Kalgoorlie
— MINING COMPANY —

KALGOORLIE MINING COMPANY LIMITED

(formally known as US Nickel Limited)
(ABN 44 091 009 559)

2011 ANNUAL FINANCIAL REPORT

Directors

Jonathan Murray	Non-Executive Chairman
Christopher Daws	Chief Executive Officer & Director
Peter George	Non-Executive Director
James Croser	Non-Executive Director

Company Secretary

Mr Maurice Catina CA

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ASX Code: KMC

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Chairman's Report

Dear Shareholders

The past year has seen significant advancements of Kalgoorlie Mining Company Limited ("KMC")'s Bullant Gold Project located North-East of Kalgoorlie.

Since completing the acquisition in late March 2011, KMC has rapidly assembled an experienced and hard working on-site management team and workforce; secured access to utility services and underground mining equipment and commenced mining operations. This culminated in KMC delivering its first shipment of ore to Barrick's Kanowna Belle Plant for processing at the end of August 2011.

The Company will continue its focus of further ore deliveries to the Kanowna Belle Plant whilst it continues funding discussions for the commissioning of its own gold treatment facility at the Bullant Project site. Underground and surface exploration will also continue aimed at increasing the mineral inventory.

The Company also continues to review its options for the Mid-Continent Project (U.S.A.) and the Snowbird Project (Canada) to realise a value outcome for shareholders.

The Company has seen some changes at Board level over the current financial year.

Mr Chris Daws assumed Chief Executive Officer responsibilities and has overseen the Bullant acquisition, mine recommissioning and development. He continues to promote KMC's own processing facility options and has assembled a close working and committed operational team out of our Kalgoorlie regional office. The Company's continued success rests with his ongoing commitment.

Mr Alex Hewlett resigned as a director in August 2011. Alex made a significant contribution to the recapitalisation of the Company and its change to mining focus. We wish him well with future endeavours.

The other important area for KMC is financial management. The Company has been successful in securing some highly experienced consultants to oversee and assist with financial, accounting and reporting matters. We see this as being a necessary governance process as mining operations ramp up.

As the Chairman of your Company and on behalf of the Board, I wish to thank our current executive, operational and financial teams for their drive and hard work over the previous 12 months. I look forward to their further contributions and the Company's continued and sustained development over the coming year.

Yours sincerely

Jonathan Murray
Chairman

This statement summarises the corporate governance practices adopted by the Board. Kalgoorlie Mining Company Limited's objective is to achieve best practice in corporate governance, and the Group's officers and employees are committed to achieving this objective.

In addition to the information contained in this statement, the Group's website at www.kalmining.com.au contains details of its corporate governance procedures and practices.

ASX Best Practice Recommendations

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have complied with the ASX Best Practice Recommendations in the reporting period. The recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where the Company considered it was not appropriate to presently comply with a particular recommendation the reasons are set out in the latter part of this statement.

Board of Directors

Role of the Board

The Board's primary responsibility is to oversee the Group's business activities and management for the benefit of shareholders by:

1. taking steps designed to protect the Group's financial position and its ability to meet its debts as and when they fall due;
2. adopting a strategic plan for the Group, including general and specific goals and comparing actual results with the plan;
3. adopting an annual budget for the financial performance of the Group and monitoring the results on a regular basis;
4. agreeing performance indicators with management;
5. ensuring that systems are in place which facilitate the effective monitoring and management of the principal risks to which the Group is exposed;
6. determining the Group has instituted adequate reporting systems and internal controls together with appropriate monitoring of compliance activities;
7. selecting, and if necessary, replacing the chief executive, setting an appropriate remuneration package, ensuring adequate succession and giving guidance and ratifying the appointment and remuneration of other senior management;
8. approving the remuneration package, incentive and bonus package and performance criteria for senior executives;
9. ensuring that the Group has in place a policy that enables it to communicate effectively with its shareholders, other stakeholders and the public generally;
10. adopting formal processes for the selection of new directors and recommending them for the consideration of shareholders at general meetings with adequate information to allow shareholders to make informed decisions; and
11. reviewing its own processes and effectiveness, and the balance of competence on the Board.

The Board has delegated responsibilities and authorities to management to enable management to conduct the Group's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits, require Board approval.

Board composition

The Board comprises of three non executive directors.

The directors are subject to election by shareholders. All directors are subject to re-election by rotation within every three years. The Group's Constitution provides that one-third of the directors retire by rotation at each AGM. Those directors who are retiring may submit themselves for re-election by shareholders, including any director appointed to fill a casual vacancy since the date of the previous AGM. The composition of the Board is reviewed at least annually to ensure the balance of skills and experience is appropriate. The skills, experience and expertise of the directors are set out in the Directors' Report.

Board composition (cont'd)

The names of the directors in office at the date of this Report, their status as non-executive, executive or independent directors, are set out in the Directors' Report.

Independence of non-executive directors

The Board considers an independent director to be a non-executive director who meets the criteria for independence included in the ASX Best Practice Recommendations. The Board considers that all the non directors meet these criteria. They have no material business or contractual relationship with the Group, other than as directors, and no conflicts of interest which could interfere with the exercise of independent judgement. Accordingly, they are considered to be independent.

Independent professional advice

The Board has adopted a formal policy on access to independent professional advice which provides that directors are entitled to seek independent professional advice for the purposes of the proper performance of their duties. The advice is at the Group's expense, subject to the prior approval of the Chairman. Advice so obtained is made available to all directors.

Meetings

The Board held 3 meetings during the reporting period. Senior management attended and made presentations at the Board Meetings as considered appropriate, and were available for questioning by directors.

Board committees

Due to the size of the Group the Board has not formally constituted an Audit Committee. The entire Board currently undertakes the duties of an Audit Committee which include:

- establishing and monitoring policies directed to ensure that the Group complies with the laws and confirms with the highest standards of financial and ethical behaviour;
- determining that the Group accounts are in conformity with Australian Accounting Standards and are true and fair;
- determining that satisfactory arrangements are in place for auditing the Group's financial affairs and the scope of the external audit is adequate;
- selecting and recommending auditors to shareholders at general meetings;
- making recommendations about accounting and disclosure policies and procedures;
- monitoring and assessing the entity's inherent control and business risk;
- assessing the impact of non-audit services on audit independence; and
- recognising the possibility of fraud and ensure that effective controls are established to safeguard corporate assets.

The Group's auditor is invited to attend the annual general meeting and the Group supports the principle of the auditor being available to answer questions on the conduct of the audit and the content of the audit report.

Similarly, due to its size, the Board has not formally constituted a Nomination Committee or Remuneration Committee. The whole Board conducts the functions of a Nomination Committee and Remuneration Committee.

Evaluation of Board performance

During the reporting period an evaluation of the Board was carried out on an informal basis which is considered appropriate given the Group's size and stage of development. As the activities of the Group develop, it will establish more formal evaluation procedures, including quantitative measures of performance.

Remuneration policies

Executive directors and key executives are remunerated by way of a salary or consultancy fees, commensurate with their required level of services. Non-executive directors receive a fixed monthly fee for their services as non-executive directors and those non-executive directors' fees are capped at $150,000 per annum.

Attendance at Board and Committee meetings

The attendance of directors at Board meetings during the year ended 30 June 2011 is detailed in the Directors' Report.

Managing business risks and internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility the Board has instigated an internal control framework that includes the following:

- Financial reporting – monthly management accounts together with a financial report are provided to the Board at each Board meeting. Periodic reports are provided to the Board. Quarterly, half yearly and annual reports are prepared in accordance with the Australian Accounting Standard and other authoritative pronouncement of the Australian Accounting Standard Board, Corporations Act and ASX Listing Rules.
- The Chief Executive Officer is required to confirm in writing that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results are in accordance with relevant accounting standards.
- The Group has written policies covering the conduct of its directors, employees, contractors and consultants, including the areas of health and safety.

Ethical standards

The Board is committed to promoting the practice of high ethical standards. All directors and employees are expected to act with the utmost integrity and objectivity striving at all times to enhance the reputation and performance of the Group, in the following areas:

- professional conduct;
- dealings with suppliers, advisers and regulators;
- dealings with the community; and
- dealings with other employees.

Trading in the Group's securities by Directors and Senior Executives

The Board has adopted a policy in relation to dealings in the securities of the Group which applies to all directors and senior executives. Under the policy, directors and senior executives are prohibited from trading in the Group's securities whilst in possession of inside information. Further, directors and senior executives may not deal in the Kalgoorlie Mining Company Limited's securities during the period of ten (10) days prior and two (2) after the lodgement of quarterly reports.

At any other time directors must notify the Chairman (or in the case of the absence of the Chairman, the remaining members of the Board of Directors) of any proposed transaction and must obtain clearance for the transaction to proceed. Senior executives may, at any other time, deal in the Group's securities, after first obtaining the consent of the managing director, and direct all communications to the company secretary.

Privacy

The Group has resolved to comply with the National Privacy Principles contained in the Privacy Act 1988, to the extent required for a company the size and nature of Kalgoorlie Mining Company Limited.

Information disclosure

The Board is committed to the promotion of investor confidence by ensuring that trading in the Group's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Group has procedures in place to ensure that all price sensitive information is

Information disclosure (cont'd)

identified, reviewed by management and disclosed to the ASX in a timely manner and that all information provided to the ASX is immediately available to shareholders and the market on the Group's website.

Analysts and press briefings are conducted following the release of half-year results, full-year results and major announcements and, from time to time, briefings with major shareholders are conducted in order to promote a better understanding of the Group. In conducting briefings, the Group takes care to ensure that any price sensitive information included in the content of briefings has already been made available to all shareholders and the market.

Shareholders

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Group. Information is communicated to shareholders through:

(i) continuous disclosure in the form of public announcements on ASX;
(ii) annual, half yearly and quarterly reports to shareholders;
(iii) investor briefings;
(iv) the meeting Chairman's address delivered at the Annual General Meeting;
(v) notices of all meetings of shareholders and explanatory notes of proposed resolutions; and
(vi) whenever there are other significant developments to report, by other means as well, such as by post or email.

In addition, information for shareholders is available on Kalgoorlie Mining Company Limited's website: www.kalmining.com.au, including recent announcements, news releases and financial reports for the last two years.

Shareholders are encouraged at annual general meetings to ask questions of directors and senior management and also the Group's external auditors, who are required to be in attendance.

Retirement benefits for Non-Executive Directors

The Group does not have any scheme relating to retirement benefits for non-executive directors.

ASX Guidelines on Corporate Governance

Pursuant to ASX Listing Rules the Group must provide a statement disclosing the extent to which the ASX best practice recommendations have been not been followed in the reporting period. The Group sets out below an explanation of the areas where Kalgoorlie Mining Company Limited does not presently comply with ASX best practice recommendations.

Board Committees

The Group does not presently have a separate Audit, Nomination or Remuneration Committee. However, the entire Board conducts the function of such committees. The duties of such committees have been considered and adopted by the Board. The Board invites persons with relevant industry and financial experience when required to assist them in carrying out the functions of such committees. The Group considers this arrangement to be appropriate having regard to its size and current level of activities.

Composition of the Board

Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

An independent director is a non-executive director (i.e. is not a member of management) and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or its subsidiaries, or been a director after ceasing to hold any such employment;
- is not a principal or employee of a professional advisor to the Company or its subsidiaries whose billings exceed a material amount of the advisor's total revenue;
- is not a significant supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. A significant supplier if defined as one whose revenues from the Company are a material amount of the supplier's total revenue. A significant customer is one whose amounts payable to the Company are a material amount of the customer's total operating costs;

- has no material contractual relationship with the Company or its subsidiaries other than as a director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company;

In accordance with the definition of independence above, the following directors of the Company are considered to be independent:

Name	**Position**
J Murray	Non-Executive Chairman & Director
P George	Non-Executive Director
J Croser	Non-Executive Director

There are procedures in place, agreed by the Board, to enable the Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director is as follows:

Name	**Term**
J Murray	1 year
P George	1 year
J Croser	1 year

When a Board vacancy exists, through whatever cause or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board will document the process behind a recommendation for a candidate or panel of candidates with the appropriate expertise. The Board then appoints the most suitable candidate who must stand for election at the next general meeting for shareholders.

The directors present their report together with the financial report of Kalgoorlie Mining Company Limited and its controlled entities ("the Group"), for the year ended 30 June 2011 and the auditor's report thereon.

Directors

The directors of the Group at any time during or since the end of the financial year are:

Mr Jonathan Murray *(LLB, B Comm)*
Non-Executive Chairman

Mr Jonathan Murray, aged 37, is a Partner of Steinepreis Paganin, an independent law firm based in Perth, Western Australia. Mr Murray specialises in equity capital raisings, all forms of acquisitions and divestments, governance and corporate compliance. Mr Murray graduated from Murdoch University in 1996 with a Bachelor of Laws and Commerce (majoring in Accounting), is a member of FINSIA (formerly the Securities Institute of Australia) and is currently also a Director of Peak Resources Limited, appointed 22 March 2011, Hannans Reward Limited, appointed 22 January 2010 and Laguna Resources NL, appointed 15 September 2009.

Mr Christopher Daws *(MAICD, SA Fin)*
Chief Executive Officer

Mr Christopher Daws, aged 39, has a strong background in finance and economics having spent 10 years involved in Australian equities and has worked within some of the largest broking organisations in the world. Mr Daws is an Affiliate Member of the Securities Institute of Australia. Mr Daws held the role of CEO for four years for ASX-listed Niagara Mining Limited (renamed Poseidon Nickel Limited) including as a director from November 2006 to July 2007. Mr Daws currently is a non-executive director of ASX Listed Spitfire Resources Limited, appointed 29 May 2007. Mr Daws was a non-executive director of Argent Minerals Limited, resigned 18 November 2011..

Mr Daws left the Australian securities industry in May 2001 after consenting to a permanent banning order from ASIC preventing him from acting as a securities dealer or representative. The factors which led to ASIC's decision to impose a permanent banning order include its findings from an investigation into Mr Daws' conduct as a securities adviser and Mr Daws' subsequent election not to complete the required study and 12 months strict supervision requirements in order to have the ban removed.

On 15 February 2006, the Administrative Appeals Tribunal (AAT) ruled that the permanent banning order should be revoked, and directed that ASIC accept, and Mr Daws enter into, an Enforceable Undertaking. The AAT determined that as Mr Daws is no longer in the securities industry, the relevant conduct occurred many years ago, and the ban had the unintended consequence that Mr Daws could not be appointed to the Board of companies, the permanent banning order should be revoked. The terms of the Enforceable Undertaking include further education and certain requirements in the event that Mr Daws re-enters the financial services industry. Details of this matter can be obtained from ASIC Media Release 06-375 located on the ASIC's website at www.asic.gov.au.

Mr James Croser (B.Eng)
Non-Executive Director

Mr James Croser, aged 38, is a qualified mining engineer with significant broad experience in the resources sector, particularly underground mining in hard rock. He was instrumental in the construction of the Frog's Leg Gold Mine for La Mancha Resources & has held mine management positions for La Mancha Resources & Perilya Limited as well as operational roles in some of Australia's largest underground contracting companies.

Mr Croser has not been a director of any other listed company in last three years.

Mr Peter George (B.Eng)
Non-Executive Director

Mr Peter George aged 37, is a qualified Mining Engineer with fifteen years of Australian and international experience in managerial, technical and consulting roles within the mining industry. He holds a Bachelor of Mining Engineering, a Graduate Certificate in Minerals Economics, is a holder of a WA First Class Mine Managers Certificate and is a member of the Australian Institute of Mining and Metallurgy. Mr George has held prior senior operational positions with Boliden Limited (Sweden) and since 2001 has been involved in progressing numerous projects through the feasibility study to construction process in a Senior position for consulting firm Rapallo Pty Limited. Mr George has most recently held the positions of managing Director for Rapallo Pty Limited and Director of Rock Team Pty Limited.

Mr George has not been a director of any other listed company in last three years.

Mr Alexander Hewlett (*BSc, MAICD, GAusIMM, GAIG)*
Executive Director - resigned 2 August 2011

Mr Alexander Hewlett, aged 28, is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and a member of the Australian Institute of Group Directors. Mr Hewlett was previously a geological consultant with CSA Global during 2008 in their resource evaluation division. Mr Hewlett has also held a prior position with Poseidon Nickel Limited from 2005 to 2007 and Northern Manganese Limited (formerly Groote Resources Limited) as non executive chairman & director.

Company Secretary

Mr Maurice Catina has been Company Secretary of Kalgoorlie Mining Company Limited for the past 3.5 years. He has been a chartered accountant for over 12 years.

Directors' Meetings

The number of directors meetings and the number of meetings attended by each of the directors of the Group during the year ended 30 June 2011 are:

	Board Meetings	
Director	Held while Director	Attended
Mr J Murray	3	3
Mr C Daws	3	3
Mr J Croser	3	3
Mr P George	3	3
Mr A Hewlett	3	3

There is presently no audit and remuneration committee as all issues are addressed by the full Board.

Principal Activity

The principal activities of the group are the exploration and mining of mineral deposits.

Review and Results of Operations

The consolidated entity incurred a loss of $6,374,073 after income tax for the year ended 30 June 2011 (2010: loss of $1,562,538).

The Board and Management of Kalgoorlie Mining Company Limited (ASX: KMC) is pleased to provide the following review of operations and activities of the Group over the 12 months, to 30 June 2011.

Key Achievements for FY 2010-2011

- Bullant Gold Project acquisition completed
- Bullant project mining operations progress
- Bullant exploration programs success
- Ore Purchase Agreement with Barrick Gold Corporation
- Ball mill acquired and successfully relocated to the Bullant Gold Project

Bullant Gold Project Acquisition Completed

The acquisition of the Bullant Gold Project from Argent Minerals Limited (Argent) (ASX: ARD) was formally completed on 25 March 2011.

Consideration for the acquisition was the issue of 44,000,000 fully paid ordinary Kalgoorlie Mining Company (KMC) shares to Argent, the transfer of 19,500,000 Argent shares held by KMC and the loan forgiveness of $2,550,000. As a result of the Group's acquisition of the Bullant project, it decided not to proceed with its previously announced proposed takeover offer for Argent. The agreement for KMC to acquire the Bullant project was unanimously supported by both the KMC and Agent Boards and approved by shareholders.

On completing the Bullant acquisition, the project became the Group's prime focus. KMC has embarked on a rapid process to commence mining operations at Bullant and implement exploration programs to expand the project's resource base. To better reflect the Group's gold focus, it formally changed its name from US Nickel Limited to Kalgoorlie Mining Company, in May 2011.

Bullant Project Mining Operations Progress

KMC has made significant progress with its mining and development plans for its flagship Bullant Gold project. The Group reported that first ore was brought to the surface in May 2011 and by the end of the June quarter 7,754 dry tonnes, for 637 ounces of gold (Au), had been stockpiled on the ROM pad awaiting contract crushing and grading in preparation for sale.

Ore which meets the Group's parameters for transportation and treatment will be sent to Barrick Limited's (Barrick) nearby Kanowna Belle Gold project for sale. Sub-grade ore will be stockpiled for treatment at the Group's own future gold processing facility.

The Group has established a fleet of machinery and equipment, which comprises a mixture of Group-owned, hire purchase and hired machinery, required to undertake all planned mining activities at Bullant.

Stabilization of the crown pillar, as per the government approved Project Management Plan (PMP) for the mine reopening, commenced in the June quarter, and is expected to be completed in the September quarter.

The number of personnel on-site at Bullant has increased since the acquisition of the project, as the Group ramped up its exploration and mining activities. At the time of writing this report, the Group was operating three eight hour shifts per day at the project. As at the end of the Annual Report period, KMC had 34 full/part-time operational staff working various shifts at the Bullant project and its Kalgoorlie regional offices. The Group anticipates further growth in its workforce numbers in the coming year, as project ramp up continues.

Bullant Exploration Programs Success

The Group undertook both underground and surface drilling programs at the Bullant project during the June quarter, and the drilling has been highly successful.

The underground drilling was designed to test the East Lode, and tested for strike and lateral extension as well as the continuity of the East Lode ore body. The results were released in May 2011 and showed that mineralisation was still present and that economic gold grades still exist in close proximity to each other. The East Lode is a sub-parallel Lode to Main Lode and remains relatively untested at depth. These gold intercepts highlighted that consistent grades and widths occur close to current mine development.

Surface exploration drilling commenced in May 2011 and concluded at the end of June 2011. Four exploration holes were drilled, for a total of 464 metres of Reverse Circulation (RC) pre collars and 952 metres of Diamond Drilling. The aim of this program was to infill and confirm confidence in areas subject to past historic drilling, and to also test possible depth and strike extensions in an area of the Main Lode situated outside the know interpretation of the Bullant Lodes.

Results from this program were received subsequent to the end of the Annual Report period, in July 2011, and have confirmed that ore grade mineralisation occurs to the south of the Bullant Mine, well beyond current drill-tested area at Bullant. As a result KMC plans to continue drilling the southern region of the project area.

The intent of the Group's exploration programs is to establish one million ounces of gold within its tenement package at Bullant.

Ore Purchase Agreement with Barrick Gold Corporation ("Barrick")

In June 2011, KMC entered into a non-binding ore purchase agreement with Barrick for the sale of the Group's Bullant gold ore to Barrick, for treatment at Barrick's nearby Kanowna Belle gold project. Subsequent to the end of the Annual Report period, in August, KMC and Barrick entered into a binding agreement, and later that month the first shipment of gold ore was delivered from the Bullant project to Barrick.

The first shipment was 10,507 dry tonnes of ore with recovered gold of 1,241 ounces. At the contracted sale price gross proceeds to the company will be approximately $2.1 million (before haulage and processing costs).

The Group has the opportunity to road transport between 5,000-20,000 tonnes of Bullant ore to the Kanowna Belle facilities per month for sale and processing. This arrangement is expected to stay in place until KMC has established its own gold milling facility at the Bullant project, anticipated to commence in 2012.

Ball Mill Acquired And Successfully Relocated To Bullant Project

In January 2011, the Group acquired a gold ball mill (and associated drives and pumps). The ball mill was located in Leonora, in Western Australia's goldfields region, and it was successfully relocated to the Bullant mine site, 75 kilometres north west of Kalgoorlie, in March 2011.

The gold ball mill will be a key component in the Group's plans to construct a 700,000 tonnes per annum gold processing plant at the Bullant Gold project. The purchase of the ball mill will have a positive impact on the total cost of the proposed milling facility at Bullant.

Other Projects

Having completed the acquisition of the Bullant Gold project, and commenced mining operations as well as undertaking ongoing exploration to expand the project, KMC has committed to the rapid development of the Bullant project as the Group's core focus to deliver rapid shareholder wealth. As such, it is actively seeking opportunities to divest its North American assets, the Snowbird project and the Mid-Continent project.

Share Issues And Placements

On 30 September 2010, the Group issued 12,031,671 shares at $0.15 per share raising $1,804,751 (before costs) under its 15% placement capacity rule.

On 9 October 2010, the Group issued 300,000 shares at $0.10 from the exercise of option holders with an expiration date of 31 December 2010

On 26 November 2010, the Group issued 500,000 shares at $0.10 from the exercise of option holders with an expiration date of 31 December 2010

On 23 December 2010, the Group issued 4,862,000 shares at $0.15 per share raising $729,300 (before costs) under its 15% placement capacity rule.

On or before 10 January 2011, the Group issued 1,925,000 shares at $0.10 from the exercise of option holders with an expiration date of 31 December 2010.

On 1 February 2011, the Group issued 13,790,000 shares at $0.15 per share raising $2,068,500 (before costs) under its 15% placement capacity rule.

On 28 March 2011, the Group issued 44,000,000 shares to Argent Minerals Limited shareholders as part of the transaction to acquire the Bullant Gold Project, 7,330,000 shares at $0.15 per share under a director placement raising $1,099,500, both transactions were approved by a shareholders' meeting held on 24 March 2011.

On 15 April 2011, the Group issued 30,000,000 shares (with an attaching 1 option for every 2 shares subject to shareholder approval) at $0.155 per share raising $4,650,000 (before costs) under its 15% placement capacity rule.

On 26 May 2011, the Group issued 30,000,000 shares (with an attaching 1 option for every 2 shares subject shareholder to approval) (before costs) at $0.155 per share raising $4,650,000 (before costs), approved by a shareholders' meeting held on 17 May 2011.

On 26 May 2011, the Group issued 29,999,977 listed options exercisable at $0.25 per option expiring on 31 May 2014 for participants in placements on 15 April 2011 and 26 May 2011, the transaction was approved by a shareholders' meeting held on 17 May 2011

On or before 24 June 2011, the Group issued 10,000,000 listed options exercisable at $0.25 per option expiring on 31 May 2014 to various broker firms in lieu of services provided at $0.005 per option for a total cost of $50,000.

Discussion on Financial Results

Revenues

Due to the preparation of the newly acquired mine for production, the company did not earn any revenue.

Results

The operating loss for the entire group was $6,374,073 (2010: $1,589,934). As part of the loss for the period, $1,473,612 was incurred on exploration of the North American tenements and $2,573,185, was spent on pre-production expenses.

Income Tax

Due to the current year losses and previous year losses, the Group does not expect to have a Group tax liability.

Balance Sheet

The Group had a working capital position of $4,341,179.

Dividends

No dividend has been declared or paid by the Group to the date of this report.

Environmental Regulation and Performance

The Group's activities are in Australia subject to any significant environmental regulations under either Commonwealth or State Legislation in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by any of its tenements. In respect of the Bullant mine development, the group has the necessary licences and permits to carry out these activities and has provided unconditional performance bonds to the regulatory authorities to provide for any future rehabilitation requirements.

The Group's activities in North America are not subject to any significant environmental regulations under either Federal or State Legislation.

However, the directors believe that the Group has adequate systems and procedures in place for the awareness and management of its environmental requirements, and are not aware of any breach of those requirements as they apply to the Group.

Share Options

At the date of this report, there were 47,599,977 unissued shares under options

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or of any related body corporate.

Events Subsequent to Reporting Date

On 20 July, the Group completed a drilling program which confirmed significant gold mineralisation of the Bullant "Main Lode", up to 300 metres from previous development and 250 metres below surface.

On 21 July 2011, the Group was granted 9 prospecting licences.

On 10 August 2011, the Group completed the dewatering of the Bullant Mine.

On 15 August 2011, the Group completed the first Gold Ore delivery.

On 31 August 2011, the Group recovered 1,241 ounces with an average grade of 3.95g/tonne, resulting in gross proceeds of approximately $2,100,000.

On 13 September 2011, the Group signed an Ore Treatment MoU with Phoenix Gold Limited, for the treatment of up to 300,000 tonnes pa of Phoenix Gold ore through the proposed Group's 700,000 tonnes pa Gold Mill.

On 16 September 2011, the Group increased its JORC Compliant Mineral Resources by 68% (100,800 ounces) bringing in a total mineral resource of 250,000 ounces.

On 22 September 2011, the Group commenced the process of securing debt funding for the Gold Mill for up to $35,000,000.

Likely Developments and Expected Results

The Company anticipates that production will continue to increase over the 2011/2012 year as the Company re-establishes full mine production at the Bullant Mine after closure by previous owners in December 2009. Exploration is ongoing and is likely to lead to additional gold ore being developed at the Bullant gold operations

The Company is progressing plans to build a 700,000 t/pa gold mill at the Bullant Gold mine. The gold mill construction is expected to commence in the 2011/2012 year on successful financing. Full permitting for construction of the gold mill is expected by June 2012.

Further information on likely developments in the operations of the group and expected results of operations have not been included in this report because the directors believe it would likely to result in unreasonable prejudice to the group.

Directors' Interests

The relevant interest of each Director in the shares and options issued by the Group at the date of this report is as follows:

Director	Ordinary Shares	Options
Mr J Murray	600,000	271,300
Mr C Daws	25,196,460	750,000
Mr J Croser	330,000	600,000
Mr P George	1,280,000	600,000

The above interests were held by the directors and or their associated entities.

Indemnification and Insurance of Directors Officers

During the financial period a controlled entity, on behalf of the Group, paid insurance premiums in respect of directors' and officers' liability insurance against liability, except wilful breach of duty, of a nature that is required to be disclosed under section 300(8) of the Corporations Act 2001. In accordance with the insurance policy, further details of the nature of the liabilities insured against and the amount of the premium are prohibited from being disclosed

Auditors Independence and Non-Audit Services

The Auditor's Independence Declaration is included on page 21 of the report.

The non-audit services as disclosed in Note 4 were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the type of non-audit service provided means that auditor independence was not compromised

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2011 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including and director (whether executive otherwise) of the parent company.

Details of key management personnel (including the highest paid executives of the company and controlled entities)

Directors

Murray, J

Daws, C

Croser, J

George, P

Hewlett, A (resigned 2 August 2011)

Executive

Ryan, D – was appointed as General Manager of KMC (Bullant) Pty Limited, a whole owned subsidiary of KMC on 24 March 2011

The Board as a whole is responsible for considering remuneration policies and packages applicable both to directors and senior executives of the Group. Broadly, the Group's remuneration policy is to ensure that any remuneration package properly reflects the person's duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature of each major element of the remuneration of each Director of the Group and the named officers of the Group are:

Structure

Non-executive directors

Fees paid to non-executive directors are determined using the following guidelines. Fees are:

- Determined by the nature of the role, responsibility and time commitment necessary to perform required duties,
- Not performance or incentive based but fixed amounts, and
- Determined by the desire to attract a well-balanced group of individuals with pertinent knowledge and experience.

In accordance with the Group's Constitution, the total amount of remuneration of non-executive directors is within the aggregate limit of $150,000 per annum as approved by shareholders at the 2010 Annual General Meeting. Directors may apportion any amount up to this maximum level amongst the non-executive directors as they determine. Remuneration consists of directors' fees, and superannuation contributions. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive directors do not participate in schemes designed for the remuneration of executives, do not receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and superannuation.

Details of remuneration are set out in the 2011 Remuneration Table.

Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make up of executive remuneration, the Board engages external consultants as needed to provide independent advice.

Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration comprising Short ('STI') and Long ('LTI') term incentives.

The proportion of fixed remuneration and variable remuneration for executive is set out in the 2011 Remuneration Table.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is review annually by the Board and the process consists of individual performance, relative comparative remuneration in the market and, where appropriate, external advice.

Structure
Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of executives is detailed in the 2011 Remuneration Table.

Variable Remuneration – Short Term Incentive (STI)
Objective
The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets.

Structure
Actual STI payments granted to each executive depend on the Board's assessment of the individual's performance and the performance of their business unit. The aggregate of annual STI payments available for executives across the Group is subject to approval of the Board.

For the year ending 30 June 2011 no STI payments were paid to executives.

Variable Remuneration – Long Term Incentive (LTI)
Objective
The objective of the LTI program is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are made to executives who are able to influence the generation of share wealth and thus have an impact on the Group's performance.

Structure
LTI grants to executives may be delivered in the form of share options or performance rights.

LTI options granted and the value of these options are detailed in the 2011 Remuneration Table.

Employment Contracts

Chris Daws
Mr Daws worked in the role of Corporate Development Officer, until the 25 May 2011, from that date onwards, Mr Daws was appointed to the role of Chief Executive Officer in accordance with the terms of an agreement.

Under the agreement Mr Daws is entitled to a base annual salary of $210,000 inclusive of superannuation and telephone allowance

The group may terminate the agreement by giving 3 months notice and Mr Daws is not entitled to any retirement benefits pursuant to the agreement.

Alex Hewlett
Mr Hewlett worked in the role of Chief Executive Officer, until the 25 May 2011, from that date onwards, Mr Hewlett was appointed to the role of Corporate Development Officer in accordance with the terms of an agreement.

Under the agreement Mr Hewlett is entitled to a base annual salary of $220,000 inclusive of superannuation and telephone allowance.

Mr Hewlett resigned on 2 August and was not entitled to any retirement benefits pursuant to his agreement.

David Ryan
Mr Ryan was appointed by the Group as General Manager – Bullant Mine on the 25 March 2011, in accordance with the terms of an agreement.

Under the agreement Mr Ryan is entitled to a base annual salary of $250,000 inclusive of superannuation and motor vehicle allowance.

The group may terminate the agreement by giving 3 months notice and Mr Ryan is not entitled to any retirement benefits pursuant to his agreement.

Remuneration Policy

The Board recognises that the performance of the Group depends upon the quality of its directors and executives. To achieve its operating and financial activities the Group must attract, motivate and retain highly skilled directors and executives.

The Group's policy for determining the nature and amount of emoluments of Board members and executives of the Group is assessed from time to time with reference to the mineral exploration industry market place and not directly linked to the Group's performance.

All directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% and do not receive any other retirement benefits.

The Board policy is to remunerate non executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board 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 Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are also able to participate in the Group's Employee Share Plan and Option Incentive Plan

Group's Employee Share Plan and Option Incentive Plan Terms of the Options are listed below and may be varied at the board's descretion;

(a) Each option, when exercised, entitles the holder to subscribe for and be allotted one Share in the Capital of the Group;
(b) The Options can be exercised in whole or in part, and if exercised in part multiples of 2,000 must be exercised on each occasion;
(c) Exercisable at 25 cents if exercised within 5 years of grant;
(d) Non-transferable unless exercised immediately on transfer;
(e) Each primary option will expire 5.00 pm Perth time 5 years after the date of grant;
(f) The Options do not confer on the holder any rights to participate in dividends until shares are allocated pursuant to the exercise of the Options;
(g) Upon the resignation or termination of the employee from the company, the employee will have 15 business days to exercise the options or the employee forfeits the right to retain the options;
(h) In the event of a reorganisation of the issued capital of the Group, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on the Optionholder which are not conferred on Shareholders;
(i) The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to the exercise of the Options so that, upon exercise of the Options the number of shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issues;
(j) Application will not be made for the Options to be granted quotation by ASX; and
(k) The options do not confer on the holder any right to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised.

Performance Based Remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages.

Group Performance, Shareholder Wealth And Directors' And Executives' Remuneration

The remuneration policy has been tailored to ensure goal congruence between shareholders, directors and executives. Kalgoorlie Mining Company aims to reward directors and executives with a level and mix of remuneration commensurate with their position and responsibility so as to align the interest of executives with those of shareholders and to ensure total remuneration is competitive by market standards. The Group believes this policy will be effective in increasing shareholder wealth.

2011 Remuneration Table

	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS	LONG SERVICE BENEFIT		
	Salary / fees $	Other Benefits $	Superannuation Benefits $	Options $	Long Service Leave $	TOTAL $	Performance Related %
Directors							
Mr J Murray	32,535	1,619	-	16,549	-	50,703	-
Mr C Daws	195,259	9,714	17,367	45,750	-	268,090	-
Mr P George	27,523	1,369	2,481	36,500	-	67,873	-
Mr J Croser	31,101	1,547	2,801	36,600	-	72,049	-
Mr A Hewlett	204,433	10,171	18,193	45,750	-	278,547	-
Executive							
Mr D Ryan	50,000	12,375	5,000	41,100	-	108,475	-
Total compensation	**540,851**	**36,795**	**45,842**	**222,249**	**-**	**845,737**	**-**

- Directors' Insurance premiums paid are included in the above table.

2010 Remuneration Table

	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS	LONG SERVICE BENEFIT		
	Salary / fees $	Other Benefits $	Superannuation Benefits $	Options $	Long Service Leave $	TOTAL $	Performance Related %
Directors							
Mr J Murray	2,500	144	-	-	-	2,644	-
Mr A Hewlett	173,299	10,003	10,149	-	-	193,451	-
M C Daws	144,424	8,337	12,748	-	-	165,509	-
Mr P George	2,294	132	206	-	-	2,632	-
Mr J Croser	2,294	132	206	-	-	2,632	-
Mr M Robson	32,500	1,876	-	-	-	34,376	-
Mr J Dollisson	35,000	2,020	-	-	-	37,020	-
Total compensation	**392,311**	**22,644**	**23,309**	**-**	**-**	**438,264**	**-**

- Directors' Insurance premiums paid are included in the above table.

Options and Rights Over Equity Instruments Granted as Compensation

During the year, 2,800,000 employee options, exercisable at $0.25 per option on or before 28 March 2016 were granted, no other options have been granted. All options expire at the earlier of their expiry date or within 15 workings days of the employees' employment completion.

Options Granted as Part Of Remuneration

During the year, 3,800,000 unlisted director and associates options, exercisable at $0.25 per option on or before 26 May 2016 were granted no other options were granted as part of remuneration to directors or associates.

End of Remuneration Report

Dated at Perth, Western Australia this 30th day of September 2011.

Signed in accordance with a resolution of the directors:

C Daws
Chief Executive Officer

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Auditor's Independence Declaration to the Directors of Kalgoorlie Mining Company Limited

In relation to our audit of the financial report of Kalgoorlie Mining Company Limited for the year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

P McIver
Partner
Perth
30 September 2011

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Statement of Comprehensive Income
for the year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Other income	2	**502,578**	98,778
Expenses from operating activities			
Production & development expenses		**(2,573,185)**	-
Administrative expenses		**(2,525,682)**	(1,261,202)
Marketing expenses		**(28,459)**	(13,301)
Exploration costs		**(1,473,612)**	(362,064)
Loss on revaluation of investments		**-**	(22,915)
Goodwill written Off		**-**	(105,759)
Foreign exchange (loss)/gain		**(275,713)**	76,529
Loss from continuing operations before income tax	3	**(6,374,073)**	(1,589,934)
Income tax	5	**-**	-
Net loss from continuing operation after income tax		**(6,374,073)**	(1,589,934)
Discontinued Operations			
Profit from discontinued operations after income tax	33	**-**	27,396
Net Loss for the year		**(6,374,073)**	(1,562,538)
Other comprehensive income			
Foreign currency translation reserve reclassified to profit and loss on disposal of foreign operation		**-**	50,707
Other comprehensive income for the year, net of tax		**-**	50,707
Total Comprehensive loss		**(6,374,073)**	(1,511,831)
Loss per share for loss from continuing operation attributable to the ordinary equity holders of the company:			
Basic loss per share	**6**	**(3.80 cents)**	(2.34 cents)
Diluted loss per share	**6**	**(3.80 cents)**	(2.34 cents)
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic loss per share	**6**	**(3.80 cents)**	(2.34 cents)
Diluted loss per share	**6**	**(3.80 cents)**	(2.34 cents)

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

Statement of Financial Position
as at 30 June 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
CURRENT ASSETS			
Cash and cash equivalents	7	**5,446,420**	4,417,778
Trade and other receivables	8	**8,044**	10,064
Inventories	9	**433,937**	-
Other assets	10	**423,584**	3,206
Investments held for trading	11	**-**	202,908
Total current assets		**6,311,985**	4,633,956
NON-CURRENT ASSETS			
Property, plant and equipment	13	**4,532,631**	10,724
Mine properties	14	**12,854,116**	-
Exploration and evaluation asset	15	**621,176**	621,176
Other assets	16	**920,399**	-
Total non-current assets		**18,928,322**	631,900
TOTAL ASSETS		**25,240,307**	**5,265,856**
CURRENT LIABILITIES			
Trade and other payables	17	**1,807,202**	125,819
Provision	18(a)	**105,133**	39,317
Other	19	**58,471**	358,472
Total current liabilities		**1,970,806**	523,608
NON-CURRENT LIABILITIES			
Provision	18(b)	**1,179,261**	-
Total non-current Liabilities		**1,179,261**	-
TOTAL LIABILITIES		**3,150,067**	523,608
NET ASSETS		**22,090,241**	**4,742,248**
EQUITY			
Contributed equity	20	**46,799,322**	23,662,656
Reserves	21	**756,910**	171,510
Accumulated losses	22	**(25,465,991)**	(19,091,918)
TOTAL EQUITY		**22,090,241**	**4,742,248**

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

Kalgoorlie
MINING COMPANY

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2011

Consolidated	Issued Capital $	Foreign Currency Reserves $	Option Premium Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2010	**23,662,656**	**-**	**171,510**	**(19,091,918)**	**4,742,248**
Loss for the year	-	-	-	(6,374,073)	(6,374,073)
Total comprehensive loss for the year	-	-	-	(6,374,073)	(6,374,073)
Transaction with owners in their capacity as owners					
Issue of shares	24,074,551	-	-	-	24,074,551
Capital raising costs	(937,885)	-	-	-	(937,885)
Issue of options	-	-	585,400	-	585,400
Balance as at 30 June 2011	**46,799,322**	**-**	**756,910**	**(25,465,991)**	**22,090,241**

Consolidated	Issued Capital $	Foreign Currency Reserves $	Option Premium Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2009	18,716,134	15,271	-	(17,529,380)	1,202,025
Loss for the year	-	-	-	(1,562,538)	(1,562,538)
Foreign currency translation	-	35,436	-	-	35,436
Foreign currency reserve relating to foreign operation disposed off	-	(50,707)	-	-	(50,707)
Total comprehensive loss for the year	-	(15,271)	-	(1,562,538)	(1,577,809)
Transaction with owners in their capacity as owners					
Issue of shares	5,130,000	-	-	-	5,130,0000
Capital raising costs	(183,478)	-	-	-	(183,478)
Issue of options	-	-	171,510	-	171,510
Balance as at 30 June 2010	**23,662,656**	**-**	**171,510**	**(19,091,918)**	**4,742,248**

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

Statement of Cash Flows
for the year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Cash Flows from Operating Activities			
Cash receipts in the course of operations		**-**	33,000
Cash payments in the course of operations		**(5,769,873)**	(1,569,100)
Interest received		**98,412**	37,661
Net cash used in operating activities	30	**(5,671,461)**	(1,498,439)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		**(2,137,228)**	(3,700)
Cash acquired on Bullant acquisition	12	**803,425**	-
Payments for Investments	12	**(3,902,282)**	(170,323)
Loans Advanced		**(2,350,000)**	(200,000)
Proceeds from Sale of Investments		**225,234**	89,214
Net cash used in investing activities		**(7,360,850)**	(284,809)
Cash Flows from Financing Activities			
Proceeds from issue of shares/options (net)		**14,336,666**	4,946,522
Repayment of finance lease		**-**	(5,010)
Net cash provided by financing activities		**14,336,666**	4,941,512
Net increase/(decrease) in cash held		**1,304,355**	3,158,264
Cash and cash equivalents at the beginning of the financial year		**4,417,778**	1,170,057
Effects of exchange rate fluctuations on the balance of cash held in foreign currencies		**275,712**	89,457
Cash and cash equivalents at the end of the financial year	30	**5,446,421**	4,417,778

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

1. CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Kalgoorlie Mining Company Limited ("KMC") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited. The financial report covers KMC and its controlled entities ("the Group"). The financial statements were approved by the Board on 30 September 2011.

The following is a summary of the material accounting policies adopted by the group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented unless otherwise stated.

(a) Basis of Preparation

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

The financial report has been prepared on an accruals basis and is based on historical cost basis except for held for trading investment which is measured at fair value.

The financial report is presented in Australian Dollars and all values are reported to the nearest dollar.

(b) Compliance With IFRS

The financial report complies with Australian Accounting Standard and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows:
The group has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2010.

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2010
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] effective 1 July 2010

None of the above amendments have had an impact on the group's financial statements.

(ii) Accounting Standards and Interpretations issued but not yet effective.
Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2011. These are outlined below:

- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]
- AASB 124 (Revised) Related Party Disclosures (December 2009)
- AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]
- AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]

- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]
- AASB 13: Fair Value Measurement
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard
- AASB 2011-9: Amendments to Australian Accounting Standards -Presentation of Items of Other Comprehensive Income - [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
- AASB 119 (Revised): Employee Benefits
- AASB 13: Fair Value Measurement
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard
- AASB 2011-9: Amendments to Australian Accounting Standards -Presentation of Items of Other Comprehensive Income - [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
- AASB 119 (Revised): Employee Benefits

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

(d) Summary of Significant Judgements, Estimates and Assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

(i) Assessment of mine life. The financial statements have been prepared on the basis that the resource supports continued operations for at least 5 years on the current market parameters and expectations.

(ii) Determination of mineral resources and ore reserves. The Group's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates or production costs may change the economic status of resources and may, ultimately, result in the resources being restated. Such changes in resources could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(iii) Impairment of property, plant and equipment. Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources;
- Future production levels;
- Future commodity prices and foreign exchange rates; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

(iv) Provisions for decommissioning and restoration costs. Decommissioning and restoration costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the appropriateness of the discount rate and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

(v) The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. An impairment loss of $Nil was recognised in the current year in respect of goodwill. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles are discussed in Note 12.

(vi) Share based payment transactions. The Group measures the cost of equity settled transaction with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a being binomial model. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of the assets and liabilities this reporting period but may impact on expenses and equity.

(vii) Trade receivables are reviewed and a provision for impairment loss is provided for on a specific case by case basis. Where the receivable is payable over an extended period without interest accruing the trade receivable is brought to account at its net present value.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Kalgoorlie Mining Company (KMC) and its subsidiaries for the period ended 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

All controlled entities have a 30 June financial year-end.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by KMC are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Revenue Recognition

Revenue is recognised and measured at fair value of the consideration to the extent it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods net of returns, discounts and allowances is recognised when there has been a transfer of risks and rewards to the customer.

Rendering of services

Revenue from rendering services is recognised in the period in which the service is provided.

Interest income

Interest income is recognised as it accrues.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

(g) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(h) Property, Plant and Equipment

(a) *Recognition and Measurement:*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment and are recognised net within "other income" in profit or loss.

(b) *Subsequent Costs:*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) *Depreciation*:

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

Site Buildings	4- 5 Years
Site Plant and Equipment	2- 5 Years
Office Equipment	2-5 Years
Leased assets	2-5 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(d) *Mine Properties and Development:*

Once a development decision has been taken, expenditure for the establishment of access to mineral reserves, together with capitalised exploration, evaluation expenditure, including an appropriate portion of related overhead expenditure directly attributable to the development property are capitalised and classified under non-current assets as "Mine properties and development."

No amortisation is provided in respect of mine properties and development until commercial production is declared by the Group (for new operations), or in which mining of a mineral resource has commenced.

After the commencement of production, amortisation of costs is provided on the unit-of-production method which results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves over the life of the mine.

(e) *Derecognition:*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(i) Intangibles

Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (k)). Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred.

A summary of the policies applied to the Group's intangible assets is as follows:

	Development Costs
Useful lives	Not Applicable (none recognised to date)
Method used	5 years – Straight line
Internally generated / acquired	Internally generated
Impairment test / recoverable amount testing	Amortisation method reviewed at each financial year-end; reviewed annually for indicator of impairment

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

At balance date, the Group has written down its intangible assets and does not carry any value attributable to such assets.

(j) Recoverable Amount of Non-Current Assets Valued on Cost Basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, the recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

(k) Impairment

(i) Financial Assets:

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is considered o be impaired if objective evidence indicates that once or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-Financial Assets:

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(m) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(n) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash consists of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade accounts payable are normally settled within 60 days.

(p) Leased Assets

Leases under which the Group assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance Leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by the repayments of the principal. The interest components of the lease payment are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(q) Employee Benefits

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and other entitlements represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

Provisions made in respect of other employee entitlements which are not expected to be settled within 12 months (such as long service leave) are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

Share-based payment transactions

An expense is recognised for all equity-based remuneration, including shares and options issued to employees and directors. The fair value of securities granted is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The fair value of options granted is measured using a generally accepted valuation model, taking into account the terms and conditions upon which the options were granted. The fair value of shares issued is measured based on relevant market prices.

(r) Foreign Currency

Both the functional and presentation currency of Kalgoorlie Mining Company Limited is Australian dollars (A$). The functional currencies of the overseas subsidiaries are as follows:

US Nickel North America, LLC	Australian dollars
US Nickel (Canada) Inc	Australian dollars

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date.

On consolidated any exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of the overseas subsidiaries are translated into the presentation currency of Kalgoorlie Mining Company Limited at the rates of exchange ruling at the balance sheet date and the income statements are translated at average exchange rates for the period. The exchange differences arising on the re-translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Comprehensive Income.

(s) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(t) Exploration and Evaluation Expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(u) Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(v) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics and the segments are similar in each of the following respects:

► Nature of the products and services

► Nature of the production processes

► Type or class of customer for the products and services

► Methods used to distribute the products or provide the services, and if applicable

► Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(w) Contributed Equity

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

	Consolidated 2011 $	Consolidated 2010 $
2. REVENUE		
Other income		
Interest income	**89,008**	47,064
Profit on sale of investments	**413,570**	51,714
	502,578	98,778

3. LOSS BEFORE INCOME TAX

	2011 $	2010 $
Individually significant items included in loss from ordinary activities before income tax benefit		
Depreciation – property, plant and equipment	**186,635**	3,080
Lease rental expense – operating leases	**44,020**	47,863
Employee benefits expense		
- Directors fees	**149,783**	120,191
- Wages and salaries	**1,728,218**	328,431
- Superannuation costs	**75,396**	27,718

4. REMUNERATION OF AUDITORS

	2011 $	2010 $
Amounts received or due and receivable by Ernst & Young Australia for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	**68,000**	45,000
Independents Accountant Report	**-**	30,000
	68,000	75,000

5. INCOME TAX

	2011 $	2010 $
(a) Income tax benefit	**-**	-
(b) Numerical reconciliation between tax benefit		
Loss from continuing operations before income tax benefit	**(6,374,073)**	(1,589,934)
Group income tax credit calculated at 29% (2010: 29%)	**1,832,546**	461,081
Tax effect on amounts which are not tax deductible:		
• Foreign Exchange	**-**	22,959
• Write of – Goodwill	**-**	(31,728)
• Provision & Accruals	**(537,432)**	(19,764)
• Revaluation of Listed Shares	**112,482**	(6,874)
• Receivables	**-**	2,821
• Employee Option Reserve	**(153,928)**	-
• Non Deductible Items	**(33,854)**	-
• Capital raising costs claimed	**54,908**	16,317
Future income tax benefit not brought to account	**(1,274,722)**	444,812
Income tax credit	**-**	-

	Consolidated	
	2011	**2010**
	$	**$**
(c) Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised:		
Unused tax losses	**3,016,746**	1,732,018
Provision & accruals	**237,020**	19,764
Share issue costs	**-**	16,317
Share revalued	**-**	(6,874)
Unrecognised deferred tax assets relating to the above temporary differences	**3,253,766**	1,761,225
Temporary differences for which deferred tax liabilities have been recognised:		-
Recognised deferred tax liabilities relating to the above temporary differences	**-**	**-**
Temporary differences for which deferred tax liabilities have not been recognised:		
Prepayments	**-**	1,380
Unrecognised deferred tax liabilities relating to the above temporary differences	**-**	**1,380**

(D) Tax Consolidation Legislation

Kalgoorlie Mining Company Limited has implemented the tax consolidation legislation as of 30 June 2011.

(e) Tax Rates

The potential tax benefit at 30 June 2011 in respect of tax losses not brought to account has been calculated at 30% for Australian entities. This same rate applied for the year ended 30 June 2010. In relation to the USA entity the potential tax benefit in respect of tax losses is calculated at 30%. In relation to the Canadian entity the potential tax benefit in respect of tax losses is calculated at 25%. The average tax rate applicable for the year ended 30 June 2011 is 29% (2010: 29%).

6. LOSS PER SHARE

The following reflects the income and share data used in the total operation's basic and diluted loss per share computations:

a) Loss used in calculating loss per share

	Consolidated	
	2011	2010
	$	$
Net loss attributable to ordinary equity holders of the parent	**6,374,073**	1,511,831

b) Weighted average number of shares

	W.A.N	*W.A.N*
Weighted average number of ordinary shares for basic earnings per share	**167,908,384**	64,608,162
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**167,908,384**	64,608,162

There are no instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

	Consolidated	
	2011	**2010**
	$	**$**
7. CASH AND CASH EQUIVALENTS		
Cash at bank	**5,446,420**	266,078
Bank fixed term deposits, maturing within 30 days and paying interest at rates between 4.25% and 4.75% (2010: 0.65% and 5.10%) per annum	**-**	4,151,700
	5,446,420	4,417,778
8. TRADE AND OTHER RECEIVABLES		
Current		
Interest Receivable	**-**	9,403
Other receivables	**8,044**	661
	8,044	10,064

At 30 June 2011, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days	+ 61days
2011	$ 8,044	$ 8,044	-	-
2010	$ 10,064	$ 10,064	-	-

	Consolidated 2011 $	2010 $
9. INVENTORIES		
Inventory at net realisable value	**433,937**	-
	433,937	-
10. OTHER CURRENT ASSETS		
Prepayments	**1,833**	2,147
Interest Accrual	**-**	699
Withholding Tax	**3,339**	-
BAS Refund	**418,412**	360
	423,584	3,206
11. INVESTMENTS HELD FOR TRADING		
Shares in listed entities – market value [Note 11(b)]	**-**	202,908
	-	202,908

(a) Investments in controlled entities	**Class of Shares**	**Beneficial Interest**
Kalgoorlie Mining Company (Bullant) Pty Limited	**Ordinary**	**100%**
US Nickel North America, LLC	**Ordinary**	**100%**
Western Metals (MN) LLC	**Ordinary**	**100%**
US Nickel (Canada) Inc	**Ordinary**	**100%**
WML Exploration BC Limited	**Ordinary**	**100%**

(b) Investments in listed entities	2011 $	2010 $
Indago Limited – at fair value	-	126,454
Contential Nickel Limited – at fair value	-	76,454
	-	202,908

12. BUSINESS COMBINATION

During the financial year, Kalgoorlie Mining Company Limited (KMC) acquired 19,500,000 shares in Argent Minerals Limited (Argent) for consideration of $3,902,282. This investment was transferred to Argent on the acquisition of Argent (Bullant) Pty Ltd (Bullant).

Effective 25 March 2011 KMC acquired a 100% interest in Argent (Bullant) Pty Limited, a company incorporated in Australia with the principal activities of exploration and mining of minerals. Consideration for the acquisition was the issue of 44,000,000 fully paid ordinary KMC shares to Argent with a fair value of $0.20 per share based on the quoted share price, the transfer of 19,500,000 shares, investment held for trading Argent held by KMC with a fair value of $0.22 based on quoted share price and the loan forgiveness of $2,550,000.

The fair values are provisional and a review of the fair value of assets acquired will be completed within the twelve months of the acquisition date. The provisional fair value of the assets acquired has not been tax affected due to non-availability of information at the time of reporting date.

	Provisional Fair value $	Carrying value $
Kalgoorlie Mining Company (Bullant) Pty Limited		
Cash	**803,425**	803,425
Other assets	**1,016,786**	1,016,786
Property, plant & equipment	**2,576,134**	2,427,074
Mine properties	**12,636,315**	5,139,456
Creditors & other payables	**(213,399)**	(213,399)
Provision – rehabilitation & restoration	**(1,179,261)**	(1,179,261)
Provisional fair value of identifiable net assets	**15,640,000**	
Fair value of the consideration:		
Shares issued at fair value	**8,800,000**	
Transfer of held for trading investment (Argent Mineral Limited)	**4,290,000**	
Loan forgiveness	**2,550,000**	
	15,640,000	
Direct costs relating to the acquisition (included in administration expenses)	**154,240**	
The cash outflow on acquisition is as follows:		
Net cash acquired with the subsidiary	**803,425**	
Cash paid	**-**	
Net consolidated cash inflow	**803,425**	

The consolidated statement of comprehensive income includes sales revenue and net loss for the year ended 30 June 2011 of $ Nil and $2,975,685 respectively, as a result of the acquisition of Argent (Bullant) Pty Limited. Had the acquisition of Argent (Bullant) Pty Limited occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and loss of $ Nil and $5,525,685 respectively.

	Consolidated	
	2011	**2010**
	$	**$**
13. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment, at cost	**3,668,519**	-
Less: Accumulated depreciation	**(170,976)**	-
	3,497,543	-
Motor Vehicle, at cost	**263,975**	-
Less: Accumulated depreciation	**(11,919)**	-
	252,056	-
Office Equipment, at cost	**98,980**	14,784
Less: Accumulated depreciation	**(7,869)**	(4,060)
	91,111	10,724
Mill Construction Equipment (WIP), at cost	**691,921**	-
Less: Accumulated depreciation	**-**	-
	691,921	-
Total fixed assets at net book value	**4,532,631**	10,724

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Plant and equipment		
Balance at beginning of year	**-**	-
Additions, Bullant Acquisition *(at fair value)* ***note 12***	**2,399,000**	-
Additions	**1,269,519**	-
Depreciation	**(170,976)**	-
Balance at end of year	**3,497,543**	-
Motor Vehicle		
Balance at beginning of year	**-**	-
Additions, Bullant Acquisition *(at fair value)* ***note 12***	**125,000**	-
Additions	**138,976**	-
Depreciation	**(11,920)**	-
Balance at end of year	**252,056**	-
Office Equipment & Furniture		
Balance at beginning of year	**10,724**	10,034
Additions, Bullant Acquisition *(at fair value)* ***note 12***	**43,550**	-
Additions	**45,396**	3,770
Depreciation	**(8,559)**	(3,080)
Balance at end of year	**91,111**	10,724

Mill Construction

Balance at beginning of year	**-**	-
Additions, Bullant Acquisition	**8,584**	-
Additions	**683,337**	-
Balance at end of year	**691,921**	-

14. MINING PROPERTIES

Balance at beginning of year	**-**	-
Additions, Bullant Acquisition (note 12)	**12,636,315**	-
Additions	**217,801**	-
Disposals/write-offs	**-**	-
Balance at end of year	**12,854,116**	-

15. EXPLORATION AND EVALUATION EXPENDITURE

Balance at beginning of year	**621,176**	-
Additions	**-**	621,176
Disposals/write-offs	**-**	-
Balance at end of year	**621,176**	621,176

16. OTHER ASSETS

Security Bond	**890,000**	-
Security Bond – Bank Guarantee Charge	**10,626**	-
Rental Bond	**19,773**	-
Balance at end of year	**920,399**	-

17. TRADE AND OTHER PAYABLES

Trade creditors	**983,048**	90,819
Other creditors and accruals	**824,154**	35,000
	1,807,202	125,819

18. PROVISIONS

18(a) Current Provisions		
Employee benefits	**105,133**	39,317
	105,133	39,317

The Group has 34 employees at 30 June 2011 (2010: 3).

18 (b) Non Current Provisions		
Rehabilitation and restoration costs	1,179,261	-
	1,179,261	-

Reconciliations

Reconciliations of the carrying amounts for each class of provisions are set out below:

Employee Benefits

Balance at beginning of year	**39,317**	39,317
Increase in provision	**65,816**	-
Balance at end of year	**105,133**	39,317

Rehabilitation and restoration costs

Balance at beginning of year	**-**	-
Acquired as part of Bullant Acquisition (note 12)	**1,179,261**	-
Balance at end of year	**1,179,261**	-

Provision for rehabilitation and restoration

Provision for rehabilitation and restoration represents management's assessment of expenditure to be incurred for the Bullant mine. Refer Note 1(b) (iv) for measurement and recognition criteria.

19. OTHER CURRENT LIABILITIES

Outstanding payment – Indago Limited	**-**	358,472
Sundry creditors	**58,471**	-
	58,471	358,472

20. CONTRIBUTED EQUITY

271,322,563 (2010: 126,583,893) fully paid ordinary shares	**46,799,322**	23,662,656
	46,799,322	23,662,656
Movements during the year		
Balance at the beginning of the financial year	**23,662,656**	18,716,134
- Shares issued for cash	**15,002,051**	4,150,000
- Exercise of unlisted options	**272,500**	980,000
- Shares issues as part of the acquisition of Argent (Bullant) Pty Limited (refer note 12)	**8,800,000**	-
- Capital raising costs	**(937,885)**	(183,478)
Balance at the end of the financial year	**46,799,322**	23,662,656

Options

The following listed options to subscribe for ordinary fully paid shares are outstanding at 30 June 2011:

- 39,999,977 options exercisable at $0.25 each on or before 31 May 2014.

The following listed options were granted during the year:

- 39,999,977 options exercisable at $0.25 each on or before 31 May 2014.

The following unlisted options to subscribe for ordinary fully paid shares are outstanding at 30 June 2011:

- 1,000,000 options exercisable at $0.30 each on or before 26 February 2013.
- 2,800,000 options exercisable at $0.25 each on or before 28 March 2016.
- 3,800,000 options exercisable at $0.25 each on or before 26 May 2016.

The following unlisted options were granted during the year:

- 2,800,000 options exercisable at $0.25 each on or before 28 March 2016.
- 3,800,000 options exercisable at $0.25 each on or before 26 May 2016.

The following unlisted options were exercised during the year:

- 2,775,000 options exercisable at $0.10 each on or before 31 December 2010.

The following listed options lapsed or were forfeited during the year:

- 4,500,000 options exercisable at $0.20 each on or before 31 December 2010.

	Consolidated	
	2011	2010
21. RESERVES	$	$
Reserves at the beginning of the year	**171,510**	15,271
Share Based Payment	**585,400**	171,510
Foreign exchange translation	**-**	35,436
Foreign currency reserve relating to foreign operation disposed off	**-**	(50,707)
Reserves at the end of the year	**756,910**	171,510

22. ACCUMULATED LOSSES

Balance at beginning of financial year	**(19,091,918)**	(17,529,380)
Net loss for the year	**(6,374,073)**	(1,562,538)
Balance at end of financial year	**(25,465,991)**	(19,091,918)

23. FINANCIAL INSTRUMENTS DISCLOSURE

Interest Rate Risk Exposures

Cash

Cash is comprised of funds held in short term deposits of $ Nil (2010: $4,151,700) maturing in less than one month and paying interest at 30 June 2011 of Nil% per annum (2010: 4.76% and 5.10%). Other funds of $ 5,446,420 (2010: $266,078) held in cheque and cash management accounts during the year earned interest at rates ranging between 0% and 4.75% per annum, depending on account balances.

Other than cash, all of the Group's financial assets are non-interest bearing.

(a) Interest Rate Risk

The Group's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

Consolidated

	Weighted Average Interest Rate	Variable Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
2011					
Financial assets					
Cash and cash equivalents	4.22%	**5,446,420**	**-**	**-**	**5,446,420**
Other financial assets		**-**	**-**	**421,751**	**421,751**
Trade and other receivables/Deposits		**-**	**-**	**8,044**	**8,044**
		5,446,420	**-**	**429,795**	**5,876,215**
Financial liabilities					
Trade and other payables		**-**	**-**	**(1,807,202)**	**(1,807,202)**
		-	**-**	**(1,807,202)**	**(1,807,202)**
Net financial assets		**5,446,420**	**-**	**(1,377,407)**	**4,069,013**

All receivables are under their agreed credit terms. None of them are past due or require further impairment.

	Weighted Average Interest Rate	Variable Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
2010					
Financial assets	2.88%				
Cash and cash equivalents		4,417,778	-	-	4,417,778
Investments held for Trading		-	-	202,908	202,908
Other financial assets		-	-	3,206	3,206
Trade and other receivables/Deposits		-	-	10,064	10,064
		4,417,778	-	216,178	4,633,956
Financial liabilities					
Trade and other payables		-	-	(523,608)	(523,608)
		-	-	(523,608)	(523,608)
Net financial assets		4,417,778	-	(307,430)	4,110,348

All receivables are under their agreed credit terms. None of them are past due or require further impairment.

Group

Credit risk exposures

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis. The credit risk on financial assets of the Group which have been recognised in the balance sheet is generally the carrying amount, net of any provision for doubtful debts.

At present, the current receivables recorded in the balance sheet include accrued interest on short term deposits, and trade debtors. The total credit risk exposure of the Group could be considered to include the difference between the carrying amount of the receivables and the realisable amounts.

The Group's main exposure is to the Group's former landlord at 4 Times Square which is payable over a four year period. The receivable has been stated in the annual report at its estimated net present value.

Foreign Currency Risk

The Group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than Australian dollars, the group's presentation currency.

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures to the United States Dollar and the Canadian Dollar.

The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements, and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

No sensitivity analysis has been made for foreign currency risk as the management is of the opinion that its impact is not material.

Net fair value of financial assets and liabilities

The financial assets and liabilities included in assets and liabilities in the balance sheet are carried at amounts that approximate net fair values.

The carrying amounts and net fair values of financial assets and liabilities as at 30 June 2011 are as follows:

Consolidated

	2011		2010	
	Carrying amount $	**Net fair value $**	**Carrying amount $**	**Net fair value $**
Financial assets				
Cash assets	5,446,420	5,446,420	4,417,778	4,417,778
Receivables – current	8,044	8,044	10,064	10,064
Investments held for trading	-	-	202,908	202,908
Other financial assets	421,751	421,751	3,206	3,206
Total financial assets	5,876,215	5,876,215	4,633,956	4,633,956
Financial liabilities				
Payables	1,807,202	1,807,202	(90,819)	(90,819)
Interest-bearing liabilities	-	-	-	-
Total financial liabilities	1,807,202	1,807,202	(90,819)	(90,819)
Net financial assets	**4,069,013**	**4,069,013**	4,543,137	4,543,137

	Consolidated 2011 $	Consolidated 2010 $
24. COMMITMENTS		
(a) Operating lease commitments		
Future operating lease rentals not provided for in the financial statements and payable:		
Not later than one year	**90,492**	3,264
Later than one year but not later than five years	**14,500**	-
	104,992	3,264
(b) Management contracts		
Future management contracts not provided for in the financial statements and payable:		
Not later than one year	**173,133**	93,635
(c) Capital commitment		
Not later than one year	**11,033,665**	-
Later than one year but not later than five years	**33,980,758**	-
	45,014,423	-
(c) Exploration commitment		
Not later than one year	**329,000**	972,000
Later than one year but not later than five years	**1,711,000**	1,458,000
	2,040,000	2,430,000

Spitfire Resources Limited

Spitfire Resources Limited and Kalgoorlie Mining Company Limited have a rental agreement in place for office used of $3,491.25 per month. Kalgoorlie Mining Company Limited may terminate the rental agreement by giving 1 month's written notice of its intention to terminate the rental agreement.

Fyson & Associates

Fyson & Associates and Kalgoorlie Mining Company (Bullant) Pty Ltd have a rental agreement in place for office used at 39 Porter Street, Kalgoorlie WA of $7,250 per month with an expiration date of 31 August 2012.

Cunningham Securities

Cunningham Securities has a contract to provide corporate advisory services to Kalgoorlie Mining Company Limited on a monthly advisory fee of $2,750 per month. Kalgoorlie Mining Company Limited may terminate this engagement on no fault basis by giving 3 months' written notice of its intention to terminate the engagement.

Pareto Capital

Pareto Capital has a contract to provide corporate advisory services to Kalgoorlie Mining Company Limited on a monthly advisory fee of $3,850 per month. Kalgoorlie Mining Company Limited may terminate this engagement on no fault basis by giving 3 months' written notice of its intention to terminate the engagement.

Mr Christopher Daws

Mr Christopher Daws and Kalgoorlie Mining Company Limited have an executive services agreement in relation to Mr Daws' employment with Kalgoorlie Mining Company Limited. Kalgoorlie Mining Company Limited may terminate this agreement by giving 3 months written notice of its intention to terminate the agreement being the amount of $70,000.

Mr David Ryan

Mr David Ryan and Kalgoorlie Mining Company Limited have an executive services agreement in relation to Mr Ryan's employment with Kalgoorlie Mining Company Limited. Kalgoorlie Mining Company Limited may terminate this agreement by giving 3 months written notice of its intention to terminate the agreement being the amount of $83,333.

25. CONTINGENT LIABILITIES

The Group currently has no contingent liabilities.

26. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel

(a) Details of Key Management Personnel

The key management personnel (KMP) of Kalgoorlie Mining Company Limited during the year were:

Murray, J

Daws, C - on 17 May 2011 appointed to the role of Chief Executive Officer, replacing Mr A Hewlett.

Croser, J

George, P

Ryan, D – was appointed as General Manager of KMC (Bullant) Pty Limited on 24 March 2011.

Hewlett, A - resigned as managing director on 17 May 2011 and resigned from the board of Kalgoorlie Mining Company Limited on 2 August 2011.

	Consolidated	
	2011	2010
	$	$
(b) Compensation for Key Management Personnel		
Short term employee benefits	**577,645**	414,955
Post-employment benefits	**45,842**	23,309
Share Based Payments	**222,249**	-
Total compensation	**845,736**	438,264

Equity Instruments

Option holdings

Unlisted Director Options

The movement during the reporting period in the number of options over ordinary shares held directly, indirectly or beneficially by each director and executive, including their personally-related entities, is as follows:

	Exercise Price	Expiry Date	Held at 1 July 2010	Issued	Exercise	Lapsed	Held at Date of Resignation	Held at 30 June 2011
2011								
Director								
Mr J Murray	**$0.25**	**17 May 2016**	**-**	**271,300**	**-**	**-**	**-**	**271,300**
Mr C Daws	**$0.25**	**17 May 2016**	**-**	**750,000**	**-**	**-**	**-**	**750,000**
Mr J Croser	**$0.25**	**17 May 2016**	**-**	**600,000**	**-**	**-**	**-**	**600,000**
Mr P George	**$0.25**	**17 May 2016**	**-**	**600,000**	**-**	**-**	**-**	**600,000**
Mr A Hewlett	**$0.25**	**17 May 2016**	**-**	**750,000**	**-**	**-**	**-**	**750,000**

	Exercise Price	Expiry Date	Held at 1 July 2009	Other	Exercise	Lapsed	Held at Date of Resignation	Held at 30 June 2010
2010								
Director								
Mr J Murray	-	-	-	-	-	-	-	-
Mr C Daws	-	-	-	10,000,000	(10,000,000)	-	-	-
Mr J Croser	-	-	-	-	-	-	-	-
Mr P George	-	-	-	-	-	-	-	-
Mr A Hewlett	-	-	-	10,000,000	(10,000,000)	-	-	-
Mr M Robson	-	-	-	500,000	(500,000)	-	-	-
Mr JA Dollisson	$0.60	30 Nov 2009	200,000	500,000	(500,000)	(200,000)	-	-

Equity Holdings and Transactions

Fully Paid Ordinary Shares

The movement during the reporting period in the number of ordinary shares held directly, indirectly or beneficially by each director and executive, including their personally-related entities, is as follows:

	Held at 1 July 2010	Held at date of appointment	Purchases	Received on exercise of options (i)	Sales	Held at date of resignation	Held at 30 June 2010
2011							
Director							
Mr J Murray	**100,000**	**-**	**500,000**	**-**	**-**	**-**	**600,000**
Mr C Daws	**14,043,780**	**-**	**14,637,680**	**-**	**3,485,000**	**-**	**25,196,460**
Mr J Croser	**200,000**	**-**	**130,000**	**-**	**-**	**-**	**330,000**
Mr P George	**215,000**	**-**	**1,065,000**	**-**	**-**	**-**	**1,280,000**
Mr A Hewlett	**11,314,200**	**-**	**1,182,420**	**-**	**-**	**-**	**12,496,620**

	Held at 1 July 2009	Held at date of appointment	Purchases	Received on exercise of options (i)	Sales	Held at date of resignation	Held at 30 June 2010
2010							
Director							
Mr J Murray	-	100,000	-	-	-	-	100,000
Mr A Hewlett	1,215,620	-	95,580	10,000,000	-	-	11,314,200
Mr C Daws	2,773,780	-	1,270,000	10,000,000	-	-	14,043,780
Mr J Croser	-	200,000	-	-	-	-	200,000
Mr P George	-	215,000	-	-	-	-	215,000
Mr J Dollisson	550,000	-	-	500,000	-	1,050,000	-
Mr M Robson	132,259	-	-	500,000	-	632,259	-

Listed Options

The movement during the reporting period in the number of listed options to purchase fully paid ordinary shares at 25c cents each up to 30 June 2011 held directly, indirectly or beneficially by each director and executive, including their personally-related entities, is as follows:

	Held at 1 July	Held at date of appointment	Purchases	Received on allotment	Sales	Held at date of resignation	Held at 30 June
2011							
Director							
None	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2010							
Director							
None	-	-	-	-	-	-	-

Other Transactions With The Group or Its Controlled Entities

A number of directors and executives, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Group or its subsidiaries during the financial year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

27. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Details relating to KMP, including remuneration paid, are included in note 26.

(b) Transactions With Related Parties

The following provides total amount of transactions that were entered into with related parties for the relevant financial year:

Mr Jonathan Murray is a partner in the legal firm, Steinepris Paganin. The firm provided legal services to the group up to end of 30 June 2011, to the value of $115,501.

28. SHARE-BASED PAYMENT

(a) Recognised share-based payment expenses
The expense recognised for employee services during the year is shown in the table below.

	Consolidated	
	2011	2010
	$	$
Expense arising from equity share-based transactions	535,400	-
Total expense arising from share-based payments	**535,400**	**-**

The share-based payment plan is described below. There have been no cancellations or modifications.

(b) General terms of share-based payment plans

The purpose of the Scheme is to:
- encourage participation by eligible participants in the group through share ownership; and
- attract, motivate and retain eligible participants.

The formula by which the entitlements of eligible participants shall be determined shall be at the absolute discretion of the directors and shall take into account skills, experience, length of service with the company, remuneration level and such other criteria as the directors consider appropriate in the circumstances.

Options issued under the scheme will be issued for no consideration.

The Group must comply with Chapter 6D of the Corporations Act at the time of that offer.

Determination by the Board
The Board, acting in its absolute discretion, may:
offer options to any eligible participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:
- the eligible participant's length of service with the group;
- the contribution made by the eligible participant to the group;
- the potential contribution of the eligible participant to the group; or
- any other matter the Board considers relevant; and
- impose conditions, including performance-related conditions, on the right of a participant to exercise any option granted.

(c) Summaries of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) and movements in employee share options during the year.

	2011 Number	2011 WAEP $	2010 Number	2010 WAEP $
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	6,600,000	0.25	-	-
Outstanding at the end of the year	6,600,000	0.25	-	-
Exercisable at end of the year	6,600,000	0.25	-	-

(d) Weighted average remaining contractual life

- 2,800,000 options over ordinary shares with an exercise price of $0.25, exercisable upon meeting the above conditions and until 28 March 2016.
- 3,800,000 options over ordinary shares with an exercise price of $0.25, exercisable upon meeting the above conditions and until 26 May 2016.
- The weighted average remaining contractual life for the share options outstanding as at 30 June 2011 is 4.83 years.

(e) Range of exercise price and weighted average share price at the date of exercise

The exercise price for options outstanding at the end of the 2011 year was $0.25.

There were no share options exercised during the year or in the previous year.

(f) Weighted average fair value

The weighted average fair value of options granted in 2011 was $0.0811.

(g) Option pricing model

The fair value of the unlisted options granted in 2011 was estimated at date of grant using a Binomial model and taking into account the terms and conditions upon which the options were granted. The following assumptions were used in the estimation:

	Director	Employee
• Risk free interest rate of	5.47%	5.23%
• Group share price of	$0.12	$0.19
• Dividend yield of	0%	0%
• Expected volatility	94%	100%
• Option exercise price	$0.25	$0.25
• Option duration	3.8 years	2.5 years

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

29. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of the internal report that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has identified its operating segments to be Australia, North America and Canada, on the basis of geographical location and different regulatory requirements.

Discrete financial information about each of these operating segments is reported to the chief operating decision makers on at least a monthly basis. The accounting polices used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts.

The following table present revenue and profit/loss information regarding geographical segments for the year ended 30 June 2011 and 30 June 2010.

Geographical Segments

	Net Assets		**Revenue**		**Profit/(Loss)**	
	30 June 2011	**30 June 2010**	**30 June 2011**	**30 June 2010**	**30 June 2011**	**30 June 2010**
	$	**$**	**$**	**$**	**$**	**$**
Australia	**23,564,950**	5,009,278	-	-	**(4,899,364)**	(1,198,312)
North America	**(566,387)**	(158,154)	-	-	**(566,387)**	(212,643)
Canada	**(908,322)**	(108,876)	**-**	**-**	**(908,322)**	(100,876)
Consolidated	**22,090,241**	4,742,248	**-**	**-**	**(6,374,073)**	**(1,511,831)**

	Consolidated 2011 $	2010 $
30. NOTES TO THE STATEMENTS OF CASH FLOWS		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents (refer Note 7)	**5,446,420**	4,417,778
Reconciliation of net cash flows from operating activities to loss after income tax		
Loss after income tax	**(6,374,073)**	(1,562,538)
Add non-cash items:		
Depreciation	**186,635**	3,080
Amounts set aside to provisions	**65,816**	65,882
Share base payment	**535,400**	-
Revaluation of investments	**(389,480)**	22,915
Other non cash items	**(117,212)**	(49,800)
Unrealised exchange loss/gain	**-**	(76,529)
Write down in value of intangibles	**-**	105,759
Interest income	**9,404**	9,403
Net cash used in operating activities before changes in assets and liabilities	**(6,083,510)**	(1,481,828)
Changes in assets and liabilities during the financial year:		
(Increase)/decrease in receivables	**(418,358)**	112,341
(Increase)/decrease in inventories	**(433,937)**	-
(Increase)/decrease in other assets	**(417,040)**	(1,315)
Increase /(decrease) in payables and other creditors	**1,681,384**	(127,637)
Net cash used in operating activities	**(5,671,461)**	(1,498,439)

31. PARENT ENTITY DISCLOSURES

	2011 $	2010 $
(a) Financial Position		
Current Assets	**5,365,934**	4,422,176
Non-current Assets	**21,579,359**	834,936
Total Assets	**26,945,293**	5,257,112
Liabilities		
Current Liabilities	**229,985**	512,643
Total Liabilities	**229,985**	512,643
Net Assets	**26,715,308**	4,744,469
Equity		
Issued Capital	**46,848,176**	23,660,345
Reserves:		
Share based payment reserve	**670,275**	134,875
Options	**221,510**	171,510
Accumulated Losses	**(21,024,653)**	(19,222,261)
Total Equity	**26,715,308**	4,744,469
(b) Financial Performance		
Loss for the year	**1,901,321**	1,410,138
Other comprehensive income	**-**	-
Total comprehensive income	**1,901,321**	1,410,138
(c) Commitments of the Parent Entity		
Operating lease	**-**	-
Within one year	**3,491**	3,264
Total	**3,491**	3,264

(d) Contingent Liabilities of the Parent Entity

The parent entity does not have any contingent liabilities.

32. SUBSEQUENT EVENTS

On 20 July, the Group completed a drilling program which confirmed significant gold mineralisation of the Bullant "Main Lode", up to 300 metres from previous development and 250 metres below surface.

On 21 July 2011, the Group was granted 9 prospecting licences.

On 10 August 2011, the Group completed the dewatering of the Bullant Mine.

On 15 August 2011, the Group completed the first Gold Ore delivery.

On 31 August 2011, the Group recovered 1,241 ounces with an average grade of 3.95g/tonne, resulting in gross proceeds of approximately $2,100,000.

On 13 September 2011, the Group signed an Ore Treatment MoU with Phoenix Gold Limited, for the treatment of up to 300,000 tonnes pa of Phoenix Gold ore through the proposed Group's 700,000 tonnes pa Gold Mill.

On 16 September 2011, the Group increased its JORC Compliant Mineral Resources by 68%, (100,800 ounces) bringing in a total mineral resource of 250,000 ounces.

On 22 September 2011, the Group commenced the process of securing debt funding for the Gold Mill for up to $35,000,000.

33. DISCONTINUED OPERATION

During the prior period the company decided to discontinue its principal activity of signage and other infrastructure for outdoor advertising industry; signage for corporate and retail customers; commercialisation of the business and intellectual property rights relating to the Lumagraph Display technology. There are no discontinued operations for the current period.

	Consolidated	
	2011	**2010**
	$	**$**
Revenue	-	-
Expenses	-	-
Gross profit loss	-	-
Other income	-	-
Operating expense	-	(23,311)
Foreign currency translation	-	50,707
Profit /(loss) before tax from discontinued operation	-	27,396
Income tax	-	-
Profit /(loss) for the year from discontinued operation	-	27,396
The net cash flows from discontinued operation		
Operating activities	-	23,311
Net cash flow	-	23,311

Kalgoorlie
— Mining Company —

Directors' Declaration

In accordance with a resolution of the directors of Kalgoorlie Mining Company Limited, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes and the Remuneration Report in the Directors Report set out on pages 14 to 20, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2011 and of their performance for the financial year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a); and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

On behalf of the Board

Christopher Daws
Director

30 September 2011

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Independent audit report to members of Kalgoorlie Mining Company Ltd

Report on the financial report

We have audited the accompanying financial report of Kalgoorlie Mining Company Limited, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the group it controlled at the year's end or from time to time during the financial year.

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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1b, 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 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 controls 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 controls. 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 have given to the directors of the company a written Auditor's Independence Declaration a copy of which is included in the directors' report.

Opinion

In our opinion:

- the financial report of Kalgoorlie Mining Company Limited is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the financial position of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1b.

Report on the remuneration report

We have audited the Remuneration Report included in pages 14 and 20 of the directors' report for the year ended 30 June 2011. 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 Kalgoorlie Mining Company Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

P McIver
Partner
Perth
30 September 2011

SHAREHOLDERS INFORMATION

Top Holders

The 20 largest registered holders of fully paid ordinary shares as at 15 September 2011 were:

Rank	Name	Units	% of Units
1	Moongold Pty Ltd	16,687,004	6.15%
2	Elefantino Pty Ltd <Talula A/C>	10,991,082	4.05%
3	Ms Nicole Gallin + Mr Kyle Haynes <Gh Super Fund A/C>	7,500,000	2.76%
4	Trangold Pty Ltd <Trangold Family A/C>	7,485,000	2.76%
5	Northerly Investments Pty Ltd	5,330,200	1.96%
6	Pannin Pty Ltd <The Selok Family A/C>	4,961,874	1.83%
7	Hsbc Custody Nominees (Australia) Ltd	4,652,371	1.71%
8	Ms Nicole Joan Gallin	4,000,000	1.47%
9	Ms Kylie Anne Campbell	3,551,157	1.31%
10	Lydian Enterprises Pty Ltd <Lydian A/C>	3,333,333	1.23%
11	Rembrae Mining Pty Ltd <Rembrae Family A/C>	3,000,000	1.11%
12	Chuntin Investments Ltd	2,898,332	1.07%
13	Cygnet Capital Pty Ltd	2,400,000	0.88%
14	Hahn Properties Pty Ltd <Hahn Asset A/C>	2,348,967	0.87%
15	Celtic Capital Pty Ltd <The Celtic Capital A/C>	2,100,000	0.77%
16	St Barnabas Investments Pty Ltd <The Melvista Family A/C>	2,025,405	0.75%
17	Social Investments Pty Ltd	2,000,000	0.74%
18	Mr Eddie Sugar	2,000,000	0.74%
19	Mr Clive Ledger Harcombe Hill + Ms Robin Sally Hill <Clive Hill Super Fund A/C>	1,966,000	0.72%
20	Mrs Janelle Ann Stanbury	1,849,576	0.68%
		91,080,301	**33.57%**

Distribution Schedule

The distribution schedule of holders of fully paid ordinary shares as at 15 September 2011:

Range	Holders	Units	% of Issued Capital
1 - 1,000	150	69,439	0.03%
1,001 - 5,000	363	1,229,873	0.45%
5,001 - 10,000	228	1,867,200	0.69%
10,001 - 100,000	940	40,021,327	14.75%
100,001 - 9,999,999,999	404	228,134,725	84.08%
Total	**2085**	**271,322,564**	**100.00%**

Holdings less than a marketable parcel of ordinary shares (being 4,646 as at 15 September 2011)

	Holders	Units
Minimum $ 500.00 parcel at $ 0.110 per unit	378	634,279

Shareholders Information

Top Holders

The 20 largest registered holders of listed options as at 15 September 2011 were:

Rank	Name	Units	% of Units
1	Northerly Investments Pty Ltd	5,775,100	14.44
2	Bardi Holdings Pty Ltd <Ddd A/C>	4,000,000	10.00
3	Hsbc Custody Nominees (Australia) Ltd	1,849,999	4.63
4	Cygnet Capital Pty Ltd	1,600,000	4.00
5	Jorac Pty Ltd	1,200,000	3.00
6	Mr Anthony John Vetter + Mrs Jeannette Vetter	950,000	2.38
7	Mr Eddie Sugar	750,000	1.88
8	Togolosh Pty Ltd	750,000	1.88
9	Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	643,750	1.61
10	Mr Clive Ledger Harcombe Hill + Ms Robin Sally Hill <Clive Hill Super Fund A/C>	633,000	1.58
11	Mr Jason Stanley Macdonald	603,225	1.51
12	Mr James Tantalos	547,531	1.37
13	Mrs Marissa Desley Moncada	525,000	1.31
14	Cs Fourth Nominees Pty Ltd	500,000	1.25
15	Mr Ben Martin Thomas Freedman	410,000	1.03
16	Majors Goroke Pty Ltd <A B Major Super Fund A/C>	390,000	0.98
17	Exit Out Pty Ltd <The Discretionary A/C>	338,740	0.85
18	B T & K R Ryan Pty Ltd <Superfund Account>	325,160	0.81
19	Hahn Adcl Pty Ltd <Hahn Superannuation Fund A/C>	325,000	0.81
20	Bill Brooks Pty Ltd <Bill Brooks Super Fund A/C>	322,540	0.81
		22,439,045	**56.10**

Distribution Schedule

The distribution schedule of holders of listed options as at 15 September 2011:

Range	Holders	Units	% of Issued Capital
1 - 1,000	1	240	0.001%
1,001 - 5,000	1	5,000	0.013%
5,001 - 10,000	2	16,140	0.040%
10,001 - 100,000	139	7,705,061	19.263%
100,001 - 9,999,999,999	70	32,273,536	80.684%
Total	**213**	**39,999,977**	**100.000%**

Holdings less than a marketable parcel of listed options (being 15,152 as at 15 September 2011)

	Holders	Units
Minimum $ 500.00 parcel at $ 0.0330 per unit	7	62,670

Unquoted equity securities

The following options over unissued shares under the Kalgoorlie Mining Company Limited Employee Option Plan are on issue:

Quantity	Terms	Holders
2,800,000	Exercisable at 25 cents each on or before 28 March 2016	11
3,800,000	Exercisable at 25 cents each on or before 26 May 2016	10

Following options over unissued shares are also on issue:

Quantity	Terms	Holders
1,000,000	Exercisable at 0.30 cents each on or before 26 February 2013	1

Shareholders Information

Tenement	Nature of Interest	%	Date Acquired	Acres
Bullant Gold Project, Kalgoorlie, Australia				
P16/2689	Hawkins Find	100%	25/03/2011	27.00
M16/44	Ora Banda	100%	25/03/2011	593.35
M16/45	Ora Banda	100%	25/03/2011	614.85
P16/2694	Balgarrie	100%	25/03/2011	200.00
P16/2695	Balgarrie	100%	25/03/2011	198.00
P16/2696	Balgarrie	100%	25/03/2011	200.00
P16/2697	Balgarrie	100%	25/03/2011	200.00
P16/2698	Balgarrie	100%	25/03/2011	173.00
P16/2699	Balgarrie	100%	25/03/2011	200.00
P16/2700	Balgarrie	100%	25/03/2011	181.00
P16/2701	Balgarrie	100%	25/03/2011	172.00

Tenement	Nature of Interest	%	Date Acquired	Acres
Snowbird Project (Norwest Territories, Canada)				
F91103	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91104	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91105	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91108	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91109	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91110	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91112	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91113	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91114	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91115	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91116	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91117	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91118	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91119	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91174	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F91175	Snowbird Mineral Exploration Claim	100%	26/02/2010	2582.50
F71990	Wendy Mineral Exploration Claim	100%	26/02/2010	2582.50
F71991	Wendy Mineral Exploration Claim	100%	26/02/2010	2582.50
F73310	Wendy Mineral Exploration Claim	100%	26/02/2010	2582.50
F73366	Wendy Mineral Exploration Claim	100%	26/02/2010	2582.50
K03803	Wendy Mineral Exploration Claim	100%	26/02/2010	2582.50
Mid- Continent Project (Minnesota, USA)				
WMMN00100	Cottonwood	100.00%	26/02/2010	231.00
WMMN00101	Cottonwood	100.00%	26/02/2010	151.00
WMMN00102	Cottonwood	100.00%	26/02/2010	232.00
WMMN00103	Cottonwood	100.00%	26/02/2010	120.00
WMMN00104	Cottonwood	100.00%	26/02/2010	153.00
WMMN00105	Cottonwood	100.00%	26/02/2010	160.00
WMMN00106	Cottonwood	100.00%	26/02/2010	70.00
WMMN00107	Cottonwood	100.00%	26/02/2010	152.00
WMMN00108	Cottonwood	100.00%	26/02/2010	40.00
WMMN00109	Cottonwood	100.00%	26/02/2010	80.00
WMMN00110	Cottonwood	100.00%	26/02/2010	160.00
WMMN00111	Cottonwood	100.00%	26/02/2010	154.00
WMMN00112	Cottonwood	100.00%	26/02/2010	236.00

Shareholders Information

Tenement	Nature of Interest	%	Date Acquired	Acres
WMMN00113	Cottonwood	100.00%	26/02/2010	191.00
WMMN00114	Cottonwood	100.00%	26/02/2010	147.00
WMMN00115	Cottonwood	100.00%	26/02/2010	96.00
WMMN00116	Cottonwood	100.00%	26/02/2010	237.00
WMMN00117	Cottonwood	100.00%	26/02/2010	152.00
WMMN00118	Cottonwood	100.00%	26/02/2010	155.00
WMMN00119	Cottonwood	100.00%	26/02/2010	160.00
WMMN00120	Cottonwood	100.00%	26/02/2010	160.00
WMMN00121	Cottonwood	100.00%	26/02/2010	160.00
WMMN00122	Cottonwood	100.00%	26/02/2010	95.00
WMMN00123	Cottonwood	100.00%	26/02/2010	68.50
WMMN00124	Cottonwood	100.00%	26/02/2010	155.00
WMMN00125	Cottonwood	100.00%	26/02/2010	18.00
WMMN00126	Cottonwood	100.00%	26/02/2010	37.50
WMMN00127	Cottonwood	100.00%	26/02/2010	179.00
WMMN00128	Cottonwood	100.00%	26/02/2010	113.00
WMMN00128	Cottonwood	100.00%	26/02/2010	85.00
WMMN00129	Cottonwood	100.00%	2/05/2010	80.00
WMMN00129	Cottonwood	100.00%	2/05/2010	80.00
WMMN00129	Cottonwood	100.00%	2/05/2010	40.00
WMMN00130	Cottonwood	100.00%	10/03/2010	314.00
WMMN00131	West Renville	100.00%	5/04/2010	120.00
WMMN00132	West Renville	100.00%	11/05/2010	20.00
WMMN00133	West Renville	100.00%	12/05/2010	160.00
WMMN00133	West Renville	100.00%	12/05/2010	55.00
WMMN00134	Cottonwood	100.00%	14/05/2010	8.20
WMMN00135	Cottonwood	100.00%	15/05/2010	8.27
WMMN00136	Cottonwood	100.00%	17/05/2010	16.49
WMMN00137	Cottonwood	100.00%	4/06/2010	115.00
WMMN00138	Cottonwood	100.00%	4/06/2010	6.89
WMMN00139	Cottonwood	100.00%	10/06/2010	80.00
WMMN00140	Cottonwood	100.00%	15/11/2010	N/A