



WESTERN MINING NETWORK LIMITED

ABN: 63 144 079 667

& CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2014

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

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WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

CORPORATE DIRECTORY

DIRECTORS

Christopher Clower
Paulus Irawan
Roger Pooley

SECRETARY

David Palumbo

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AUDITORS

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CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at www.asxgroup.com.au/asx-corporate-governance.htm.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Performance Evaluation of Senior Executives	1.4.10
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.4.10
Recommendation 2.1 Independent Directors	1.2.1
Recommendation 2.2 Independent Chairman	1.2.1
Recommendation 2.3 Role of the Chairman and CEO	1.2.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Performance Evaluation Processes	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2.1, 1.4.10, 2.3 and the Directors' Report
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Recommendation 3.5 Reporting on Principle 3	4 and 5
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of Audit Committee	2.1.1
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1

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CORPORATE GOVERNANCE STATEMENT

Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	3.1
Recommendation 7.2 Risk Management Reporting	3.1
Recommendation 7.3 Attestations by CEO and CFO	1.4.11
Recommendation 7.4 Reporting on Principle 7	2.1.3 , 1.4.11
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Structure of Remuneration Committee	2.2
Recommendation 8.3 Executive and Non-Executive Director Remuneration	2.2.4
Recommendation 8.4 Reporting on Principle 8	2.2 and 2.2.4

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chairman and other key executives in the performance of their roles.

1.2.1 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Roger Pooley is a Non-Executive Director and independent director, meeting the following criteria for independence adopted by the Company. The Board recognises that the following criteria are not exhaustive in determining the independence of directors.

CORPORATE GOVERNANCE STATEMENT

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not been employed in an executive capacity by the Company or another Company member since incorporation;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other Company member other than as a Director of the Company.
- their role is to advise the Company on matters pertaining to their expertise and provide governance in the best interests of the Company. Independent Directors do not participate in day to day operations or management of the Company and its affairs.
- are remunerated based on a set scale relating to the risks undertaken within their roles as Non-Executive Directors. Additional work engagements may be undertaken by independent Directors at commercial rates, however the Company and the Independent Directors must ensure that materiality thresholds are not breached.

Mr Paulus Irawan and Mr Christopher Clower are Executive Directors of the Company and do not meet the Company's criteria for independence. However, their experience and knowledge of the Company makes their contribution to the Board such that it is appropriate for them to remain on the Board.

1.2.2 Role of the Chairman and CEO

Recommendation 2.3 has been complied with as the Company currently does not have a CEO in place and appointed management is separate from the Chairman's position.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

CORPORATE GOVERNANCE STATEMENT

- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules which is available on the Company's website. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

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1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders, the Company website and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor 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 auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information. The Company's policy for shareholder communication is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

1.4.9 Trading in Company Shares

On 10 February 2011 the Board adopted a Share Trading Policy. The Board periodically reminds directors, officers and employees of the prohibition in the Corporations Act 2001, and any other prohibited trading periods stated in the Share Trading Policy, concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met. The Company's policy for trading in Company securities is available on the Company's website.

1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct regular evaluation of its performance against appropriate measures. The evaluation process was introduced via the Board Charter adopted on 12 November 2010 and was implemented for the financial year ended 30 June 2014. A performance evaluation of senior executives will be undertaken during the financial period ended 30 June 2015 in accordance with the Board Charter. The objective of this evaluation is to provide ongoing best practice corporate governance to the Company.

1.4.11 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Company does not have a designated CEO or CFO. Due to the size and scale of operations of the Company these roles are performed by the Board as a whole.

2. Board Committees

2.1 Audit Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. In the absence of a formal audit committee the board considers the issues that otherwise would be considered by the audit committee. A copy of the Audit Committee Charter is available on the Company's website.

Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

CORPORATE GOVERNANCE STATEMENT

2.1.2 Audit Committee Charter

The Board has adopted an Audit Committee Charter which sets of the roles and responsibilities, composition, structure and membership requirements. The Board refers to the Audit Committee Charter to ensure they are meeting all the requirements otherwise delegated to an audit committee. A copy of the Audit Committee Charter is available on the Company's website.

2.1.3 Responsibilities

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which a Company published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal. The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

2.1.4 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole. On completion of the 30 June annual audit Mr Paul Irawan (Executive Director) and Mr Christopher Clower (Executive Chairman) will provide the Board with written assurance that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.1.5 External Auditor

The Board's has adopted a policy setting out criteria for the selection and appointment of an external auditor. A copy of this policy is available on the Company's website.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the executive officers, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors, recommendations for remuneration by gender and making recommendations on any proposed changes and undertaking reviews of the Chief Executive Officer's performance, including, setting with the Chief Executive Officer goals and reviewing progress in achieving those goals.

CORPORATE GOVERNANCE STATEMENT

2.2.3 Remuneration Policy

Current directors' Remuneration was approved the Board of Directors through the execution of director employment contracts.

2.2.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- long term incentives in the form of shares or options in the Company;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. During the year the Non Executives of the Company were Mr Kent Hunter, Mr Colin Locke and Mr Paulus Irawan.

Where shares and options are granted to senior executives the value would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

2.2.4 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

CORPORATE GOVERNANCE STATEMENT

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2 Responsibilities

The responsibilities of a Nomination Committee, as performed by the full Board, include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans including the CEO and his/her direct reports and evaluate the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

3. Risk Management

3.1 Risk Management Policies

The Company's risk management strategy policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's risk management strategy are to:

- identify risks to the Company,
- balance risk to reward,
- ensure regulatory compliance is achieved; and
- ensure senior management, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Board requires that each major transaction proposed to the Board for decision is accompanied by a risk assessment. The Company's risk management strategy was formally reviewed by the Board on 12 November 2010 and was considered the Company's risk management strategy sound for addressing and managing risk. A copy of the strategy is available on the Company's website.

4. Diversity

The Company recognises and respects the value of diversity at all levels of the organisation. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

CORPORATE GOVERNANCE STATEMENT

As at the date of this report, the Company has the following proportion of women appointed:

- to the Board – nil
- to senior management – nil
- to the organisation as a whole – 17%

The Company's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.

The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company as disclosed above. Due to the size of the company and its small number of employees, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.

5. Company Code of Conduct

The Board adheres to and is responsible for enforcing the Code of Conduct set out in this Corporate Governance Statement.

The Company is committed to:

- applying the Company's funds efficiently to provide above average and sustainable return to shareholders through capital appreciation; and
- adopting high standards of occupational health and safety, environmental management and ethics.

The Board through the Executive Director monitors the Company's compliance with the Code of Conduct periodically. The Code of Conduct will be reviewed by the Board to ensure it reflects the standards of behaviour and practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct applies to all the directors and employees of the Company who must comply with all legal obligations and the Company policies.

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Company. If a situation where a conflict of interest arises the Executive Director is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition. Any breach of Corporate Governance is to be reported directly to the Executive Director.

Corporate Responsibility

The Company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws. A copy of the Company's Code of Conduct is available on the Company's website.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on Western Mining Network Limited and its controlled entities (referred hereafter as "the Company") for the financial year ended 30 June 2014.

Directors

The names of the Directors of the Company in office during the financial year and up to the date of this report are:

- Christopher Clower (Executive Chairman)
- Paulus Irawan (Executive Director)
- Roger Pooley (Appointed Non-Executive Director 30 July 2013)
- Kent Hunter (Resigned Non-Executive Director 30 July 2013)

Unless noted above, all directors have been in office since the start of the financial year to the date of this report.

Company Secretary

The following persons held the position of company secretary during the financial period:

- David Palumbo

Details of the company secretaries' experience are set out below under 'Information on Directors'

Principal Activities

The principal activity of the Company during the year was the acquisition and exploration and evaluation of resource based projects within Indonesia.

Operating Results

Loss after income tax for the financial year was \$1,481,539 (2013: \$1,227,602).

Financial Position

The net assets of the Company at 30 June 2014 are \$9,024,905 (2013: \$9,214,208).

The Company's working capital, being current assets less current liabilities is \$1,754,864 at 30 June 2014 (2013: \$745,852).

Dividends Paid or Recommended

No dividends were paid during the period and no recommendation is made as to dividends.

DIRECTORS' REPORT

Significant Changes in State of Affairs

The following significant changes in the state of affairs occurred during the year:

- On 30 July 2013, Roger Pooley was appointed as a non-executive director and Kent Hunter resigned as a non-executive director of the board.
- On 27 August 2013, the Company issued 5,011,672 Options exercisable at \$0.10 on or before 30 June 2014, raising \$50,117, pursuant to the non-renounceable priority offer prospectus lodged on 19 July 2013.
- On 10 September 2013, the Company issued 24,207,894 Options exercisable at \$0.10 on or before 30 June 2014, raising \$242,079, pursuant to the non-renounceable priority offer prospectus lodged on 19 July 2013.
- On 20 September 2013, the Company renegotiated a reduction in the acquisition of issued shares in PT. Persada Bumi Rawas from 80% to 75% and the consideration from US\$500,000 to US\$475,000 under the Master Agreement.
- On 2 June 2014, the Company announced that it had entered into a heads of agreement with Milestone Link Pte. Ltd to acquire:
 - An option to acquire 75% of the issued share capital of PT Mekongga Sejahtera, an Indonesian incorporated company which is the sole owner of an exploration licence for 98.4 ha expiring on March 17, 2017 issued by Regent of Kolaka, located in Tamboli, Kolaka, South East Sulawesi.
 - A 40% interest in PT Eagle Rich Nusantara (Eagle) and an option to acquire a further 59% of the issued share capital of Eagle. Eagle, an Indonesian incorporated company with foreign investment approval intends to be used as the corporate vehicle to own an industrial estate area and construct a graphite beneficiation plant, should future exploration be successful.
- In total, 8,959,195 ordinary shares were issued during the year on exercise of \$0.10 options, raising \$895,919.
- On 27 June 2014, the Company announced that it had entered into an underwriting agreement with Alignment Capital Pty Ltd in respect to the Company's listed options (ASX: WMNOA) exercisable at \$0.10 cents and expiring 30 June 2014. This provided the Company with guaranteed funds of approximately \$2,026,037 for the 20,260,037 options which were yet to be converted into ordinary shares at 30 June 2014.

DIRECTORS' REPORT

Review of Operations

Genesis Project (51% owned by WMN)

The Genesis Project consists of one tenement covering an area of approximately 3,000 hectares in the Province of Central Sulawesi and is considered prospective for manganese. WMNI's 51% owned subsidiary PT. GBU holds an Ijin Usaha Pertambangan Produksi (Mining Production License) over the Genesis Project.

The Genesis Project is included on the Clean and Clear List released by the Ministry of Energy and Mineral Resources. The designation of 'Clean and Clear Status' as defined under Law 4, year 2009 and PP no. 23, year 2010 provides assurance to WMN that its Genesis Project and its respective licence do not overlap with any other tenements or licences.

During the year, WMN continued its discussions with the only two manganese smelters in Java with a view to sell manganese from the Genesis tenement. The Company is continuing to evaluate a corporate offer to a potential local buyer.

Persada Tenement (75% owned by WMN)

On 25 July 2014, WMN through its wholly owned subsidiary PT. WMNI completed the acquisition of 75% of the shares of PT. Persada Bumi Rawas (PT. PBR), pursuant to Master Agreement. PT. PBR directly holds a 100% interest in IUP Exploration No. 540/307.19/Distamben dated 12 August 2009 and issued by Regent of Buol (Persada Tenement).

The Persada Tenement holds clean and clear status with tenure expiring on 12 August 2016, covers an area of 5,000 hectares in the Buol region of Central Sulawesi, Indonesia and is considered to be prospective for gold.

During the year, the Company conducted the following activities at the Persada Tenement:

- A semi detailed geological mapping program with selected mineralized rock samples collected. Based on elemental values two prospect areas were identified as priority prospect areas for gold mineralisation that is associated with hydrothermal process either in andesitic or sandstone units.
- A topographic and grid soil auger sampling program as a follow up to previous stream sediment sampling that revealed anomalous gold (Au) and mapping identified several altered zones with rock chip samples that contained gold (Au).
- Geochemical and geophysical programmes carried out in Block A at the Persada IUP in Sulawesi which identified coincident geochemical and geophysical anomalies in one area. Overall, the work outlined a geochemical gold anomaly with a related geophysical chargeability/conductivity anomaly, both associated with a zone where diorite intrudes metamorphosed sediments

Subsequent to year end, WMN has continued geochemistry for better anomaly definition.

DIRECTORS' REPORT

Tamboli Project (Pursuant to Heads of Agreement)

On 2 June 2014, the Company announced that it had entered into a heads of agreement with Milestone Link Pte. Ltd to acquire an option to acquire 75% of the issued share capital of PT Mekongga Sejahtera (Mekongga) and a 40% interest in PT Eagle Rich Nusantara (Eagle) and an option to acquire a further 59% of the issued share capital of Eagle.

Mekongga is the sole owner of an exploration licence for 98.4 ha expiring on March 17, 2017 issued by Regent of Kolaka, located in Tamboli, Kolaka, South East Sulawesi (Tamboli Project).

Mekongga completed a significant amount of work prior to the Company signing the HOA with Milestone, including:

- a geophysical survey of selected zones that indicates anomalies of conductive slate (indicates possible graphite content)
- A topographic survey of the tenement
- Geological mapping of all major drainage has been carried out and is progressing into minor tributaries
- Forty-Nine outcrop samples collected for assay

The Company reviewed all work completed by Mekongga as part of its due diligence. Based on the work completed, slate with visible graphite which has distinct geophysical chargeability/conductivity anomalies associated with a zone where diorite intrudes metamorphosed sediments was identified.

A preliminary core-drilling programme targeting the geophysical Resistivity and IP anomaly commenced on or around 15 July 2014 and is continuing.

Should drilling be successful, PT Eagle Rich Nusantara plans to own an industrial estate and graphite beneficiation plant, which will be constructed in the immediate area.

Competent Person Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

DIRECTORS' REPORT

Information on Directors

Christopher Clower

Executive Chairman

Background

Mr. Clower has 17 years of investment banking experience, 7 of which were spent specialising in natural resources in Indonesia. Mr. Clower was previously Head of South East Asia Corporate Finance at Merrill Lynch Investment Banking Division. At Merrill Lynch, Mr. Clower raised in excess of US\$2 billion for Indonesian natural resources clients between 2005 and 2009. Prior to his role at Merrill Lynch, Mr. Clower held executive positions with Deutsche Bank and Bankers Trust Investment Banking, Corporate Finance Divisions.

Mr. Clower holds an MBA (Honors) from University of Chicago and a BS in Nuclear Engineering from Northwestern University.

Interest in shares and options

Ordinary shares	500,000
-----------------	---------

Directorships held in other listed entities

None

Paulus Irawan

Executive Director (Appointed Executive Director 18 January 2013, previously Non-Executive Director)

Background

Mr. Irawan is currently a partner at Trust Capital, a Jakarta based boutique financial services firm focusing on mining and oil and gas in Indonesia. Previously he was a Director at a subsidiary company of PT Citra Tubindo Tbk, an Indonesia Stock Exchange's listed manufacturer of oilfield tubular goods.

Previously, Mr. Irawan held various executive positions in the banking industry where he focused on commodity finance, debt restructuring and leverage finance for Indonesian corporate clients in the resources sector at ING Bank in Indonesia, NM Rothschild & Sons, Australia and HSBC, Australia.

Mr. Irawan holds an MBA from Radford University, Virginia and a B. Sc. in Industrial Engineering from Northwestern State University, Louisiana. Mr. Irawan is an Indonesian Citizen and holds Permanent Residency in Australia.

Interest in shares and options

Nil

Directorships held in other listed entities

None

DIRECTORS' REPORT

Roger Pooley

Non-Executive Director (Appointed 30 July 2013)

Mr Pooley has over forty years' experience in the mining industry. He has worked in Australia, Ghana, UK, Iran and Indonesia. For the first fifteen years of his career, Mr Pooley worked in operations, in both line management and staff positions. Following this, he moved into project management for twelve years. For the past eighteen years as a consultant, he has been involved mainly in studies, valuations, reserves estimates, and appraisals. The latter part of his experience has been mainly in Indonesia, although in that time he has also completed assignments in Australia, the Philippines, Cameroon, Brazil, Kyrgyzstan and Vietnam. Mr Pooley has worked on open pit, underground, and alluvial properties in gold, coal, base metals and nonmetallics. This wide experience, together with his expertise in economics, helps him to competently assess a variety of solutions to mining, treatment, logistical and environmental problems.

Previous to joining the Board of WMN, Mr Pooley worked at SRK Consulting (Australasia) Pty Ltd as a Senior Consultant and then at SRK Consulting Indonesia as a Principal Consultant from 2007 to June of 2013. Previous to working at SRK, Mr Pooley worked in Jakarta from 1994 to 2007 at PT Simapertama Minindo as an Independent Consultant. Mr Pooley holds a BSc (Mining Engineering) - Royal School of Mines in London, is a member of The Australasian Institute of Mining and Metallurgy, a Chartered Professional Engineer, and a member of MICA. He holds a WA Quarry Manager's Certificate of Competency. Mr Pooley is bilingual, speaking English and Bahasa Indonesia.

Interest in shares and options

Nil

Directorships held in other listed entities

None

Kent Hunter

Non-Executive Director (Resigned 30 July 2013)

Background

Kent is a Chartered Accountant with over 16 years' corporate and company secretarial experience. He has been involved in the listing of over 20 exploration companies on ASX in the past 8 years. He has experience in capital raisings, ASX compliance and regulatory requirements.

Interest in shares and options (at resignation)

Ordinary shares	521,687
Options exercisable at \$0.40 before 4 March 2014	526,316

Directorships held in other listed entities (at resignation)

Cazaly Resources Limited
Carbon Conscious Limited
Stratum Metals Limited
Krakatoa Resources Limited

DIRECTORS' REPORT

COMPANY SECRETARY

David Palumbo

Secretary

Background

David is a Chartered Accountant with over six years' experience in the auditing and financial reporting of ASX listed and unlisted companies. David provides corporate advisory and financial management advice to clients of Mining Corporate and specialises in corporate compliance, statutory reporting and financial accounting services. David is currently also company secretary of Strike Resources Limited and Krakatoa Resources Limited.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Western Mining Network Limited and for the executives receiving the highest remuneration.

1. Employment Agreements

Mr Paulus Irawan currently works for the Company in an executive capacity.

Mr Irawan's contract is for a term of 2 years from the commencement date with the option to extend for a further 1 year. Under the terms of the agreement, Mr Irawan's annual salary is \$90,000 plus superannuation.

The Company may terminate Mr Irawan's contract by giving Mr Irawan a minimum of 3 months written notice or by paying Mr Irawan 3 months' salary in lieu of notice. Mr Irawan may terminate the contract by giving 3 months written notice to the Company.

Mr Christopher Clower currently works for the Company in an executive capacity.

Mr Clower's contract is for a term of 2 years from the commencement date with the option to extend for a further 1 year. Under the terms of the agreement, Mr Clower's annual salary is \$90,000.

The Company may terminate Mr Clower's contract by giving Mr Clower a minimum of 3 months written notice or by paying Mr Clower 3 months' salary in lieu of notice. Mr Clower may terminate the contract by giving 3 months written notice to the Company.

Appointments of non-executive directors are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act. They are entitled to receive directors' fees of \$30,000 per annum plus superannuation.

DIRECTORS' REPORT

2. Remuneration policy

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options. The remuneration committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive director receives a superannuation guarantee contribution required by the government, which was 9.25% for the year ended 30 June 2013, increasing to 9.50% effective 1 July 2014. No other retirement benefits are paid.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed, or capitalised to exploration expenditure if appropriate. Options, if given to directors and executives in lieu of remuneration, are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

3. Options issued as part of remuneration for the year ended 30 June 2014

No options (2013:nil) were issued to Directors as part of their remuneration during the period.

4. Details of remuneration for the year ended 30 June 2014:

The remuneration for each key management personnel of the Company during the period was as follows:

2014	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Chris Clower	75,000 ⁽ⁱ⁾	-	-	-	-	75,000	-	-
Paulus Irawan	75,000 ⁽ⁱ⁾	6,938	-	-	-	81,938	-	-
Roger Pooley	21,250	1,966	-	-	-	23,216	-	-
Kent Hunter (a)	2,500	225	-	-	-	2,725	-	-
	173,750	9,129	-	-	-	182,879	-	-

⁽ⁱ⁾ Chris Clower and Paulus Irawan were paid a reduced salary of \$3,750 per month over the period February to May 2014.

2013	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	\$	\$	\$	\$	\$	\$	%	%
Directors								
Chris Clower	90,000	-	-	-	-	90,000	-	-
Colin Locke	58,137	5,232	-	-	-	63,369	-	-
Paulus Irawan	55,000	4,950	-	-	-	59,950	-	-
Kent Hunter (a)	30,000	2,700	-	-	-	32,700	-	-
	233,137	12,882	-	-	-	246,019	-	-

(a) Director fees were paid to Mining Corporate Advisory Services Pty Ltd, an entity associated with Kent Hunter.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

5. Equity holdings of key management personnel

Shareholdings

Number of shares held by key management personnel during the financial year ended 30 June 2014 was as follows:

30 June 2014	Balance at beginning of year	Granted during the year	Options exercised	Net change other	Balance at end of year
Directors					
Chris Clower	500,000	-	-	-	500,000
Paulus Irawan	-	-	-	10,000	10,000
Roger Pooley	-	-	-	-	-
Kent Hunter	521,687	-	-	(521,687)*	-
	<u>1,021,687</u>	<u>-</u>	<u>-</u>	<u>(511,687)</u>	<u>510,000</u>

Option holdings

Number of options held by key management personnel during the financial year ended 30 June 2014 was as follows:

30 June 2014	Balance at beginning of year	Granted as remuneration	Options exercised/ expired	Net change other	Balance at end of year
Directors					
Chris Clower	500,000	-	(500,000)	-	-
Paulus Irawan	-	-	-	-	-
Roger Pooley	-	-	-	-	-
Kent Hunter	526,316	-	-	(526,316)*	-
	<u>1,026,316</u>	<u>-</u>	<u>(500,000)</u>	<u>(526,316)</u>	<u>-</u>

* Balance of options at resignation

6. Other KMP Transactions

The Company incurred the following transactions with related parties:

During the year ended 30 June 2014, Mining Corporate Pty Ltd, a company of which Kent Hunter was a director at his resignation on 30 July 2013, was paid or due to be paid \$15,400 (2013: \$101,759) for company secretarial and accounting services.

All transactions were made on normal commercial terms and condition and at market rates.

“End of Remuneration Report (Audited)”

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

DIRECTORS' REPORT

After Balance Date Events

On 8 July 2014, 19,057,290 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

On 14 July 2014, 1,203,081 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

On 21 July 2014, the Company executed the following agreements with Milestone Link Pte Ltd ("Milestone") which legally binds the transaction pursuant to the Heads of Agreement ("HOA") announced to ASX on 2 June 2014:

- Conditional Sale, Purchase and Assignment of Options in PT. Mekongga Sejahtera
- Conditional Sale, Purchase and Assignment of Options in PT. Eagle Rich Nusantara
- Conditional Share Subscription Agreement

Subject to ASX and any other regulatory approvals, the transaction will ultimately give WMN a 75% interest in PT. Mekongga Sejahtera and 99% interest in PT. Eagle Rich Nusantara.

On 25 July 2014, the Company announced that it had received Foreign Investment Principle License from the Indonesia Investment Coordinating Board (Badan Koordinasi Penanaman Modal) approving the Company's 75% ownership of PT. Persada Bumi Rawas, held by its wholly owned subsidiary PT WMN Indonesia.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of Directors

During the financial period, 2 meetings of directors were held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Paulus Irawan	2	2
Christopher Clower	2	1
Roger Pooley	2	1
Kent Hunter	-	-

DIRECTORS' REPORT

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Options

At the date of this report, there are no unissued ordinary shares of Western Mining Network Limited under option.

During the year ended 30 June 2014, 8,959,195 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

Subsequent to the year ended 30 June 2014, 20,260,371 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

During the year ended 30 June 2014, 5,000,000 options exercisable at \$0.40 on or before 4 March 2014 expired unexercised.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

Indemnifying of Officers

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Non-Audit Services

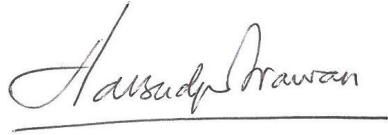
There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2014.

DIRECTORS' REPORT

Auditor's Declaration of Independence

The auditor's independence declaration for the year ended 30 June 2014 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.

A handwritten signature in cursive script, reading "Paulus Irawan", is written over a horizontal line.

Paulus Irawan
Executive Director
30 September 2014

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Western Mining Network Limited and its controlled entities for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 30th day of September 2014

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2013 \$
	Note		
Revenue	2	5,581	35,111
Administration expenses		(49,087)	(185,874)
Corporate compliance expenses		(157,924)	(196,766)
Employee benefits expense		(256,799)	(246,019)
Exploration expenditure not capitalised		(1,018,996)	(456,837)
Occupancy costs		-	(74,537)
Travel expenses		(4,314)	(102,680)
Loss before income tax benefit		(1,481,539)	(1,227,602)
Income tax benefit	3	-	-
Loss for the year		(1,481,539)	(1,227,602)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(1,766,072)	832,643
Total comprehensive loss		(3,247,611)	(394,959)
Loss attributable to:			
Members of the parent entity		(1,479,419)	(1,226,803)
Non-controlling interest		(2,120)	(799)
		(1,481,539)	(1,227,602)
Total comprehensive loss attributable to:			
Members of the parent entity		(3,245,491)	(394,160)
Non-controlling interest		(2,120)	(799)
		(3,247,611)	(394,959)
Basic loss per share (cents per share)	4	(2.81)	(2.74)
Diluted loss per share (cents per share)	4	(2.81)	(2.74)

The accompanying notes form part of these financial statements.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		2014 \$	2013 \$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,179,428	737,517
Trade and other receivables	6	146,711	22,639
Other assets	7	13,666	63,680
Total Current Assets		2,339,805	823,836
Non-Current Assets			
Other assets	7	499,405	107,660
Exploration and evaluation expenditure	8	6,767,612	8,467,574
Plant and equipment	9	3,024	8,689
Total Non-Current Assets		7,270,041	8,583,923
Total Assets		9,609,846	9,407,759
LIABILITIES			
Current Liabilities			
Trade and other payables	11	584,941	77,984
Total Current Liabilities		584,941	77,984
Non-Current Liabilities			
Trade and other payables	11	-	115,567
Total Non-Current Liabilities		-	115,567
Total Liabilities		584,941	193,551
Net Assets		9,024,905	9,214,208
EQUITY			
Issued capital	12	12,663,797	9,897,685
Reserves	13	2,829,362	4,303,238
Accumulated losses		(6,405,087)	(4,925,668)
Non-controlling interest	14	(63,167)	(61,047)
Total Equity		9,024,905	9,214,208

The accompanying notes form part of these financial statements.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital \$	Foreign translation reserve \$	Options reserve \$	Accumulated Losses \$	Non- controlling interest \$	Total \$
Balance at 1 July 2012	9,578,340	-	3,470,595	(3,698,865)	-	9,350,070
Loss for the period	-	-	-	(1,226,803)	(799)	(1,227,602)
Other Comprehensive Income	-	832,643	-	-	-	832,643
Total Comprehensive Income	-	832,643	-	(1,226,803)	(799)	(394,959)
Recognition of non- controlling interest	-	-	-	-	(60,248)	(60,248)
Shares issued during the year	319,345	-	-	-	-	319,345
Balance at 30 June 2013	9,897,685	832,643	3,470,595	(4,925,668)	(61,047)	9,214,208

	Issued Capital \$	Foreign translation reserve \$	Options reserve \$	Accumulated Losses \$	Non- controlling interest \$	Total \$
Balance at 1 July 2013	9,897,685	832,643	3,470,595	(4,925,668)	(61,047)	9,214,208
Loss for the period	-	-	-	(1,479,419)	(2,120)	(1,481,539)
Other Comprehensive Income	-	(1,766,072)	-	-	-	(1,766,072)
Total Comprehensive Income	-	(1,766,072)	-	(1,479,419)	(2,120)	(3,247,611)
Shares issued during the year (net)	2,766,112	-	-	-	-	2,766,112
Options issued during the year	-	-	292,196	-	-	292,196
Balance at 30 June 2014	12,663,797	(933,429)	3,762,791	(6,405,087)	(63,167)	9,024,905

The accompanying notes form part of these financial statements.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$ Inflows/ (Outflows)	2013 \$ Inflows/ (Outflows)
	Note		
Cash flows from operating activities			
Interest received		5,581	35,111
Payments to suppliers and employees		(405,524)	(796,993)
Exploration and evaluation expenditure		(1,209,364)	(564,497)
Net cash (used in) operating activities	18	(1,609,307)	(1,326,379)
Cash flows from investing activities			
Net cash inflow on acquisition of subsidiary		-	226
Net cash (used in) investing activities		-	226
Cash flows from financing activities			
Proceeds from issue of shares		2,778,273	319,345
Payment of share issue costs		(19,251)	-
Proceeds from issue of options		292,196	-
Net cash provided by financing activities		3,051,218	319,345
Net increase (decrease) in cash held		1,441,911	(1,006,808)
Cash at beginning of the financial period		737,517	1,744,325
Cash and cash equivalents at period end	5	2,179,428	737,517

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies*

These financial statements and notes represent those of Western Mining Network Limited (the "Company"). Western Mining Network is a listed public Company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 September 2014 by the directors of the Company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the year of \$1,481,539 (2013: \$1,227,602) and net cash outflows from operating activities of \$1,609,307 (2013: \$1,326,379). The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies (continued)*

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b) *Income Tax*

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies (continued)*

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) *Exploration and evaluation expenditure*

Costs incurred with respect to the acquisition of rights to explore are accumulated for each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

Costs incurred with respect to ongoing exploration activities are expensed as incurred in the statement of profit or loss and other comprehensive income.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

d) Plant and Equipment

Items of plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

f) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and reduction for impairment, and adjusted for any cumulative amortisation of the difference between the amount initially recognised and the maturity amount calculated using the effective interest method.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies (continued)*

(i) Financial assets at fair value through profit and loss

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g) Impairment of Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

l) Borrowing Costs

All borrowing costs are recognised as expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

o) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies (continued)*

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Significant Accounting Policies (continued)

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

p) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

q) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c).

NOTES TO THE FINANCIAL STATEMENTS

1. *Statement of Significant Accounting Policies (continued)*

r) **Application of new and revised Accounting Standards**

New and revised AASB's affecting amounts reported and/or disclosures in the financial statements

In the current year, the Company has applied a number of new and revised AASB's issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective from an accounting period on or after 1 January 2013.

The Company has applied AASB 13 'Fair Value Measurement' for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

In addition, standards on consolidation, joint arrangements, associates and disclosures were adopted. The impact of the application of these standards is not material.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The Company does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 "Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities"	1 January 2014	30 June 2015
AASB 2013-3 "Amendments to AASB 135 – Recoverable Amount Disclosures for Non-Financial Assets"	1 January 2014	30 June 2015
AASB 2013-5 "Amendments to Australian Accounting Standards – Investment Entities"	1 January 2014	30 June 2015
AASB 2013-9 "Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments"	1 January 2014	30 June 2015

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

2. Revenue	2014	2013
	\$	\$
Interest received	5,581	35,111
3. Income tax benefit		
Net loss before tax	(1,481,539)	(1,227,602)
Income tax benefit on above at 30%	(444,462)	(368,280)
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductible expenses	330,123	183,198
Current year capital losses not recognised	4,500	-
Current year tax losses not recognised	127,764	201,221
Movement in unrecognised temporary differences	(1,875)	(1,959)
Deductible equity raising costs	(16,050)	(14,180)
Income tax reported in the statement of comprehensive income	-	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following:		
Tax revenue losses	479,866	439,761
Deductible temporary differences	26,295	44,150
Tax capital losses	4,500	-
	510,661	483,911
4. Earnings per share	Cents per Share	Cents per Share
Basic/diluted loss per share	(2.81)	(2.74)
The loss and weighted average number of ordinary shares used in this calculation of basic/ diluted loss per share are as follows:		
	\$	\$
Loss	(1,479,419)	(1,226,803)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	52,564,130	44,720,223
As the Company is in a loss position the options outstanding at 30 June 2014 have no dilutive effects on the earnings per share calculation.		

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

5. <i>Cash and cash equivalents</i>	2014 \$	2013 \$
Cash at bank	2,179,428	737,517

6. *Trade and other receivables*

Current

GST receivable	3,027	4,639
Other receivables	-	18,000
Option conversion funds receivable	143,684	
	146,711	22,639

As at 30 June 2014, current trade and other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received when due.

7. *Other assets*

Current

Prepayments	13,666	63,680
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Non-Current

Deposits paid for PT. Persada Bumi Rawas (i)	499,405	107,660
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- (i) A 75% interest in PT. Persada Bumi Rawas was acquired on 25 July 2014. Refer to Note 26: Events Subsequent to Period End.

8. *Exploration and evaluation expenditure*

Carrying amount at the beginning of the year	8,467,574	-
Transfer from other financial assets upon acquisition of 51% interest of the issued capital of PT GBU via option exercise	-	7,600,000
Recognition of minority interest of the issued capital of PT GBU	-	(60,248)
Effect of foreign currency exchange differences	(1,699,962)	804,865
Expenditure capitalised during the year	-	122,957
Carrying amount at the end of the year	6,767,612	8,467,574

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

On 1 March 2013, the Company exercised its option to purchase 51% of the issued capital in PT Genesis, which holds a Manganese Production License located in Central Sulawesi. It is considered that the acquisition of the Manganese Production License is not a business combination, but rather an acquisition of mining tenements.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

9. Plant and equipment	2014	2013
	\$	\$
<i>Plant and Equipment</i>		
At Cost	15,735	19,652
Accumulated Depreciation	(12,711)	(10,963)
	<u>3,024</u>	<u>8,689</u>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

<i>Plant and Equipment</i>		
Opening balance	8,689	-
Additions through acquisition of PT. Genesis	-	10,327
Depreciation	(4,256)	(1,532)
Effect of foreign currency exchange differences	(1,409)	(106)
Closing balance	<u>3,024</u>	<u>8,689</u>

11. Trade and other payables

Current

Trade payables and accruals	<u>584,941</u>	<u>77,984</u>
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Non-Current

Trade payables and accruals	<u>-</u>	<u>115,567</u>
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Trade creditors are non-interest bearing and are normally settled on 30 day terms.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

12. Issued capital

(a) Issued and paid up capital

58,706,635 (2013: 49,747,440) Ordinary shares fully paid of no par value

12,663,797 9,897,685

(b) Movement in ordinary shares on issue	2014 Number	2014 \$	2013 Number	2013 \$
Balance at beginning of period	49,747,440	9,897,685	43,375,715	9,578,340
Shares issued during the year:				
- 2 July 2012 (e)	-	-	25,000	-
- 18 July 2012	-	-	182,874	36,575
- 31 July 2012	-	-	200,000	40,000
- 14 August 2012	-	-	49,984	9,997
- 3 October 2012	-	-	3,000	600
- 31 October 2012	-	-	83,120	16,624
- 3 December 2012	-	-	9,754	1,951
- 5 December 2012	-	-	78,120	15,624
- 21 January 2013	-	-	107,000	21,400
- 30 January 2013	-	-	82,873	16,574
- 21 February 2013	-	-	10,000	2,000
- 27 February 2013	-	-	500,000	150,000
- 12 March 2013	-	-	35,000	7,000
- 21 May 2013 (e)	-	-	5,000,000	-
- 28 June 2013	-	-	5,000	1,000
- 22 November 2013	1,000,000	100,000	-	-
- 28 November 2013	1,101,464	110,146	-	-
- 11 December 2013	1,352,500	135,250	-	-
- 26 March 2014	3,000,000	300,000	-	-
- 25 June 2014	2,505,231	250,523	-	-
- Unissued at 30 June 2014 (f)	-	2,026,037	-	-
Transaction costs relating to share issues	-	(155,844)	-	-
Balance at end of period	58,706,635	12,663,797	49,747,440	9,897,685

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS

12. Issued capital (continued)

(d) Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Company at 30 June 2014 is \$1,754,864 (2013: \$745,852) and the net increase in cash held during the year was \$1,441,911 (2013: decrease \$1,006,808). The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

(e) Shares unissued at 30 June 2012

As at 30 June 2012, the Company had received \$5,000 in option exercise notices which had not yet been converted into ordinary shares. The ordinary shares were issued on 2 July 2012.

On 21 November 2011, WMN executed an agreement with BBL to acquire an option to purchase 51% of PT Genesis, a company holding a manganese production license in Central Sulawesi. As part of the consideration, the Company has issued 5,000,000 ordinary shares and 10,000,000 options exercisable at \$0.20 on or before 30 June 2013, with a further 5,000,000 ordinary shares unissued at 30 June 2012. These ordinary shares were granted on 23 March 2012, being the date of shareholder approval, and were subsequently issued on 21 May 2013.

(f) Shares unissued at 30 June 2014

As at 30 June 2014, the Company had received \$1,882,353 in option exercise notices which had not yet been converted into ordinary shares. The Company also had an underwriting agreement in place for any unexercised options at 30 June 2014 and has therefore recognised a receivable of \$143,684. The Company issued 19,057,290 and 1,203,081 ordinary shares on 8 July 2014 and 14 July 2014 respectively.

(g) Share Options

At 30 June 2014, the Company has the following share options on issue:

- 20,260,371 options exercisable at \$0.10 on or before 30 June 2014;
- nil (2013: 5,500,000) options exercisable at \$0.40 on or before 4 March 2014;

Options carry no rights to dividends and have no voting rights.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

13. Reserves	2014	2013
	\$	\$
Foreign currency translation	(933,429)	832,643
Options reserve	3,762,791	3,470,595
	<u>2,829,362</u>	<u>4,303,238</u>

Options reserve

Reserve at the beginning of the year	3,470,595	3,470,595
Options issued under entitlement issue prospectus	292,196	-
Reserve at end of year	<u>3,762,791</u>	<u>3,470,595</u>

The options reserve arises on the grant of share options to directors as part of their remuneration and to consultants for services provided, as well as for funds raised for the issue of options.

Foreign currency translation reserve

Reserve at the beginning of the year	832,643	-
Exchange differences arising on translating foreign operations	(1,766,072)	832,643
Reserve at end of year	<u>(933,429)</u>	<u>832,643</u>

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

14. Non-controlling interest

Balance at the beginning of year	(61,047)	-
Non-controlling interests arising on the acquisition of PT. Genesis	-	(60,248)
Share of loss for the year	(2,120)	(799)
Balance at the end of year	<u>(63,167)</u>	<u>(61,047)</u>

15. Auditors' remuneration

Amounts, received or due and receivable by auditors for:		
- an audit or review services	<u>22,732</u>	<u>22,500</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Key Management Personnel (KMP)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2014	2013
	\$	\$
Short term	173,750	233,137
Post-employment	9,129	12,882
	<u>182,879</u>	<u>246,019</u>

17. Related Party Transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

(b) Other transactions

The Company incurred the following transactions with related parties:

- During the year ended 30 June 2014, Mining Corporate Pty Ltd, a company of which Kent Hunter was a director at his resignation on 30 July 2013, was paid or due to be paid \$15,400 (2013: \$101,759) for company secretarial and accounting services. At 30 June 2013, \$6,600 was payable to Mining Corporate Pty Ltd.
- In the financial year ended 30 June 2013, a total of \$50,000 in office rental was paid to CK Locke & Partners (CKL), a company of which Colin Locke was a director.

18. Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

Loss after income tax	(1,481,539)	(1,227,602)
Non cash flows in loss:		
Depreciation	4,256	1,532
Foreign exchange differences	(64,702)	27,884
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	19,612	(12,192)
- (increase)/decrease in other assets	(341,731)	(119,519)
- increase/(decrease) in trade and other payables	254,797	3,518
	<u>(1,609,307)</u>	<u>(1,326,379)</u>

(b) Non Cash Investing & Financing Activities

There were no non-cash investing or financing activities entered into by the Company during the year.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

19. *Controlled Entities*

	Country of Incorporation	2014	2013
Subsidiaries of Western Mining Network Limited:			
PT. WMN Indonesia	Indonesia	100%	100%
PT. Genesis	Indonesia	51%	51%

20. *Commitments*

The Company has no commitments as at 30 June 2014.

21. *Financial reporting by segments*

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the period, the Company operated in two geographical segments being Australia and Indonesia, and two business segments being mineral exploration and treasury.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- head office and other administration expenditure

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

21. Financial reporting by segments (continued)

(a) Segment performance

Total segment revenue

	Exploration \$	Treasury \$	Total Operations \$
Year Ended 30 June 2014			
Revenue			
Interest revenue	-	5,581	5,581
Total segment revenue	-	5,581	5,581
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated revenue			
Total revenue	-	5,581	5,581
Segment net profit/(loss) before tax	(1,018,996)	5,581	(1,013,415)
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated items:			
- other			(468,124)
Net loss before tax from continuing operations			(1,481,539)
	Exploration \$	Treasury \$	Total Operations \$
Year Ended 30 June 2013			
Revenue			
Interest revenue	-	35,111	35,111
Total segment revenue	-	35,111	35,111
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated revenue			
Total revenue	-	35,111	35,111
Segment net profit/(loss) before tax	(456,837)	35,111	(421,726)
<i>Reconciliation of segment result to net loss before tax</i>			
Unallocated items:			
- other			(805,876)
Net loss before tax from continuing operations			(1,227,602)

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

21. Financial reporting by segments (continued)

(b) Segment assets

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2014			
Segment assets	6,767,612	2,179,428	8,947,040
Segment asset increases/(decreases) for the period:			
- cash and cash equivalents	-	1,441,911	1,441,911
- exploration and evaluation expenditure	(1,699,962)	-	(1,699,962)

Reconciliation of segment assets to total assets

Unallocated items:

- trade and other receivables			146,711
- other assets			513,071
- plant and equipment			3,024
Total assets			9,609,846

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2013			
Segment assets	8,467,574	737,517	9,205,091
Segment asset increases/(decreases) for the period:			
- cash and cash equivalents	-	(1,006,808)	(1,006,808)
- other financial asset	(7,600,000)	-	(7,600,000)
- exploration and evaluation expenditure	8,467,574	-	8,467,574
	867,574	(1,006,808)	(139,234)

Reconciliation of segment assets to total assets

Unallocated items:

- trade and other receivables			22,639
- other assets			171,340
- plant and equipment			8,689
Total assets			9,407,759

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

21. Financial reporting by segments (continued)

(c) Segment liabilities

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2014			
Segment liabilities	250,000	-	250,000
<i>Reconciliation of segment liabilities to total liabilities</i>			
- other liabilities			334,941
Total liabilities from continuing operations			584,941

	Exploration \$	Treasury \$	Total Operations \$
As at 30 June 2013			
Segment liabilities	-	-	-
<i>Reconciliation of segment liabilities to total liabilities</i>			
- other liabilities			193,551
Total liabilities from continuing operations			193,551

d) Assets by geographical location

	Indonesia \$	Australia \$	Total Assets \$
As at 30 June 2014			
Segment assets	7,270,041	2,339,805	9,609,846
	Indonesia \$	Australia \$	Total Assets \$
As at 30 June 2013			
Segment assets	9,008,557	399,202	9,407,759

NOTES TO THE FINANCIAL STATEMENTS

22. Financial risk management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

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 the Company's receivables from customers and investment securities.

Trade and other receivables

As the Company has just started operations, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2014	2013
	\$	\$
Financial assets at fair value		
Cash and cash equivalents – AAA rated counterparties	2,179,428	737,517
Receivables – other	146,711	22,639
	<u>2,326,139</u>	<u>760,156</u>

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 liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

23. Financial risk management (continued)

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 Company is exposed to interest rate risk as it invests funds at floating interest rates.

Maturity profile of financial instruments

The following table details the Company's exposure to interest rate risk as at 30 June:

			Fixed interest rate maturing in:			
	Average interest rate %	Floating interest rate \$	<1 year \$	1 – 5 years \$	Non- interest bearing \$	Total \$
2014						
Financial assets						
Cash and cash equivalents	3%	2,179,428	-	-	-	2,179,428
Trade and other receivables	N/A	-	-	-	146,711	146,711
		2,179,428	-	-	146,711	2,326,139
Financial liabilities						
Trade and other payables	N/A	-	-	-	584,941	584,941
		-	-	-	584,941	584,941
Net financial assets		2,179,428	-	-	(438,230)	1,741,198
2013						
Financial assets						
Cash and cash equivalents	3%	737,517	-	-	-	737,517
Trade and other receivables	N/A	-	-	-	22,039	22,039
		737,517	-	-	22,039	759,556
Financial liabilities						
Trade and other payables	N/A	-	-	-	193,551	193,551
		-	-	-	193,551	193,551
Net financial assets		737,517	-	-	(171,512)	566,005

NOTES TO THE FINANCIAL STATEMENTS

23. Financial risk management (continued)

Interest rate risk sensitivity analysis

The effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by \$43,589 (2013: \$14,750) and an increase in equity by \$43,589 (2013: \$14,750). The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by \$43,589 (2013: \$14,750) and an decrease in equity by \$43,589 (2013: \$14,750).

Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value. There are no financial assets or liabilities which are required to be measured at fair value on a recurring basis.

24. Contingent liabilities

In the opinion of the Directors, the Company has no contingent liabilities at 30 June 2014 (2013: nil).

25. Parent entity disclosures

Financial position	2014 \$	2013 \$
Assets		
Current assets	2,298,104	399,202
Non-current assets	7,196,483	8,362,067
Total assets	9,494,587	8,761,269
Liabilities		
Current liabilities	469,682	49,665
Total liabilities	469,682	49,665
Equity		
Issued capital	12,663,797	9,897,685
Accumulated losses	(7,401,683)	(4,656,676)
Reserves	3,762,791	3,470,595
Total equity	9,024,905	8,711,604
Financial performance		
Profit/(loss) for the year	(2,745,007)	(957,811)
Total comprehensive income	(2,745,007)	(957,811)

Refer to Note 20 for commitments of the parent which are the same as the Group.

NOTES TO THE FINANCIAL STATEMENTS

26. *Events Subsequent to Period End*

On 8 July 2014, 19,057,290 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

On 14 July 2014, 1,203,081 ordinary shares of Western Mining Network Limited were issued on the exercise of \$0.10 options.

On 21 July 2014, the Company executed the following agreements with Milestone Link Pte Ltd ("Milestone") which legally binds the transaction pursuant to the Heads of Agreement ("HOA") announced to ASX on 2 June 2014:

- Conditional Sale, Purchase and Assignment of Options in PT. Mekongga Sejahtera
- Conditional Sale, Purchase and Assignment of Options in PT. Eagle Rich Nusantara
- Conditional Share Subscription Agreement

Subject to ASX and any other regulatory approvals, the transaction will ultimately give WMN a 75% interest in PT. Mekongga Sejahtera and 99% interest in PT. Eagle Rich Nusantara.

On 25 July 2014, the Company announced that it had received Foreign Investment Principle License from the Indonesia Investment Coordinating Board (Badan Koordinasi Penanaman Modal) approving the Company's 75% ownership of PT. Persada Bumi Rawas, held by its wholly owned subsidiary PT WMN Indonesia.

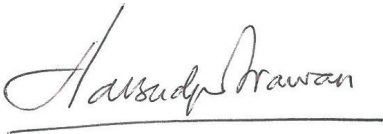
No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Company's financial position as at 30 June 2014 and its performance for the year ended on that date; and
 - c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Chief Executive Officer and Company Secretary have each declared that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Paulus Irawan
Executive Director
30 September 2014

Independent Auditor's Report

To the Members of Western Mining Network Limited

We have audited the accompanying financial report of Western Mining Network Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, 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.

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

Independent Auditor's Report

To the Members of Western Mining Network Limited (*Continued*)



Independence

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

Opinion

In our opinion:

- a. The financial report of Western Mining Network Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,481,539 during the year ended 30 June 2014. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of Western Mining Network Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 30th day of September 2014

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

SHAREHOLDER INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 15 September 2014:

1. Shareholding

a. Distribution of Shareholders	Number (as at 15 September 2014)	
	Shareholders	Ordinary Shares
Category (size of holding)		
1 – 1,000	14	1,914
1,001 – 5,000	66	232,712
5,001 – 10,000	131	1,229,579
10,001 – 100,000	276	11,190,658
100,001 – and over	97	66,312,143
	584	78,967,006

b. The number of shareholdings held in less than marketable parcels is 18 shareholders amounting to 6,451 shares.

c. There are no restricted securities at 15 September 2014.

d. The names of substantial shareholders listed in the company's register as at 15 September 2014 are:

Shareholder	Ordinary Shares	% Held of Total Ordinary Shares
Michael Schwab	12,849,269	16.272%

e. Voting Rights

The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

SHAREHOLDER INFORMATION

f. 20 Largest Shareholders as at 15 September 2014 — Ordinary Shares

	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. MICHAEL SCHWAB	10,792,259	13.667
2. CITICORP NOMINEES PTY LIMITED	10,084,642	12.771
3. NATIONAL NOMINEES LIMITED	3,570,794	4.522
4. LINKWELL LIMITED	2,894,960	3.666
5. NEFCO NOMINESS PTY LTD	2,353,204	2.980
6. PROFESSOR YEW KWANG NG	2,253,085	2.853
7. ARCHFIELD HOLDINGS PTY LTD	1,910,581	2.419
8. ANDHIKA PRATAMA	1,670,781	2.116
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,395,000	1.767
10. SANDY BUDIWARMAN	1,309,299	1.658
11. RUSDAYAT MULYANA	1,255,038	1.589
12. COLIN KENNETH LOCKE	1,150,001	1.456
13. UNITED VANTAGE LIMITED	1,125,000	1.425
14. CAROLINA GUNAWAN	1,056,045	1.337
15. GURNEY CAPITAL NOMINEES PTY LTD	1,025,768	1.299
16. AYU LESTARI YUSMAN	917,500	1.162
17. RHENADI ARINTON	792,967	1.004
18. MEILY EVIANA	740,000	0.937
19. R & P AUSTIN SUPERANNUATION PTY LTD <AUSTIN SUPER FUND A/C>	700,000	0.886
20. MELBAR VIC PTY LTD <RICCHINI FAMILY A/C>	695,209	0.880
	<u>47,692,133</u>	<u>60.395</u>

2. The name of the company secretary is David Palumbo.
3. The address of the principal registered office in Australia is:
Level 11, 216 St Georges Terrace Perth WA 6000.
4. Registers of securities are held at the following address:
Advanced Share Registry, 110 Stirling Hwy, Nedlands, WA 6009
5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.
6. Unquoted Securities
The Company has no unquoted securities as at 15 September 2014

WESTERN MINING NETWORK LIMITED & CONTROLLED ENTITIES

SCHEDULE OF MINERAL TENEMENTS

SCHEDULE OF MINERAL TENEMENTS

AS AT 15 SEPTEMBER 2014

<i>Project</i>	<i>Tenement</i>	<i>Interest held by Western Mining Network Limited</i>
GENESIS	155 TAHUN 2011	51%
PERSADA	540/307.19/DISTAMBEN	75%