APPENDIX 4E

Preliminary final report
Year ended 30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity: **Pacific Mining Limited**
ABN: **64 000 140 938**
Reporting period: **Year ended 30 June 2014**

				$
Revenue from ordinary activities	up	5.20%	to	710,319
Profit from ordinary activities after tax attributable to members	up	20.91%	to	272,933
Net profit for the period attributable to equity holders	up	20.91%	to	272,933

NTA Backing	30 June 2014 $	30 June 2013 $
Net tangible asset backing per ordinary share	0.569	0.543

Dividends	Amount per security	Franked amount per security
Interim dividend	N/a	N/a
Previous corresponding period	N/a	N/a

Record date for determining entitlements to the dividends	N/a

This report is based on the annual financial report which has been audited by BDO.

APPENDIX 4E

Preliminary final report
Year ended 30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity:	**Pacific Mining Limited**
ABN:	**64 000 140 938**
Reporting period:	**Year ended 30 June 2014**

Commentary on the results and review of operations

The net profit after tax for the period was $272,933 (2013: $225,736). Total revenue for the period was $710,319 (2013: $675,208) and total expenses were $389,558 (2013: $420,458).

The change in profit is the result of:

a) Increased interest derived from the company's cash holdings (up 22.36%) due to new investments in subordinary notes.
b) Increased dividends and trust distribution income (up 1.61%) due to new acquisition of listed securities and recovery of share market.
c) Rental revenue generated by the properties at Lane Cove and Thornton increased by 4.71%. This was a result of annual CPI increases.

Mining production, which ceased in December 2009, is not expected to resume in the future, as mineral resources at the company's lease are exhausted. A mining lease fee of $24,000 was received during the year from the mine operator P.B. White Minerals Pty Ltd as a reimbursement of mining lease fees incurred by Pacific Mining Ltd (2013: $24,000).

PACIFIC MINING LIMITED

A.B.N. 64 000 140 938

2014
ANNUAL REPORT

COMPANY PARTICULARS

Directors
Chairman
David Lance Bentley
Managing Director
Peter Bingley White
Non-Executive Directors
David Lance Bentley
Nicholas Peter Dawes White

Secretary
Christopher John Hall, CA

Principal and Registered Office in Australia
C/- Hall Consulting Group
Chartered Accountants
Level 4, 9 Help Street
Chatswood NSW 2067
Telephone: (02) 9411 4443
Facsimile: (02) 9411 4010

Share Registry
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000
Enquiries with Australia: 1300 556 161
Enquiries outside Australia: 61 3 9415 4000

Auditors
BDO
Level 11, 1 Margaret Street
Sydney NSW 2000

Solicitors
Thurlow Fisher Lawyers Pty Ltd
Suite 1
69 The Mall
Bankstown NSW 2200

Bankers
Commonwealth Bank of Australia
749 Pacific Highway
Gordon NSW 2072

Stock Exchange
PACIFIC MINING LIMITED shares are listed on the Australian Securities Exchange.
The Home Exchange is Sydney

Place of Incorporation
New South Wales

CHAIRMAN'S REPORT
for the year ended 30 June 2014

During the 2014 financial year the company continued to consolidate management of its assets, commercial real estate and publicly listed stocks. The company will continue to reinvest earnings and build the investment portfolio.

The challenging economic conditions over the last four financial years have been tackled with a conservative approach to protect capital value of shareholders' funds.

The Statement of Profit or Loss and Other Comprehensive Income reports a profit for the year of $272,933 compared to a profit of $225,736 for 2013. Total revenue for the year was $710,319 (2013: $675,208) and total expenses were $389,558 (2013: $420,458).

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c) Rental revenue generated by the properties at Lane Cove and Thornton increased by 4.71%. This was a result of annual CPI increases.

Mining production, which ceased in December 2009, is not expected to resume in the future, as mineral resources at the company's lease are exhausted. A mining lease fee of $24,000 was received during the year from the mine operator P.B. White Minerals Pty Ltd as a reimbursement of mining lease fees incurred by Pacific Mining Ltd (2013: $24,000).

The company's assets contribute more than 90% of total revenue. We are developing its portfolio and anticipate that its investments will continue to provide a significant proportion of revenues. The company continues to investigate alternative opportunities.

The Statement of Cash Flows indicates that the company is generating a positive cash flow from operating activities.

The Directors have recommended that no dividend be paid to shareholders in order to consolidate the company's strong financial position and further build the investment portfolio.

There were no changes in environmental or other legislative requirements during the year that have significantly impacted the results or operations of the company.

I would like to thank my fellow Directors for managing the company in a professional manner and in the interest of all shareholders.

David L Bentley
Chairman

CORPORATE GOVERNANCE STATEMENT
for the year ended 30 June 2014

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, which comply with the ASX Corporate Governance Council recommendations unless otherwise stated. Whilst the company supports the ASX recommendations it is not possible to implement every recommendation given both the small size and operations of the company.

Board of Directors

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role the Board is responsible for the overall Corporate Governance of the company including formulating its strategic direction, approving and monitoring capital expenditure, investments and setting remuneration. It is responsible for approving and monitoring financial and other reporting. The Board has also established a framework for the management of the company including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The names of the Directors of the company in office at the date of this statement are set out in the Directors' Report on page 7 of this Annual Report.

Mr David L Bentley is considered to be the only independent non-executive director.

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the company on all relevant issues. The Board considers that the company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further experience of another independent non-executive director.

The composition of the Board is reviewed on an annual basis. In accordance with the company's Articles of Association, each director must retire every three years, then if eligible, and holding the necessary knowledge and expertise, is able to stand for re-election at the general meeting of shareholders. Otherwise if a vacancy exists, through whatever cause, the Board will consider the required knowledge and expertise of the potential candidate and appoint the most suitable candidate who must also stand for election at the general meeting of shareholders.

Remuneration Report

The Remuneration Report is set out on page 9 and forms part of the Directors' Report for the year ended 30 June 2014.

There are no schemes for retirement benefits other than statutory superannuation for non-executive Directors.

Performance Evaluation

No formal performance evaluation of the Board or Directors took place during the year, however such performance is regularly informally evaluated and communicated.

Committees

Due to the small size and scale of company activities, the Board has not established a Nomination Committee or a Remuneration Committee. The Audit Committee's activities are undertaken by the Board of Directors of the company with the advice of external accountants.

The Board has adopted a formal audit charter and meets to plan and review annual and half-yearly financial statements and reports prior to their release to the Australian Securities Exchange.

Share Trading

The Board have adopted a Share Trading Policy, which applies to all Directors, employees and contractors of the company. The policy covers matters of insider trading, share trading window periods and the maintenance of confidentiality.

Share trading is only permitted within window periods, no Director, employee, contractor or their immediate family members, may purchase or sell company securities outside of these window periods unless prior permission is granted by the Board.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. Due to the small scale of company activities, the main internal control involves review by the Managing Director in addition to consultation and review by the other directors and external accountants.

The Board reviews the performance of the external auditors on an annual basis. It is a requirement of the Corporations Act to rotate the audit engagement partner at least every 5 years. The current audit partner was appointed at the commencement of the audit for the year ended 30 June 2012.

Ethical Standards

The majority of Directors belong to professional organisations and are bound by those organisations' codes of professional conduct. As a result and due to the small size and scale of activities the Board does not believe that it is necessary to adopt a formal Code of Conduct. All Directors and external consultants are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the company.

Diversity

The Company is committed to having an appropriate blend of diversity on the Board and in the Group's executive positions. However, at this stage, the Board does not consider it is relevant to establish a diversity policy as the Company did not have any female employees and had one executive and two non-executive employees consisting of the directors as set out in the Remuneration Report on pages 9 of the Company's 2014 annual report during the 2014 financial year. Due to the size and scope of operations during the year a diversity policy is not yet in place.

The Board at this juncture has not set measurable objectives. This policy will be reviewed as part of the annual compliance review to the Board to ensure that the Diversity Policy is being progressed as required and to set measurable objectives when appropriate for the Company.

Risk Management

The Board acknowledges the business risk of the industries in which it operates. Due to the small size and scale of the company's activities, the Board adopts a conservative approach to risk assessment, ensuring adequate safeguards are in place to minimise any unforeseen circumstances. The hands-on approach and experience of the Managing Director also ensures that business risks are promptly identified and adequately controlled.

The company continues to monitor its operations to identify the greatest areas of potential risk to minimise any adverse effects on the company's strategic, operational and financial activities. The Managing Director has stated to the Board in writing that the risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

Financial Reporting

It is the Board's policy that a director sign off in writing to the Board that the financial statements present a true and fair view, in all material respects, of the company's financial position and operational results and are in accordance with relevant accounting standards; the statement is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the Board; and the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Communication with Shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the company's state of affairs. Information is communicated to shareholders as follows:

- The annual report distributed to all shareholders.
- The half-yearly report and the quarterly activities reports are lodged with the ASX and are available from the ASX website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability with the company's strategy and goals. Important issues are presented to the shareholders as a single resolution.

The external auditor of the company is invited to attend the Annual General Meeting to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

The shareholders are responsible for voting on the appointment of Directors.

Continuous Disclosure

The Board has designated the company Secretary as the person responsible for overseeing and coordinating the disclosure of information to the ASX, in accordance with *ASX Listing Rules,* in a timely manner as well as communicating with the ASX.

Regular formal and informal meetings of Directors are held in which matters, which are or may be, subject to ASX disclosure requirements are discussed.

DIRECTORS' REPORT for the year ended 30 June 2014

The Directors present their report together with the financial report of Pacific Mining Limited ("the company") for the year ended 30 June 2014 and the auditor's report thereon.

DIRECTORS

The Directors and officers of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name and independence status	Qualifications and experience
Peter Bingley White Executive Director	Managing Director with over 47 years experience in industrial minerals. Managing Director for the last 43 years of a private group of companies engaged in mining and processing of high grade industrial silica and investment in properties and securities. Director since 1974.
David Lance Bentley Chairman Independent Non-Executive Director	Solicitor with extensive legal expertise and knowledge of the property development industry. Admitted into the Supreme Court of NSW as a solicitor in 1965. Practises mainly in commercial and conveyancing law. Director since 1992.
Nicholas Peter Dawes White Non-Executive Director	Chartered accountant with experience across a number of industries including aggregate quarrying, concrete production, property investment, insurance and asset management. Experience spans Australia and Asia. He spent 6 years in Hong Kong as Finance Director for Prudential Asia. Nick is currently the Chief Financial Officer of XL Insurance Company Ltd (Australia). Director since 2009.

COMPANY SECRETARY

Mr. Christopher John Hall was appointed to the position of the company Secretary in November 1992. He is a director of Hall Consulting Group Pty Ltd, Chartered Accountants, a company providing taxation, accounting and business consulting services to the public. He is a Chartered Accountant, a Chartered Tax Advisor, a Chartered Company Secretary, and a Fellow of The Taxation Institute of Australia with more than 30 years experience as a director in the accounting and other industries.

DIRECTORS' MEETINGS

There were 3 Directors' meetings held during the year, attended as follows:

P B White — 3; D L Bentley — 3; N P D White — 3

PRINCIPAL ACTIVITIES

The principal activities in which the company was engaged during the year were mining and investment.

OPERATING AND FINANCIAL REVIEW

Results of Operations
The net profit of the company attributable to members was $272,933 (2013: $225,736).

Review of Operations
During the 2014 financial year the company continued to consolidate management of its investments, commercial real estate and publicly listed investments. The company will continue to reinvest earnings and build the investment portfolio.

The net profit after tax for the period was $272,933 (2013: $225,736). Total revenue for the year was $710,319 (2013: $675,208) and total expenses were $389,558 (2013: $420,458).

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The company's assets contribute more than 90% of total revenue. We are developing its portfolio and anticipate that its investments will continue to provide a significant proportion of revenues. The company remains interested in investigating all opportunities.

DIVIDENDS

No dividend has been paid or declared by the company since the end of the previous financial year.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the company that occurred during the financial year.

LIKELY DEVELOPMENTS

The company will continue to pursue its business objectives and seek improvements and efficiencies whenever possible. The company will also continue to develop its investment portfolio.

Further information about likely developments in the operations of the company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital of the company, as notified by the Directors to the Australian Stock Exchange in accordance with Section 205(G)(1) of the Corporations Act 2001 at the date of this report is as follows:

	Direct	Indirect	Total
Peter Bingley White	-	12,187,598	12,187,598
David Lance Bentley	3,000	-	3,000
Nicholas Peter Dawes White	57,000	-	57,000

REMUNERATION REPORT (AUDITED)

The Board reviews the remuneration package and policies applicable to the Managing Director and Directors themselves. Remuneration is determined after due consideration of market related conditions and the contribution made by each director towards the overall profitability of the company. All remuneration packages are fixed and there is no performance-linked remuneration. Fixed compensation is paid to the Executive Director and consists of base compensation as well as employer contributions to superannuation funds. Non-executive Directors are paid directors fees of $7,000 per annum plus superannuation contributions as approved at the AGM. The company does not provide fringe benefits to any of the Directors. No written service contracts are in place.

No Directors receive any bonuses or share-based payments and no options have been granted to any of the Directors.

The remuneration of each Director is as follows:

		Short Term Benefits (Salary, fees and accrued leave)	Post Employment Benefits (Superannuation)	Total
		$	$	$
Non Executive				
David L Bentley	**2014**	**-**	**7,647**	**7,647**
	2013	-	7,630	7,630
Nicholas P D White	**2014**	**7,000**	**647**	**7,647**
	2013	7,000	630	7,630
Executive				
Peter B White	**2014**	**32,097**	**34,601**	**66,698**
	2013	44,283	24,799	69,082
Total remuneration Key	**2014**	**39,097**	**42,895**	**81,992**
Management Personnel	2013	51,283	33,059	84,342

The only executive of the company is Peter Bingley White, who is the Managing Director. The current Directors of the company are expected to remain as Directors in financial year ending 30 June 2015. No changes have been proposed to their remuneration package.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings.

ENVIRONMENTAL REGULATION

The company is subject to environmental regulation in relation to mining. The Directors monitor compliance. The Directors are not aware of any significant breaches during the financial year covered by this report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court under section 237 of the Corporations Act 2001 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.

NON-AUDIT SERVICES

During the year the company's auditor did not provide any non-audit services in addition to their statutory duties.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 11 and forms part of the Directors' report for the year ended 30 June 2014.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Directors are not aware of any matter or circumstance that has arisen in the interval between the end of the financial year and the date of this report that has 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.

Dated at Sydney, this 29th day of August, 2014

Signed in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Peter B White
Director

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF PACIFIC MINING LIMITED

As lead auditor of Pacific Mining Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

Craig Maxwell

Partner

BDO East Coast Partnership

Sydney, 29 August 2014

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue	4	710,319	675,208
Rental properties expenses	5	(84,298)	(116,076)
Management fees		(67,048)	(65,335)
Employee benefit expenses	6	(81,994)	(84,342)
Administration expenses		(109,043)	(110,984)
Depreciation expenses	15	(13)	(37)
Licensing fees		(24,000)	(24,000)
Other expenses	7	(20,698)	(19,684)
Capital loss on disposal of investments		(2,464)	-
Profit before tax		**320,761**	**254,750**
Income tax expense	9	(47,828)	(29,014)
Profit after tax for the year from operations		**272,933**	**225,736**
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Changes in fair value of available-for-sale financial assets, net of tax		99,485	134,181
Other comprehensive income for the year, net of tax		**99,485**	**134,181**
Total comprehensive income for the year		**372,418**	**359,917**
Profit for the year attributable to owners of Pacific Mining Limited		**272,933**	**225,736**
Total comprehensive income for the year attributable to owners of Pacific Mining Limited		**372,418**	**359,917**
		Cents	**Cents**
Earnings per share for profit attributable to ordinary equity holders of the company:			
Basic earnings per share	10	**0.019**	**0.016**
Diluted earnings per share	10	**0.019**	**0.016**

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2014

	Issued capital $	Fair value reserve $	Retained earnings $	Total $
Balance at 1 July 2012	5,070,947	(180,451)	2,350,336	7,240,832
Profit for the year	-	-	225,736	225,736
Other comprehensive income for the year	-	134,181	-	134,181
Total comprehensive income for the year	-	134,181	225,736	359,917
Balance at 30 June 2013	**5,070,947**	**(46,270)**	**2,576,072**	**7,600,749**
Balance at 1 July 2013	5,070,947	(46,270)	2,576,072	7,600,749
Profit for the year	-	-	272,933	272,933
Other comprehensive income for the year	-	99,485	-	99,485
Total comprehensive income for the year	-	99,485	272,933	372,418
Balance at 30 June 2014	**5,070,947**	**53,215**	**2,849,005**	**7,973,167**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes

Statement of Financial Position as at 30 June 2014

	Note	**2014 $**	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**124,930**	380,715
Trade and other receivables	12	**21,644**	-
Other current assets	13	**29,455**	41,206
Total current assets		**176,029**	421,921
Non-current assets			
Other non-current assets	14	**60,000**	60,000
Available-for-sale financial assets	16	**4,186,889**	3,529,129
Investment properties	17	**3,850,000**	3,850,000
Property, plant & equipment	15	**6**	19
Total non-current assets		**8,096,895**	7,439,148
Total assets		**8,272,924**	7,861,069
LIABILITIES			
Current liabilities			
Trade and other payables	18	**37,502**	48,087
Other current liabilities		**22,501**	22,000
Short term provisions	19	**2,643**	-
Provision for income tax		**-**	921
Total current liabilities		**62,646**	71,008
Non-current liabilities			
Trade and other payables	18	**39,193**	39,193
Long term provisions	19	**40,992**	45,030
Deferred tax liabilities	20	**156,926**	105,089
Total non-current liabilities		**237,111**	189,312
Total liabilities		**299,757**	260,320
Net assets		**7,973,167**	7,600,749
Equity			
Issued capital	21	**5,070,947**	5,070,947
Reserves	27	**53,215**	(46,270)
Retained earnings		**2,849,005**	2,576,072
Total equity		**7,973,167**	7,600,749

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 30 June 2014

	Note	**2014** **$**	2013 $
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		**551,512**	544,452
Cash payments to suppliers and employees (inclusive of GST)		**(467,807)**	(459,960)
Income tax paid		**(41,274)**	(65,750)
Interest received		**87,999**	72,686
Dividends received		**131,888**	125,264
Net cash from operating activities	26	**262,318**	216,692
Cash flows from investing activities			
Acquisition of financial assets		**(520,136)**	(1,223,548)
Proceeds from sale of financial assets		**2,033**	-
Net cash used in investing activities		**(518,103)**	(1,223,548)
Net decrease in cash and cash equivalents		**(255,785)**	(1,006,856)
Cash and cash equivalents at the beginning of the year		**380,715**	1,387,571
Cash and cash equivalents at the end of the year	11	**124,930**	380,715

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. Significant accounting policies

This financial report includes the financial statements and notes of Pacific Mining Limited (the "company"). The company is incorporated and domiciled in Australia. The financial report was authorised for issue by the Directors on 29th August 2014.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the company from 1 July 2013 is minimal, although there have been increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 has no impact on the presentation of the financial report of the company.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it has no material impact on the company.

1. Significant accounting policies (continued)

(a) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 has no material impact on the company.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 ‘Income Taxes’; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 has no material impact on the company.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').The financial report has been presented in Australian dollars.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(c) Operating segments

Operating segments are reported in manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

1. Significant accounting policies (continued)

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rental Income
Rental income from investment properties is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income.

Interest Income
Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

Dividend Income
Dividend income is recognised in the Statement of Profit or Loss and Other Comprehensive Income on the date the company’s right to receive payments is established which in the case of quoted securities is ex-dividend date.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

1. Significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(h) Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the fair value reserve in equity. Cumulative gain or loss previously reported in the fair value reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

1. Significant accounting policies (continued)

(h) Investments and other financial assets (continued)

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the fair value reserve.

(i) Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are stated at fair value.

Investment properties are derecognised when disposal of or when there is no future economic benefit expected.

The fair values have not been determined by an independent valuation instead the Directors at the end of each reporting period determine the fair value by considering the aggregate net annual rents receivable from the properties and applying a yield which reflects the specific risk inherent in the net cash flow. The yield applied to the Lane Cove property in the current period is 10.00% and for the comparative period is 10.00%, whilst the yield applied to the Thornton property in the current period is 9.93% and for the comparative period is 9.93%. Movements in fair value are recognised directly to profit or loss.

(j) Property, plant and equipment

Furniture and fittings is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on either straight line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office Furniture and Fittings	3 - 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(k) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

1. Significant accounting policies (continued)

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Employee benefits

Wages and salaries and annual leave

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

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Issued capital

Ordinary shares are classified as equity.

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

(p) Earnings per share

Basic earnings per share

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

1. Significant accounting policies (continued)

(q) Goods and services tax ('GST') and other similar taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

(r) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2014. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the company.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the company.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of the amendments from 1 July 2014 will not have a material impact on the company.

1. Significant accounting policies (continued)

(r) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the company.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the company.

Annual Improvements to IFRSs 2010-2012 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the company.

Annual Improvements to IFRSs 2011-2013 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the company.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investment properties
The fair values of investment properties are determined by the Board of Directors at the end of each reporting period by considering the aggregate net annual rents receivable from the properties and applying a yield which reflects the specific risk inherent in the net cash flow. The yield applied to the Lane Cove property in the current period is 10.00% and for the comparative period is 10.00%, whilst the yield applied to the Thornton property in the current period is 9.93% and for the comparative period is 9.93%.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision
As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. Segment information

Operating segments are presented using the "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The company has identified two operating segments, mining and investment segments. The business segment reporting format reflects the company's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, and corporate assets and expenses.
Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period. The company receives rental income, royalties, interest, dividend and trust distributions from these assets.

In dollars	Mining		Investment		Total	
	2014	2013	**2014**	2013	**2014**	2013
Segment revenue	**24,000**	24,000	**686,319**	651,208	**710,319**	675,208
Segment result	**(15,066)**	(14,644)	**402,947**	334,135	**387,881**	319,491
Net unallocated income and expense					**(67,120)**	(64,741)
Profit before tax					**320,761**	254,750
Income tax expense					**(47,828)**	(29,014)
Profit for the year					**272,933**	225,736
Segment assets	**61,825**	61,779	**8,209,373**	7,799,290	**8,271,198**	7,861,069
Total assets					**8,271,198**	7,861,069
Segment liabilities	**2,000**	2,000	**264,610**	228,047	**266,610**	230,047
Unallocated liabilities					**31,421**	30,273
Total liabilities					**298,031**	260,320
Segment acquisition of non-current assets	**-**	-	**520,098**	1,223,548	**520,098**	1,223,548
Total acquisition of non-current assets	**-**	-	**520,098**	1,223,548	**520,098**	1,223,548

	2014 $	2013 $
4. Revenue		
Rental revenue	**470,569**	449,408
Interest received	**63,091**	51,563
Dividend received	**131,888**	125,264
Trust distributions received	**20,771**	24,973
Mining lease fee	**24,000**	24,000
	710,319	675,208

5. Rental properties expenses

Direct operating expenses of investment property that generated rental income	**84,298**	116,076
	84,298	116,076

6. Personnel expenses

Wages and salaries	**33,493**	43,140
Superannuation	**42,897**	33,059
Directors fees	**7,000**	7,000
(Decrease)/Increase in provision for long service leave	**(1,396)**	1,143
	81,994	84,342

7. Other expenses

Rates and taxes	**3,885**	3,728
Other	**16,813**	15,956
	20,698	19,684

8. Auditors' remuneration

Auditors of the company

Audit and review of the financial report	**31,821**	30,950
	31,821	30,950

	2014 $	2013 $
9. Income tax expense		
Current tax expense	**33,470**	23,439
Deferred tax expense:		
Origination and reversal of temporary differences	**14,358**	5,575
Total income tax expense in Statement of Profit or Loss and Other Comprehensive Income	**47,828**	29,014
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**320,761**	254,750
Income tax expense at the statutory tax rate of 30% (2013: 30%)	**96,228**	76,425
Increase in income tax expense due to:		
Franking credits gross-up on dividends received	**16,530**	16,105
Decrease in income tax expense due to:		
Depreciation on buildings	**(8,936)**	(8,938)
Increase in investment property cost base	**(894)**	(894)
Franking credits on dividends received	**(55,100)**	(53,684)
Total income tax expense on pre-tax net profit	**47,828**	29,014
Deferred tax recognised directly in equity		
Relating to equity securities available for sale	**(37,480)**	(57,506)

10. Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year.

	2014	2013
Profit attributable to ordinary shareholders	**272,933**	225,736
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share		
Issued ordinary shares	**14,002,696**	14,002,696

Notes to the Financial Statements for the year ended 30 June 2014 (continued)

	2014 $	2013 $
11. Cash and cash equivalents		
Cash at bank and in hand	**124,930**	380,715
	124,930	380,715
12. Trade and other receivables		
Amount due from Director's – related entity		
- P.B. White Minerals Pty Ltd	**21,644**	-
	21,644	-
13. Other current assets		
Accrued income	**9,598**	13,735
Prepayments	**1,825**	1,779
Net rent receivable	**16,306**	25,692
Income tax receivable	**1,726**	-
	29,455	41,206
14. Other non-current assets		
Security deposit	**60,000**	60,000
15. Property, plant & equipment		
Plant and equipment		
At cost	**1,155**	1,155
Accumulated depreciation	**(1,149)**	(1,136)
Total plant and equipment	**6**	19
Reconciliations		
Movements in carrying amounts		
Carrying amount at the beginning of the year	**19**	56
Depreciation expense	**(13)**	(37)
Carrying amount at the end of the year	**6**	19
16. Available for sale financial assets		
Listed shares and units	**4,084,644**	3,407,296
Unlisted units	**102,245**	121,833
	4,186,889	3,529,129
Reconciliations		
Movements in fair value of financial assets		
Opening fair value at the beginning of the year	**3,529,129**	2,113,893
Additions	**520,136**	1,223,548
Disposal of investments	**(4,497)**	-
Fair value movement	**142,121**	191,688
Closing fair value at the end of the year	**4,186,889**	3,529,129

The fair value of investments is based on quoted market prices for listed shares and unit values and net tangible asset backing for unlisted units.

Refer to note 22 for further information on financial instruments

17. Investment properties

	2014 **$**	2013 $
Balance at the beginning of the year	**3,850,000**	3,850,000
Acquisitions	**-**	-
Fair value adjustments	**-**	-
Balance at the end of the year	**3,850,000**	3,850,000

The carrying amount of investment property is the fair value of the property as determined by the Directors at the end of each reporting period by considering the aggregate net annual rents receivable from the properties and applying a yield, which reflects the specific risk inherent in the net cash flow. The yield applied to the Lane Cove property in the current period is 10.00% and for the comparative period is 10.00%, whilst the yield applied to the Thornton property in the current period is 9.93% and for the comparative period is 9.93%. The fair values of the properties are not based on independent valuation.

Investment properties comprises of two commercial properties that are leased to third parties. Property interests held under operating leases are classified as investment properties.

18. Trade and other payables

	2014 **$**	2013 $
Current		
Trade creditors	**10,184**	10,050
Other creditors	**16,500**	16,050
Amount due to Director's – related entity		
- P.B. White Minerals Pty Ltd	**-**	10,371
GST payable	**8,787**	8,088
PAYG withholding payable	**2,031**	3,528
	37,502	48,087
Non – Current		
Security bond	**39,193**	39,193

19. Provisions

Provision for long service leave includes short-term benefits (expected to be settled no later than 12 months after 30 June 2014) and long-term benefits (expected to be settled after more than 12 months) as follows.

	2014 **$**	2013 $
Short-Term		
Long service leave	**2,643**	-
Long-Term		
Long service leave	**40,992**	45,030

20. Deferred tax assets and liabilities

	Opening Balance 1 July 2012 $	Charged to Income $	Charged directly to Equity $	**Closing Balance 30 June 2013 $**
Deferred tax liability				
Fair value adjustments	92,064	6,653	-	**98,717**
Other	17,269	(9,562)	-	**7,707**
	109,333	(2,909)	-	**106,424**
Deferred tax assets				
Financial asset revaluation	48,009	(7,492)	(57,506)	**(16,989)**
Provisions	13,166	343	-	**13,509**
Other	6,150	(1,335)	-	**4,815**
	67,325	(8,484)	(57,506)	**1,335**
Net deferred tax liability/(asset)	42,008	5,575	57,506	**105,089**

	Opening Balance 1 July 2013 $	Charged to Income $	Charged directly to Equity $	**Closing Balance 30 June 2014 $**
Deferred tax liability				
Fair value adjustments	98,717	10,123	-	**108,840**
Other	7,707	(1,541)	-	**6,166**
	106,424	8,582	-	**115,006**
Deferred tax assets				
Financial asset revaluation	(16,989)	(6,231)	(37,480)	**(60,700)**
Provisions	13,509	(419)	-	**13,090**
Other	4,815	874	-	**5,690**
	1,335	(5,776)	(37,480)	**(41,920)**
Net deferred tax liability/(asset)	105,089	14,358	37,480	**156,926**

21. Issued capital

The company has authorised share capital amounting to 1,000,000,000 ordinary shares.

	2014 $	2013 $
Issued and paid-up capital		
14,002,696 (2013: 14,002,696) ordinary shares, fully paid	**5,070,947**	5,070,947

Holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at shareholders' meetings. Shares have no par value.

Capital Management

Directors control the capital of the company in order to ensure that the company can fund its operations and continue as a going concern. The company's capital consists of its ordinary share capital.

There are no externally imposed capital requirements.

There have been no changes to capital or in the strategy adopted by Directors to control the capital since the prior year, the strategy being to minimise external borrowings.

22. Financial instruments

The company is exposed to changes in interest rates from its activities and changes in market prices relating to its available for sale financial assets. The financial instruments to which the company has financial risk exposure include cash, receivables, investments and payables.

The Board's current policy is not to enter into derivative financial instruments in order to hedge these exposures.

Interest rate risks

The company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities are set out below.

	Note	Weighted average interest rate	Total $
2013 Financial Assets			
Cash and cash equivalents	11	2.96%	380,715
Trade and other receivables	-	-	-
Other receivables	14	-	60,000
Financial assets	16	-	3,529,129
			3,969,844
2013 Financial Liabilities			
Trade and other payables	17	-	87,280
2014 Financial Assets			
Cash and cash equivalents	11	2.15%	124,930
Trade and other receivables	12	-	21,644
Other receivables	14	-	60,000
Financial assets	16	-	4,186,889
			4,393,463
2014 Financial Liabilities			
Trade and other payables	18	-	76,695

The Directors consider an increase in interest rates of 0.5 per cent is reasonably possible and would lead to an increase in the company's profit of $437 (2013: $1,333) and a decrease in interest rates of 0.5 per cent would lead to a decrease of $437 (2013: $1,333), assuming a flat tax-rate of 30 per cent.

Credit Risk Exposure

Credit risk on financial assets is minimised by dealing with recognised financial institutions with acceptable credit ratings. There is a concentration of credit risk in respect of trade debtors from mining and rental revenues. Mining revenue is earned from one source, whereas the rental revenue is earned from three tenants. The balance was within its terms of trade and no impairment was made as at 30 June 2014. The company has no reason to believe credit losses will arise, but the maximum amount of any loss which may be realised is the carrying amount of the financial instrument. The company does not hold any collateral.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. This risk is controlled through investment in financial instruments which are readily convertible to cash if required. In addition, the company's strategy is to minimize external borrowings and the company maintains sufficient cash and cash equivalents to meet normal operating requirements.

22. Financial instruments (continued)

Market Risk

Market risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The company can never be free of market risk as it invests in securities which are not risk free – the market price of these securities can fluctuate.

The Directors consider as reasonably possible a general fall in market prices of 5 per cent and 10 per cent, which if spread equally over all available for sale financial assets would lead to a reduction in the company's equity of $146,541 (2013: $123,520) and $293,082 (2013: $247,039) respectively, assuming a flat tax-rate of 30 per cent.

The company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors.

The current volatility in the Australian Securities Market has lead to a total increase in market value of the investment portfolio held at 30 June 2014 of $63,257.26 or 1.511% as at 12 August 2014.

	Security Code	12 August 2014 Market Value $	Percentage of Portfolio %
Bradken Limited	BKN	$106,849	2.514%
National Australia Bank Limited	NAB	$248,884	5.856%
Suncorp Group Conv Pref Shares	SUNPE	$104,020	2.447%
NABPB - Convertible Pref Share II	NABPB	$207,980	4.893%
Seven Group Holdings CRPS	SVWPA	$347,068	8.166%
Suncorp Notes	SUNPD	$522,500	12.294%
Suncorp Group Conv Pref Shares	SUNPC	$539,750	12.700%
Tabcorp Holdings Limited	TAH	$134	0.003%
Telstra Corporation Limited	TLS	$366,672	8.627%
Westpac Banking Corporation	WBC	$65,447	1.540%
WBCPD Westpac Capital Notes	WBCPD	$414,400	9.750%
Commbank Retail Bond	CBAHA	$502,800	11.830%
Commbank CBAPC - PERLS 6	CBAPC	$212,240	4.994%
Bendigo and Adelaide bank Conver Pref share	BENPD	$109,800	2.583%
ANZ Convertible Preference Shares	ANZPC	$88,868	2.091%
WBCPC Westpac CPS Share	WBCPC	$105,750	2.488%
AMP Unsecured Subordinated FRN	AMPHA	$209,400	4.927%
Brookfield Australian Opportunities Fund	BAO	$14,000	0.329%
Australian Unity Office Property Fund	IDOF	$83,584	1.967%
		$4,250,146	100.00%

The following tables detail the company's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
2014				
Financial Assets recurring fair value measurements	$	$	$	$
Ordinary shares	4,084,644	-	-	4,084,644
Public trusts	14,000	88,245	-	102,245
Total assets	**4,098,644**	**88,245**	-	**4,186,889**
2013				
Financial Assets recurring fair value measurements	$	$	$	$
Ordinary shares	3,407,296	-	-	3,407,296
Public trusts	24,000	97,834	-	121,834
Total assets	**3,431,296**	**94,834**	-	**3,529,130**

22. Financial instruments (continued)

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short term nature. The cash outflows for all financial liabilities equal carrying values as they are payable within 6 months.

23. Contingent liabilities

	2014 $	2013 $
Bank guarantees in respect of Silica mining leases	**60,000**	60,000

24. Dividends

No dividend has been paid or declared by the company, during the year ended 30 June 2014 or the previous financial year.

25. Operating leases

Leases as lessee

	2014 $	2013 $
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	**11,493**	11,181
Between one and five years	**1,706**	1,659
	13,199	12,840

The company leases a property under an operating lease.
Lease payments are increased every year by CPI.

During the financial year ended 30 June 2014, $11,181 was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in respect of operating leases (2013: $10,915).

Leases as lessor

	2014 $	2013 $
The company leases out its investment properties under operating leases. The future minimum lease payments under non-cancellable leases are as follows:		
Less than one year	**219,763**	299,920
Between one and five years	**627,410**	847,173
	847,173	1,147,094

During the financial year ended 30 June 2014, $470,569 was recognised as rental income in the Statement of Profit or Loss and Other Comprehensive Income (2013: $449,408) and $84,298 (2013: $116,076) in respect of property expenses was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income relating to investment properties.

26. Reconciliation of cash flows from operating activities

	2014 $	2013 $
Profit for the year after income tax	**272,933**	225,736
Adjustments for:		
Depreciation on plant & equipment	**13**	37
Loss on sale of assets held for sale	**2,464**	-
(Increase) in deferred tax liabilities recognised directly in equity	**(37,480)**	(57,506)
Operating profit before changes in assets and liabilities	**237,930**	168,267
Decrease/(Increase) in receivables	**(12,258)**	20,701
Increase/(Decrease) in payables and other current liabilities	**(10,083)**	9,684
Increase in employee benefits payable/(paid)	**(1,396)**	1,143
Decrease/(Increase) in other current assets	**4,091**	(3,873)
Increase in tax balances	**44,034**	20,770
Net cash from operating activities	**262,318**	216,692

27. Fair value reserve

	2014 $	2013 $
Fair value reserve	**53,215**	(46,270)

This reserve represents the unrealised fair value adjustment due to the movement in market value of the financial assets at the reporting date net of the unrealised tax on capital gains/(losses).

28. Subsequent events

No other matter or circumstance that has arisen in the interval between the end of the financial year and the date of this report has 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.

29. Capital commitments

There are no capital commitments as at the reporting date or for the corresponding period.

30. Company details

The registered office of the company is:

C/- Hall Consulting Group
Chartered Accountants
Level 4, 9 Help Street
Chatswood NSW 2067

The principal place of business is:

30B Billyard Avenue
Elizabeth Bay NSW 2011

The principal activities of the company are Mining and Investment.

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   b. give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date.

2. The financial statements and notes comply with International Financial Reporting Standards As disclosed in note 1(b).

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.

4. The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Peter B White
Director
Sydney 29th August 2014

BDO

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Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Pacific Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Pacific Mining Limited, which comprises the statement of financial position as at 30 June 2014, 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Accounting Standard 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pacific Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Pacific Mining Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies *with International Financial Reporting Standards* as disclosed in note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 9 of 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 Pacific Mining Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Craig Maxwell
Partner

Sydney, 29 August 2014

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ASX Additional Information
for the year ended 30 June 2014

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDING

A. DISTRIBUTION OF EQUITY SECURITIES

The shareholder information set out below was applicable as at 13 August 2014.

(a) analysis of numbers of shareholders by size of holding:

ORDINARY SHARES	
1 – 1,000	42
1,001 – 5000	99
5,001 – 10,000	32
10,001 – 100,000	25
100,001 – and over	7
	205

(b) There were 44 holders of less than a marketable parcel of ordinary shares.
(c) The percentage of the total holding of the twenty largest holders or ordinary shares is 94.09% (2013: 93.40%).

B. TWENTY LARGEST SHAREHOLDERS

An extract of the company's Register of Substantial Shareholders is set out below:

		No. Ordinary Shares Held	%
1.	P B WHITE MINERALS PTY LTD	9,139,990	65.27
2.	WHITEFAM INVESTMENTS PTY LIMITED	2,392,294	17.08
3.	AUSTRALIAN INDUSTRIAL SANDS PTY LTD	589,214	4.21
4.	MR ALEXANDER JAMES GREEN	171,000	1.22
5.	EVELIN INVESTMENTS PROPRIETRY LIMITED	162,000	1.16
6.	SEVEN BOB INVESTMENTS PTY LTD <R F CAMERON SUPER FUND A/C>	137,100	0.98
7.	WINPAR HOLDINGS LIMITED	129,500	0.92
8.	MS ELAINE HOPE REYNOLDS	81,300	0.58
9.	MR NICHOLAS PETER WHITE	57,000	0.41
10.	MR BRENDEN EDWARD CAPPER <B & J CAPPER SUPER FUND A/C>	53,300	0.38
11.	MR ANDREW TRISTAN WHITE	38,600	0.28
12.	BILYARA PTY LTD	30,000	0.21
13.	E C MCCARTHY & CO PTY LTD <EC MCCARTHY & CO S/F NO2 A/C>	30,000	0.21
14.	MR JOHN BALDWIN HOWE	30,000	0.21
15.	MISS ALEXANDRA BARBARA WHITE	27,500	0.20
16.	MR JOHN CAMERON	24,000	0.17
17.	TINTERN INVESTMENTS PTY LTD	22,000	0.16
18.	BECTIVE PTY LIMITED	20,000	0.14
19.	MRS EVELYN EVANS BRENNAN	20,000	0.14
20.	MS DENISE ANN DUNPHY	20,000	0.14
		13,174,798	94.09%

C. SUBSTANTIAL SHAREHOLDERS

An extract of the company's Register of Substantial Shareholders is set out below:

	Number and % of Shares in which Interest Held Ordinary	
NAME	**NUMBER**	**PERCENTAGE**
P.B. WHITE MINERALS PTY LTD	9,139,990	65.27%
WHITEFAM INVESTMENTS PTY LTD	2,392,294	17.08%

D. VOTING RIGHTS

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

E. AUDIT COMMITTEE

Due to the small size and scale of company activities, the Audit Committee's activities are undertaken by the Board of Directors of the company with the advice of external accountants.

F. SERVICE AGREEMENTS

No Service Agreements were in existence as at 30 June 2013, nor had the company made any loans or advances to any of the Directors of the company.

G. ON-MARKET BUY-BACK

The company does not have a current on-market buy-back in operation.

H. STOCK EXCHANGE

The company is listed on the Australian Securities Exchange. The Home exchange is Sydney.

I. OTHER INFORMATION

The company incorporated and domiciled in Australia, is a publicly listed company limited by shares.