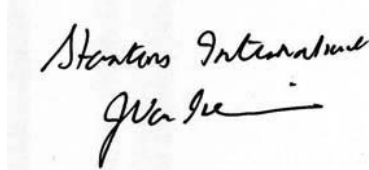
**Report on the Remuneration Report**

We have audited the remuneration report included in pages 41 to 44 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

*Auditor's opinion*

In our opinion the remuneration report of Eleckra Mines Limited for the year ended 30 June 2010 complies with section 300 A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL**  
**(An Authorised Audit Company)**



**J P Van Dieren**  
Director

West Perth, Western Australia  
24 September 2010

# ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 22 September 2010.

## (a) Distribution of Equity Securities

Analysis of numbers of shareholders and option holders by size of holding:

Distribution	Number of shareholders	Number of option holders
1 – 1,000	18	1
1,001 – 5,000	44	8
5,001 – 10,000	118	9
10,001 – 100,000	576	67
More than 100,000	325	95
<b>TOTALS</b>	<b>1,081</b>	<b>180</b>

There were 37 shareholders holding less than a marketable parcel of ordinary shares.

## (b) Twenty Largest Shareholders

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

Shareholder Name	Ordinary Shares	
	Number	Percentage of Issued
Perth Select Seafoods Pty Ltd	10,020,000	4.46%
Troyleigh Investments Pty Ltd	8,108,000	3.61%
HSBC Custody Nominees Ltd	7,906,000	3.52%
Asarco Exploration Company Inc	5,000,000	2.22%
Davis Russell John	4,510,000	2.01%
Zenith Pacific Ltd	3,939,369	1.75%
Haifa Pty Ltd	3,811,135	1.70%
Whittingham Securities Pty Ltd	3,000,000	1.33%
Hodson David Maurice	3,000,000	1.33%
Grace Fashion Pty Ltd	2,513,867	1.12%
Ucan Nominees Pty Ltd	2,500,000	1.11%
McCubbing Brian	2,500,000	1.11%
Hua Investments Pty Ltd	2,287,430	1.02%
Citicorp Nominees Pty Ltd	2,217,318	0.99%
Brooks Robert James	2,019,100	0.90%
Kurraba Investments Pty Ltd	2,000,000	0.89%
A N Superannuation Pty Ltd	2,000,000	0.89%
L&S Davies Pty Ltd	2,000,000	0.89%
Block Malcolm R & SL	2,000,000	0.89%
Ankaa Springs Pty Ltd	2,000,000	0.89%
<b>TOTAL</b>	<b>73,332,219</b>	<b>32.63%</b>



# ASX Shareholder Information continued

## (c) Twenty Largest Listed Option holders

The names of the twenty largest holders of listed options are listed below:

Option holder Name	Listed Options	
	Number	Percentage of Issued
Troyleigh Investments Pty Ltd	4,027,000	7.05%
Haifa Pty Ltd	3,400,000	5.95%
Hodson David Maurice	2,500,000	4.37%
JHC Investments Pty Ltd	2,200,000	3.85%
Berenes Nominees Pty Ltd	2,025,000	3.54%
CIMB Securities Singapore Pte Ltd	2,000,000	3.50%
HSBC Custody Nominees Australia Ltd	1,976,500	3.46%
McDonnell Timothy	1,719,900	3.01%
Zenith Pacific Ltd	1,500,000	2.62%
Davis Russell John	1,255,000	2.20%
Nefco Nominees Pty Ltd	1,055,000	1.85%
Cribbenvest Pty Ltd	1,046,950	1.83%
Second Naremi Pty Ltd	1,000,000	1.75%
McCubbing Brian	1,000,000	1.75%
Ausnom Pty Ltd	1,000,000	1.75%
Brooks Robert James	810,000	1.42%
Manu Anthony	800,000	1.40%
Anderson Ross Williams	764,203	1.34%
Coote Owen John & MR	670,000	1.17%
Coote Owen John	604,675	1.06%
<b>TOTAL</b>	<b>31,354,228</b>	<b>54.87%</b>

## (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) Largest Unlisted Option holders

The Company has 21,800,000 unlisted options on issue which are held by 18 holders.



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