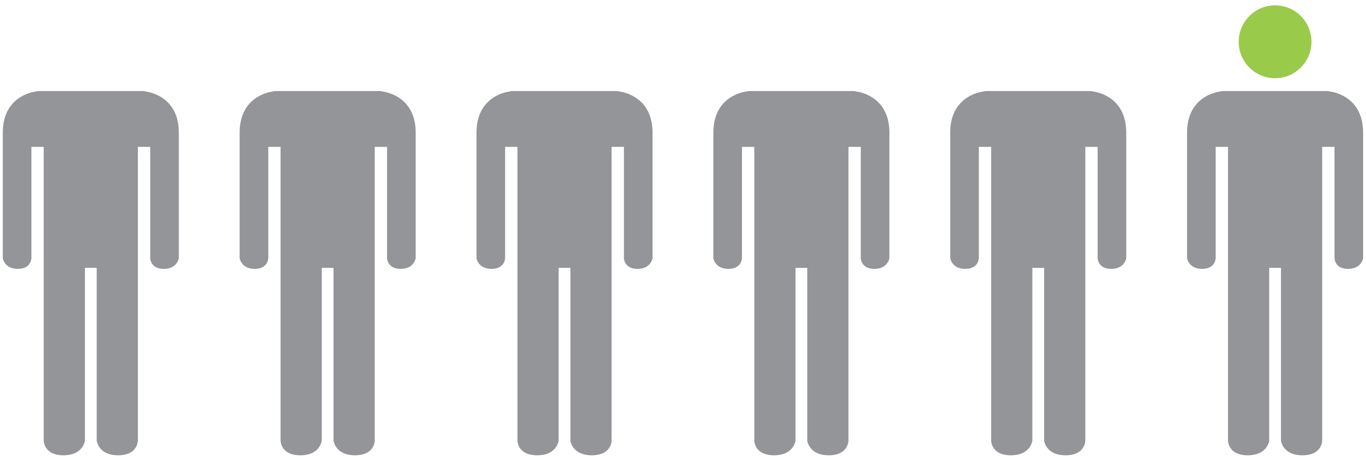

Keep your head when all around are losing theirs

Issue 93
Western Australian Stock Exchange Index

A review of Western Australian listed companies on the Australian stock exchange

Diggers & Dealers Special Edition

At 30 June 2009

Deloitte.

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Executive summary

Welcome to the 93rd edition of the Deloitte Western Australian Stock Exchange Index (Deloitte WA Index), a special Diggers & Dealers review of Western Australian mining stocks and indices over the last year. The market capitalisation of Western Australian companies featured in the Deloitte WA Index closed at $118.6bn at the end of June 2009.

Capital markets have continued to experience the negative effects of the reduced credit availability and the resulting change of sentiment towards future economic growth. The 2009 financial year initially saw a significant fall in the market, with all key indices falling over the year. The S&P/ASX200 experienced initial lows in late November 2008 with a modest recovery over the holiday period but once again falling to a five year low in early March 2009. The worst performing global index was the S&P500, which recorded an annual decline of 28.2% to June 2009. The Deloitte WA Index, which represents the market capitalisation of stocks in Western Australia, suffered a considerably greater decline, with a 38.5% fall over the period.

With a high dependence on resource based industries, Western Australia has been significantly affected by declining commodity prices. Despite fluctuations over the year, the year end price of gold was comparable to last year, whereas oil, nickel, zinc, lead and uranium all declined by 50.1%, 29.8%, 20.0%, 5.3% and 3.5% respectively. There has been continued deferral and abandonment of resource projects throughout the year as a result of falling commodity prices. However, a number of projects are still going ahead and with the AU$30bn Chevron Gorgon project expected to receive the green light shortly, activity in the Western Australian economy will be boosted.

Since its inception in 2000, the Deloitte WA Index has increased by 517.7% or at a compound annual growth rate of 19.6%.

In the final months of the 2009 financial year, capital markets have experienced both a positive rebound and significantly less volatility. Large reductions in official interest rates both in Australia and overseas have improved credit liquidity and availability, which combined with numerous local capital raisings, has contributed to a 30% increase in market capitalisation of Western Australian companies in the June 2009 quarter. This is the largest quarterly increase in the last ten years. With signs of liquidity returning to global credit markets, the global financial crisis appears to have abated. While subdued economic conditions exist, demand from China for commodities remains strong.

There were companies within the top 100 mining companies that experienced large rebounds from December 2008 to June 2009 including:

- Nkwe Platinum Ltd with an increase in market capitalisation from AU$21m to AU$153m (641.5% increase)
- Grange Resources Ltd increasing its market capitalisation from AU$39m to AU$225m (483.4% increase)
- Mantra Resources Limited which recorded an increase from AU$68m to AU$389m (470.4% increase).

'Movers and Shakers' for the full year include:

- Capalpa Resources Limited with an increase in market capitalisation from AU$16m to AU$117m (621.9% increase)
- Extract Resources Ltd with an increase in market capitalisation from AU$272m to AU$1.5bn (446.3% increase)
- Red Fork Energy Ltd with an increase in market capitalisation from AU$53m to AU$133m (150.7% increase).

Keith Jones
Managing Partner - Western Australia

Interview with George Jones

Chairman of Gindalbie Metals Limited

In this article Keith Jones talks with Mr George Jones, Chairman of Gindalbie Metals Limited (Gindalbie) about the latest developments at Gindalbie's cornerstone Karara Iron Ore Project (Karara project) in the Mid West region of Western Australia. They discuss the challenges the company has overcome in developing the Karara project to date and what the future holds for the Mid West region, Gindalbie and its Chairman.

Background to the company and the Karara project
Gindalbie is well advanced towards achieving its vision of becoming a substantial independent Australian iron ore producer by the middle of the next decade. The cornerstone of this strategy is the development of the A$1.8 billion Karara project in Western Australia's Mid West region through a 50:50 joint venture with AnSteel, one of China's leading steel and iron ore companies. Gindalbie also controls an extensive pipeline of exploration and growth opportunities within a 1,900 square kilometre tenement position in the Mid West region.

The Karara project will deliver a diversified product mix including high grade magnetite concentrate, blast furnace quality pellets and Direct Shipping Ore (DSO) hematite with production targeted for the second half of 2010. Gindalbie has an aggressive growth strategy to increase production of both magnetite concentrate and DSO quality hematite from the Karara project and other deposits in the Mid West region to a targeted level of more than 32Mtpa by the middle of the next decade.

George, recently there have been a number of significant company announcements on the progress of the Karara project, can you update us on the latest status of the project?
"A number of milestones have been announced in the last two months.

In late April 2009, the Environmental Protection Authority (EPA) recommended approval for the development of the Karara project, conditional on implementation of certain Ministerial conditions, most notably the exclusion of the Terapod hematite deposit from the mining area. Gindalbie subsequently announced it will be appealing against some of the conditions and recommendations of the EPA including the exclusion of the Terapod deposit. Once the appeal is heard the recommendation will be referred for Ministerial approval. It is hoped this final approval process can be resolved in the next month.

During May we announced the company had gained FIRB approval for the A$162m share placement to Chinese joint venture partner AnSteel which was followed in June by formal Chinese government approval for the share placement. Importantly, once the share placement is completed the partners will be able to make their final equity contributions of A$143.7m each to complete the equity component of the financing package required for the project. The balance of the capital required for the Project will be provided through a Project Loan Facility of up to US$1.2 billion to be provided by the China Development Bank (CDB). Conditional approval was received for this Project Loan in January this year.

These are significant milestones in terms of our goal to bring the Karara project into construction in the December quarter of this year. Engineering is well advanced and contracts and orders for long lead items totalling more than $150 million have been placed."

It has taken longer than expected to reach the construction phase for the project, it must have been frustrating at times?
"The announcements in recent months represent the culmination of several years hard work and unwavering persistence to realise our vision for the Karara project. It is fair to say it has probably taken us twelve months longer than we initially expected to reach the current stage and the approvals process has been difficult and frustrating at times. The current government have been very supportive and appear committed to developing the Mid West region and creating employment opportunities."

Infrastructure has been a hot topic in Western Australia for those seeking to develop mining projects, particularly for those located in the Mid West region. Can you outline for us the progress Gindalbie has made in addressing infrastructure requirements for the Karara project?
"As a company we are relatively well advanced in terms of our infrastructure requirements.

In terms of port capacity there is currently adequate spare capacity at the Port of Geraldton to export iron ore products from the Karara project to the Joint Venture Pellet Plant in China and to AnSteel's recently commissioned Steel Mill in Bayuquan based on our initial production target of 10 mtpa. Facilities upgrades planned at the port will raise throughput capacity to 14 mtpa. As part of the FIRB approval, Gindalbie and AnSteel have undertaken to support the development of Oakajee Port and use the new deepwater port when it becomes available to enable the company to expand the Karara project production towards our goal of 35 mtpa.

Rail solutions have been identified to transport iron products from the Karara project to Geraldton Port for shipping. We plan to upgrade the existing rail infrastructure to handle the volumes we require. Part of the solution involves building a new 85 kilometres spur line from the Karara project to Tilley Siding, near Morawa. An existing rail line runs from Morawa to Geraldton. The rail connection to Geraldton is currently open access to third party users. A connecting rail system to Oakajee Port will be required in the future once the new port is built.

In terms of power requirements the project will utilise the existing South West Interconnected System (SWIS) network with a long-term energy supply agreement signed with Verve Energy back in 2007. The Karara project will contribute to fund the upgrade, from 132kV to 330kV, of the existing power infrastructure from Eneabba to Koolanooka and will design and construct the remaining 330kV transmission line, substation and reticulation to the Karara project site. The upgrading of the power infrastructure will be sufficient for the start-up of the Karara project, its future production expansion plans as well as bringing a robust transmission grid into close proximity of Gindalbie's other 100% owned tenements in the region.

In the future Gindalbie may potentially look at options to create a separate infrastructure company which could be separately debt and equity funded by third parties.

More generally I believe that once the major infrastructure developments planned for the Mid West are in place stranded deposits will become viable projects and lead to significant employment opportunities and growth in the region."

Your partnership with AnSteel has been important in developing the Karara project and was founded on your dealings with Chinese companies over a long period of time. From your perspective what are the key factors in developing such a successful relationship?

"My dealings with China started over 15 years ago during my time as Chairman and Managing Director at Portman Limited when I saw first-hand the early signs of the rapid acceleration of domestic growth in China we have witnessed in recent years. The potential for Australian mining companies to benefit from China's re-emergence was evident given our close geographic proximity and relations between the two countries. China now has an important role in providing the funding to develop mining projects which otherwise would not be capable of development.

The Karara project is an example of how Chinese investment can help maximise the value of Australia's resources sector, and in this instance, help to generate a new value-added commodity product for Western Australia in the form of a high-grade magnetite concentrate. As part of our joint venture with AnSteel, Gindalbie will be the half-owner of a pellet plant to be built in China, highlighting the mutually beneficial nature of the relationship.

As a partner, AnSteel has always been very supportive of Gindalbie's goal to become a major resources company in our own right and AnSteel have honoured every commitment they have ever made. They have been very professional in their negotiations with us and we have developed a strong relationship based on mutual trust and persistence."

What is your view on the prospect for consolidation amongst Chinese steel mills?

"Personally I believe it is likely to happen and it will potentially have a positive impact on the development of further Australian iron ore projects as the larger mills are more willing and capable from a funding perspective to invest in new projects."

So what does the immediate future hold for Gindalbie and for yourself?

"The company has taken a key step towards development of Australia's first operational magnetite project and will continue to pursue our goals for the Karara project. Gindalbie is well advanced towards achieving its vision of becoming a substantial independent Australian iron ore producer by the middle of next decade and there are exciting times ahead.

Personally I have just announced that I will be retiring from my position as Chairman of Gindalbie and also of Sundance Resources Limited effective from 31 August 2009. This is to enable me to focus on completing my rehabilitation from a previous medical operation. It comes at a convenient time having advanced the Karara project to its current stage which has been a tremendously satisfying and rewarding experience. Now is an appropriate time for a change of pace but it is not intended to be a permanent retirement. Rest assured I intend to return and remain active in the industry."

Deloitte WA Index performance against the ASX All Ordinaries and Overseas Indices

Share market indices around the world recorded some of their worst performances on record in the past year. The Deloitte WA Index experienced the greatest decline down by 38.5% for the period whilst the All Ordinaries Index was down by 26.0%. Of the overseas share market indices the US S&P 500 had the greatest fall, down 27.9%. The Nikkei and the FTSE 100 were also down by 26.1% and 23.7% respectively.

	Last Month	Last 3 months	Last 6 months	Last 12 months	Since May 00
Deloitte WA Index	5.9%	29.5%	57.7%	-38.5%	273.1%
Deloitte WA Mining Index	11.0%	51.6%	94.1%	-50.4%	625.4%
All Ordinaries	3.5%	11.8%	7.9%	-26.0%	29.8%
US S&P 500	2.2%	17.7%	4.1%	-27.9%	-34.7%
FTSE 100	-3.5%	10.1%	-2.4%	-23.7%	-32.6%
Nikkei	4.6%	22.8%	12.4%	-26.1%	-39.0%
ASX 300 Resources	0.2%	11.2%	21.3%	-32.3%	271.0%

Source: Bloomberg

The Deloitte WA Index was down by 38.5% for the year ended 30 June 2009, driven lower by a fall in commodity prices. Fortescue Metals Group Ltd experienced the largest decline in its market capitalisation, down by a massive AU$21.7bn (64.9%) for the year. Other iron ore producers also experienced major falls as global demand for steel fell. Aquila Resources Limited fell by 64.9% (AU$2.7bn) and Mount Gibson Iron Limited was down by 61.4% (AU$1.5bn). Lower commodity prices and less mining activity impacted directly on the fortunes of engineering companies. Macmahon Holdings Limited was down by 72.0% (AU$642m) and VDM Group Limited fell by 86.4% (AU$111m). Energy stocks also fell during the period on the back of lower oil prices. Woodside Petroleum Limited was down by AU$15.8bn (34.0%) and Cityview Corporation Limited was down 90.4% (AU$61m).

The All Ordinaries Index fell by 26.0% for the year. Again the biggest falls were in the mining industry with Australia's biggest company BHP Billiton Limited down by 23.7% (AU$55.6bn). However, this fall was eclipsed by that of Rio Tinto Limited, which was down an astonishing 57.6% (AU$107.9bn). The fall in Rio's market capitalisation was partly due to the fall in commodity prices but it was also due to concerns over Rio's debt level following its acquisition of Alcan Inc. in the second half of 2007. Engineering and Construction stocks again suffered due to the slowdown in mining activity with Leighton Holdings Limited and Worley Parsons Limited down by 50.5% (AU$7.1bn) and 36.5% (AU$3.2bn) respectively.

The FTSE 100 Index fell by 23.7% over the previous 12 months. Once again it was dragged lower by falls in the mining industry and the oil and gas sector. BP PLC experienced the greatest fall in the oil and gas sector down by £18.7bn (17.0%). The Telecommunications industry also experienced a significant decline during the period with BT Group PLC down 22.1% (£17.5bn) and Vodafone Group PLC down 22.1% (£17.5bn).

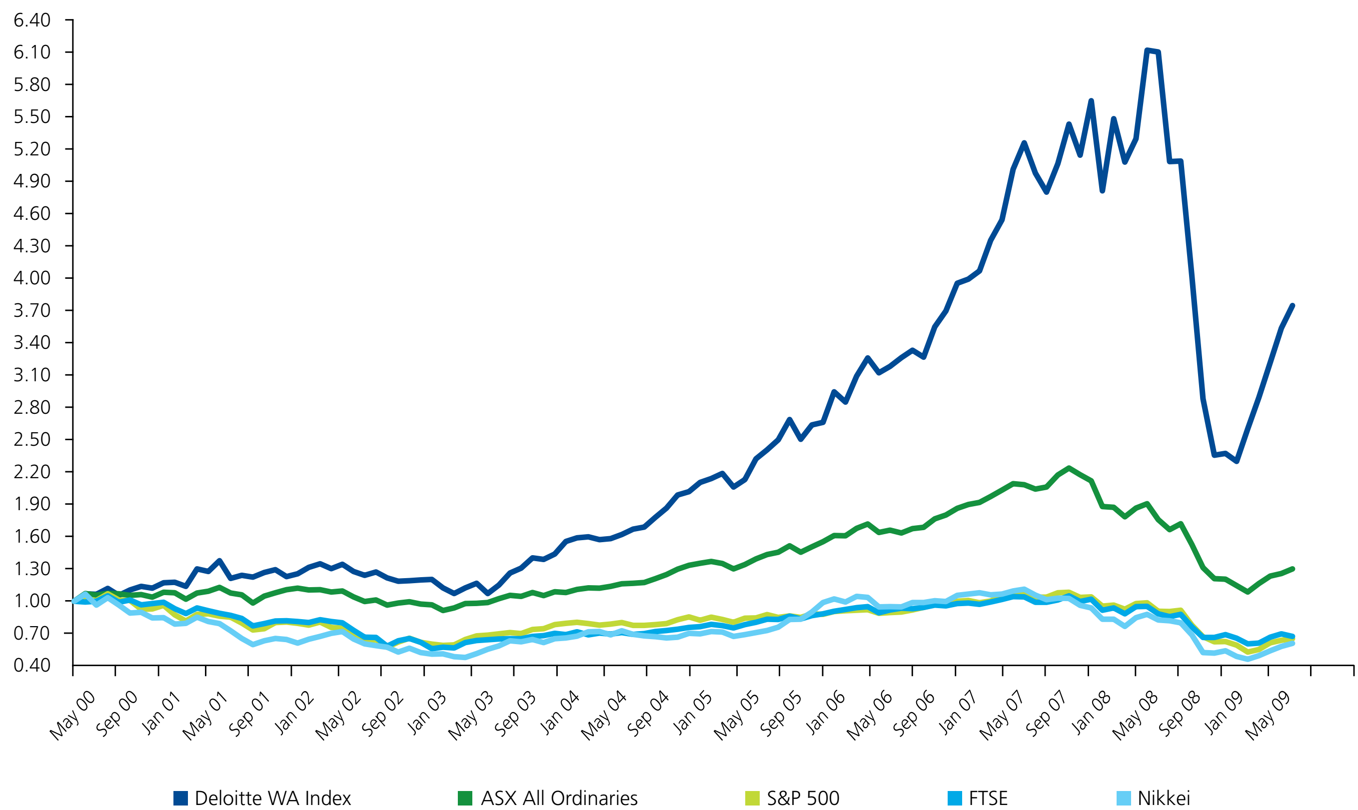
The Nikkei was down by 26.1% for the year as demand for Japanese exports fell. Automotive stocks fell heavily with Nissan Motor Co down by 33.2% (¥1,315bn) and Toyota Motor Group falling by 26.7% (¥4,620). Japan's banking sector did not escape the effects of the global financial crisis; it was down by 35.5% for the year. Of the banking stocks Mizuho Financial Group and Mitsubishi UFJ Financial Group Ltd were down 55.3% (¥3,126bn) and 31.8% (¥3,255bn) respectively.

The US S&P 500 was down by 27.9% for the year also as a result of the large falls in oil and gas stocks. Exxon Mobil was down by 25.9% (US$120.1bn) whilst Chevron fell 34.7% (US$71.1bn). The Computer Industry also fell sharply this year with the big players, IBM and Apple down by 15.0% (US$24.7bn) and 15.5% (US$23.1bn) respectively. The Telecommunications sector was also down with AT&T falling by 24.5% (US$48.3bn).

Performance of global financial markets over the past 12 months

Source: Bloomberg

Performance of global financial markets since May 2000 (inception of Deloitte WA Index)



Source: Bloomberg

Chinese demand for resources has been a major factor behind the rebound in commodity prices.

Chinese investment in the Western Australian mining sector

The fallout of the global financial crisis on Western Australian mining companies was severe. A combination of falling demand for resources, sharp declines in commodity prices and the tightening of debt and equity markets caused public company values to decline significantly and projects to be deferred or cancelled. Despite a slowdown in its own economy, Chinese investment in Western Australian mining companies and strategic stockpiling of resources has helped mitigate the impact of the global financial crisis.

Chinese economic growth slowed substantially in year ending 30 June 2009 (FY09), albeit China's growth continues to far exceed that of major OECD nations. Analysts forecast that real Gross Domestic Product (GDP) growth will be approximately 7.2% in FY09, a marked reduction compared to the double digit growth rates experienced in recent years. China's significant exposure to external demand (exports account for over 35.0% of GDP) has resulted in the United States led-recession causing a significant slowdown in Chinese economic activity.

In response, the Chinese government has made economic growth its primary policy objective. The government has cut interest rates, lowered taxes and in November 2008 unveiled a US$600bn fiscal stimulus package to finance investments by central and local governments, primarily in infrastructure.

Chinese-state owned enterprises have used the economic downturn and collapse in asset prices as an opportunity to make strategic investments in Western Australian mining companies. These investments include:

- Aluminium Corporation of China's (Chinalco) proposed US$19.5bn investment in Rio Tinto Limited (Rio Tinto) through the investment in certain aluminium, copper and iron ore joint ventures and the issue of convertible notes. The deal, which would have given Chinalco an effective 15.0% interest in Hamersley Iron, did not complete. Rio Tinto subsequently pursued an iron ore joint venture with BHP Billiton which is expected to be completed in mid-2010
- China Minmetals Non-ferrous Metals Co. Ltd.'s (Minmetals) AU$1.3bn acquisition of assets from Oz Minerals Limited. The transaction included the sale of the Golden Grove zinc/copper/lead mine in Western Australia
- Hunan Valin Iron and Steel Group's (Valin) acquisition of a 17.4% stake in Fortescue Metals Group Ltd for AU$645m
- Angang Group Hong Kong (Holdings) Limited's (Ansteel) AU$162m share placement in Gindalbie Metals Ltd to fund the development of the Karara Iron Ore Project
- APAC Resources Investments Limited (APAC Resources) and Shougang Concord International Enterprises Company Limited (Shougang Concord) entering into an iron ore offtake agreement with Mount Gibson Iron Limited (Mount Gibson Iron). APAC Resources and Shougang Concord also agreed to underwrite a AU$97m rights issue and Shougang Concord agreed to subscribe for AU$66m of Mount Gibson Iron shares
- Guandong Foreign Trade Group Co. Limited's (GFTG) acquisition of a 15.0% stake in Kagara Ltd for AU$57m
- the merger between Grange Resources Limited (Grange Resources) and Australian Bulk Minerals, which delivered Shagang International Holdings Limited (Shagang) a 47.2% interest in Grange Resources.

Chinese demand for resources has been a major factor behind the rebound in commodity prices. Analysts speculate that state-owned enterprises began stockpiling key commodities including oil, copper, coal and iron ore during April 2009. The stockpiling was designed to take advantage of the cheaper commodity prices, lower freight rates and higher demand expected due to the fiscal stimulus as well as a desire to replace lower-quality domestic production with higher-quality imports.

Commodity analysis

The year ended 30 June 2009 (FY09) marked the end of the global commodities boom and the start of a long road to recovery. The Global Financial Crisis (GFC) was precipitated in September 2008 with the unexpected collapse of Lehman Brothers. It is estimated that global economic activity has declined 6% in the six-months to March 2009. Many analysts and governments alike are predicting a slow recovery owing to the weakened state of consumer and business confidence, increasing unemployment and high OECD household debt.

Commodity	30 June 2009	30 June 2008	Monetary Change	Percentage Change	Metric
Gold	$927	$925	$1	0.13%	US$/troy oz
Silver	$14	$17	-$4	-22%	US$/troy oz
Platinum	$1,177	$2,069	-$892	-43%	US$/troy oz
Palladium	$251	$463	-$212	-46%	US$/troy oz
Copper	$4,949	$8,693	-$3,744	-43%	US$/tonne
Lead	$1,671	$1,763	-$93	-5%	US$/tonne
Zinc	$1,523	$1,903	-$381	-20%	US$/tonne
Nickel	$15,291	$21,793	-$6,502	-30%	US$/tonne
Aluminium	$1,597	$3,065	-$1,468	-48%	US$/tonne
Oil	$70	$140	-$70	-50%	US$/bbl
Tin	$14,232	$23,434	-$9,202	-39%	US$/tonne
Uranium	$55	$57	-$2	-4%	US$/lb

Source: Bloomberg

Most OECD economies entered recession during the year, most notably the US, UK, Japan and western European Union (EU) countries. There has also been a slowdown amongst BRIC economies as export markets and external investment diminishes.

Commodities were amongst the hardest investments hit during the GFC. Despite a last quarter rally, most surveyed commodities declined by 40% or more for the financial year. Behind the June quarter rally was a general increase in sentiment, reduction in certain LME stockpiles and stronger physical purchases from China as global stimulus measures took effect.

Precious metals & PGMs

Gold was the best performing commodity in FY09, gaining by 0.1% to US$926.60/toz. Prices were supported by strong investment demand to hedge against market volatility and weakness in the US dollar. Physical sales in the form of bullion and retail sales through exchange-traded funds were also stronger, as investors hedged against declining values across other asset classes (such as equities and property).

Silver declined 21.9% as investors favoured gold as a hedging product. Prices have rebounded since late December from under US$10/toz to above US$14/toz. Platinum and palladium declined by 43.1% and 45.8% respectively in response to the collapse of the US auto industry and forecast lower global auto sales.

Base metals

Aluminium prices declined 47.9% to return to 2002 levels. Despite hefty production cuts by many aluminium producers, LME stocks increased throughout the financial year as consumption by auto and white good manufacturers and construction companies declined.

Copper declined by 43.1% to close at US$4,948.75/t. Copper had hit a low of US$2,809.50/t in late December before recovering. The recovery from early 2009 is attributable to increased physical purchases by Chinese manufacturers, general improvement in sentiment and in response to supply cuts. China's refined copper imports for the first half of 2009 increased by 130.0% compared to last year. The increase is primarily attributable to China's circa US$600bn stimulus package and the decision to rebuild stockpiles. Some analysts are also reporting strategic purchases to take advantage of lower prices.

Tin declined by 39.3% to close at US$14,232/t due to a steep decline in global industrial demand from late 2008. Prices recovered in the June 2009 quarter due to stronger physical demand from China, Japan and the EU, as manufacturers take advantage of low prices.

Nickel prices declined by 29.8% to close at US$15,291/t. Nickel is primarily used in steel and alloys, so consumption was markedly lower in late 2008/early 2009 as global economic activity and industrial production slowed. In response, several suppliers announced substantial cuts, which provided some support for prices since the March 2009 quarter. Some of the most significant cuts were:

- Ravensthorpe (Australia) – 50ktpa
- Norilsk's Australian operations (Australia) – 35ktpa
- Falcondo (Dominican Republic) – 29ktpa
- SLN (New Caledonia) – 20ktpa.

These four production cuts account for approximately 10.0% of global production in 2008.

Zinc declined by 20.0% to close at US$1,522.50/t. Zinc prices nearly touched on US$1,000/t during the latter part of 2008 due to a sharp decline in global steel production and general industrial activity. This is despite significant cuts to production. In Australia alone, there have been cuts of nearly 500ktpa, equivalent to 5.0% of global production.

Despite significant volatility, lead only declined by 5.3%, performing relatively well compared to other base metals. Strong buying interest from China (including the announcement of possible futures trading on the Shanghai Futures Exchange) offset lower non-Chinese demand from auto and battery producers.

Iron ore prices for Japanese Financial Year ending March 2010 were settled between Rio Tinto and Nippon Steel Corporation in May 2009. Fines prices were cut by 33.0% and lump rices by 44.0%. Negotiations are still ongoing with China. The reduction in prices is reflective of the current state of the global steel market. It is estimated that world steel production fell by 23.0% in the first quarter of 2009 as steel makers outside China cut production or went out of business. China's production increased by 1.0% and now accounts for 48.0% of global production.

Energy

The price of crude oil declined by 50.1% to close the year at US$69.89/bbl. During the past twelve months oil had reached an all-time nominal high of US$140.97/bbl, before falling to a low of US$31.41/bbl. Oil prices were in freefall from late September 2008 as investors unwound positions and global economic activity and consumption reversed. By March 2009, OECD stocks were at 98 days consumption, the highest level since records began. In response, OPEC increased idle capacity by 350.0% to 5.0mmbbl/day by May 2009, the highest level since August 2002.

Uranium performed relatively well, declining by just US$2.00/lb to US$55.00/lb. Prices declined steadily during the December 2008 quarter as investors unwound their spot positions in response to the GFC and utilities stopped spot purchases to preserve cash. After a small recovery, prices again declined steadily from January to April 2009 owing to concerns that global demand will not be as strong as forecast and the potential risk that finance for the world's 100 plus proposed uranium reactors will be pulled.

Infrastructure overview

Infrastructure constraints are threatening the development of projects in the resources sector in Western Australia, with the current rail, port and power infrastructure facilities recognised as being inadequate to accommodate additional production capacity from new project developments and expansions to existing operations. This is especially true of the iron ore industry in Western Australia, which is facing a range of infrastructure issues across the Pilbara and Mid West regions.

In the Pilbara, the distance between existing and prospective mines and port infrastructure requires significant investment in rail infrastructure, which may or may not be commercially viable depending on the size and quality of the resource base. The existing rail infrastructure in the Pilbara is separately owned and operated by Rio Tinto Limited (Rio Tinto), BHP Billiton Limited (BHP Billiton) and Fortescue Metals Group Limited (Fortescue), with Rio Tinto and BHP Billiton currently operating their rail and port infrastructure facilities for their own exclusive use. Fortescue is currently in dispute with Rio Tinto and BHP Billiton regarding third party access to their Pilbara rail networks, with a decision from the Australian Competition Tribunal expected in July 2009. The viability of a number of proposed iron ore projects in the Pilbara is dependent on gaining access to existing rail and port infrastructure facilities or entering into alternate arrangements such as mine gate sales.

Current port capacity in the Pilbara is also inadequate to meet the forecast demand for export facilities over the medium to long term and an alternative port or expansion of existing port facilities will be required to meet this forecast level of capacity expansion. Expansion of Port Hedland through the development of a multi-purpose berth and bulk loading facility at Utah Point recently received State Government funding of AU$130m, although this expansion alone is insufficient to meet the forecast level of production capacity expansion in the Pilbara. A number of potential new port developments are also being assessed, including the proposed collaboration between Fortescue and Aquila Resources Limited in assessing the viability of a new multi user port facility at Anketell Point. Another export method being assessed is the establishment of trans-shipment facilities off the coast of Western Australia. It is proposed material will be transferred to these facilities by a range of alternate methods including barges and slurry pipelines.

In the Mid West, the existing rail and port infrastructure facilities are also inadequate to meet the forecast demand for export facilities from new project developments in the region. Current port facilities at Geraldton are expected to be supplemented by a new port development at Oakajee. Oakajee Port & Rail Pty Ltd (OPR), a joint venture between Murchison Metals Ltd, Mitsubishi Development Pty Ltd and Crosslands Resources Ltd, was awarded the right to build an open access deep water port at Oakajee and is scheduled to be operational by 2014. The Federal Government recently committed AU$340m to the development of this project.

The current Mid West rail network, owned by WestNet Infrastructure Group Limited, requires a significant upgrade in order to service the region's forecast production capacity expansion. A complementary rail system to the new port development at Oakajee will need to be built to connect new mining projects to port facilities at Oakajee. OPR also has plans to build an open access railway as part of the port development at Oakajee.

Central to the development of proposed mining projects in the Mid West and the associated port development at Oakajee is access to an adequate supply of power. The State Government recently announced it is considering alternate sources of power, including the development of a power station at Geraldton. This has followed a significant cost escalation in the proposed development of a power line to service mining projects in the Mid West.

Top three rebound companies

The majority of companies within the Deloitte WA Index experienced their largest ever declines in market capitalisation during the first half of the year ended 30 June 2009. Many of these companies experienced significant rebounds during the second half of the financial year. The largest rebounds have been recorded by the following companies:

Nkwe Platinum Limited - market capitalisation fell from $190m at 30 June 2008 to $21m at 31 December 2008, subsequently rebounding by 641.5% to $153m at 30 June 2009.

Grange Resources Ltd - market capitalisation fell from $196m at 30 June 2008 to $39m at 31 December 2008, before rebounding by 483.4% to $225m at 30 June 2009.

Mantra Resources Limited - market capitalisation fell from $288m to $68m at 31 December 2008, subsequently rebounding by 470.4% to $389m at 30 June 2009.

Nkwe Platinum Limited

Background

Nkwe Platinum Limited (Nkwe) is a growing platinum company, which targets mid-level projects. Incorporated and domiciled in Bermuda, Nkwe was listed on the ASX in September 2003. Nkwe is a pure platinum group metals (PGM) company with an experienced South African team and partners and a strong focus on commercialisation. The company has focused its operations in Bushveld, South Africa. This region has world-class ore-bodies and infrastructure and produces 78% of the world's platinum.

Review of operations

The company's core strategy is to add substantial shareholder value through the acquisition and commercialisation of platinum group elements (PGE). This was made easier with the introduction of the Mineral and Petroleum Resource Development Act of 2002 under which companies that held mineral properties as inventory for decades were forced to convert those properties to active status or return them to the government. As such, many strategic prospects are being explored for development.

Nkwe has five key project areas occupying more than 25,000 hectares, spread over East and West Bushveld. These areas hold more than 17m oz of resources and are each capable of being developed into a mine. The company operates primarily from the Garatau and Tubatse projects which have recently announced a combined 44m oz of JORC certified resource.

In early August 2008, Nkwe announced a US$10m agreement between itself, Xstrata South Africa and Genorah Resources (majority shareholder of Nkwe) granting Xstrata an exclusive option to acquire a 50% interest in five PGM properties (Hoepekrantz, Nooitverwacht, Eerste Geluk, Garatouw and De Kom) situated on the Eastern Limb of the Bushveld Igneous Complex. Following the exercise of the option, Xstrata will fund the total development costs of the properties from mining through to concentrating. In doing so, Nkwe is able to benefit from Xstrata's technical and commercial expertise and thus is more likely to realise its strategy of developing its substantial resource base to produce 1m PGM ounces per annum. The joint venture will allow for the opportunity to develop an integrated mine to market business.

Towards the end of the financial year, Nkwe also entered into negotiations to acquire a 15.0% interest in the Tubatse Project owned by International Goldfields Limited (IGC).

Movement analysis

Throughout the first six months of the financial year, Nkwe's market capitalisation fell by 80.3% (AU$157m) from AU$196m as at 30 June 2008 to AU$39m as at 31 December 2008. This decline in market capitalisation was in spite of the issuance of 2.5m ordinary shares and 15m unlisted options issued to facilitate the joint venture between Nkwe and Xstrata in early August 2008. The severe decline in share price from AU$1.02 on 1 July 2008 to AU$0.11 on 31 December 2008 is broadly consistent with the decline in the Deloitte WA Mining Index which fell 74.4% amidst failing investor confidence.

During the second half of the financial year, the company rebounded well, regaining not only all of its losses but also exceeding market performance to finish with a market capitalisation of AU$153m, an increase of 641.5% (AU$132m). Driven by a boost in economic conditions, this performance surpassed that of the Deloitte WA Mining Index, which gained 78.5%. With positive results from the Garatau Project and the recent prospective agreement to acquire IGC's 15% interest in the Tubatse Project, Nkwe was able to maintain a strong base of operations to survive the economic downturn and continue its success.

Grange Resources Limited

Background

Grange Resources Limited (Grange) is a magnetite iron ore miner and processer. Grange merged with Australian Bulk Minerals (ABM) in January 2009 which has transformed the company from an explorer/developer into an iron ore producer.

Review of operations

Grange's key asset is the Savage River magnetite iron ore mine located in the north west of Tasmania. The Savage River mine is a long life asset set to continue operations until 2023. Complementing this asset is Grange's iron ore pellet plant at Port Latta, approximately150 kilometres away on Tasmania's north coast. The pellet facility produces approximately 2.3m tonnes of iron ore pellets annually with the pellets subsequently shipped to steel producers in Asia and Australia. Grange acquired these Tasmanian assets through the merger with ABM.

In addition to Savage River, Grange is currently developing the Southdown Project near Albany in Western Australia. The Southdown Project is forecast to supply 6.6m tonnes of magnetite concentrate annually. This concentrate will then be shipped to Malaysia where it will be processed at a pellet plant which Grange is also developing.

Movement analysis

At 30 June 2008 the market capitalisation of Grange was AU$195m. During the six months from July to December 2008, Grange's market capitalisation fell by 80.3%, down to just AU$39m. The fall in Grange's market capitalisation during the first half of the 2009 financial year was significantly greater than that of the Deloitte WA Index which was down by 74.4% for the same period. The fall in Grange's market capitalisation during this period can be attributed to a slump in commodity prices and the global financial crisis making it very challenging for Grange to finance the development of its Southdown Project and construction of its pellet plant. In order to raise capital, Grange sold 30.0% of an exploration licence at its Southdown Project to Sojitz for AU$13m. Also during this period, Grange announced its plans to merge with ABM. Under the all scrip deal, existing Grange shareholders would be left with just 26.1% of the equity in the merged group.

In the last six months to 30 June 2009, Grange's market capitalisation has significantly increased by 483.4%. This increase is far more spectacular than the 78.5% increase in the Deloitte WA Index during the same period. This recovery in Grange's market capitalisation has been largely due to the success of its merger with ABM in January 2009. The scrip only merger with ABM brought in AU$35m of cash and has transformed Grange from an explorer/developer into a cash-flow positive iron ore producer. Grange's share price has appreciated significantly since announcing its first quarterly results as a merged entity with net operating cash-flows of AU$23m for the quarter ended 31 March 2009.

Mantra Resources Limited

Background

Mantra Resources Limited (Mantra) is an emerging exploration company with an array of projects in Southern Africa. Based in Perth, Mantra was listed on the ASX in October 2006 and has since merged with Mavuzi Resources creating a diversified portfolio of uranium, gold and copper projects.

Review of operations

Mantra is focused on aggressively fast-tracking the exploration, appraisal and development of its flagship mine, the Mkuju River Project in Southern Tanzania. Exploration and drilling completed to date have confirmed the presence of widespread surface uranium mineralisation and multiple thick zones of sandstone-hosted uranium mineralisation. On the 17 June 2009 Mantra announced that a scoping study of the company's wholly owned Nyota prospect, part of the Mkuju River Project in Tanzania, had confirmed the technical and economic viability of the project and its capacity to operate with strong cash margins. Mantra expects the project can support annual base case production of 2.5m pounds of uranium for a minimum ten year mine life. Mantra expects the project to have the capacity to generate pre-tax cash margins of approximately US$80m per annum and on this basis, the capital cost for the process plant and associated project infrastructure could be recovered within a three year period from the commencement of production.

The company also announced in June 2009 that it intends to seek a dual listing on the Toronto Stock Exchange (TSX) in late 2009. The dual listing on the TSX will provide increased liquidity for the company's current and future shareholders and provide increased access to the larger Canadian and Northern Hemisphere capital markets.

Movement analysis

At 30 June 2008 the market capitalisation of Mantra stood at AU$288m. During the six month period from July to December 2008 Mantra's market capitalisation plummeted by 76.4%, down to just AU$68m. The fall in Mantra's market capitalisation during the first half of the 2009 financial year was slightly greater than that of the Deloitte WA Index which was down by 73.4% for the same period. Mantra shares were sold off during the second half of the 2008 calendar year as investors became more risk adverse. This sell-off occurred despite uranium prices holding steady during the period.

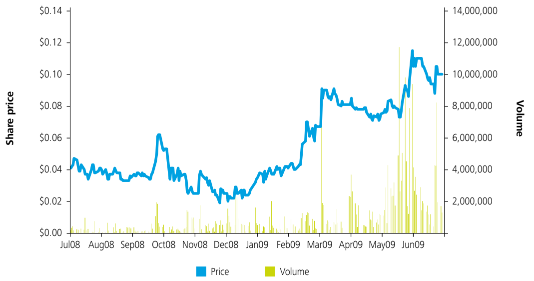
In the subsequent six month period ending June 30 2009, Mantra's market capitalisation increased by 470.4%. This increase far outshone the 78.5% increase in the Deloitte WA Index during the same period. The rise in Mantra market capitalisation can be attributed to the continued positive drilling results of the Mkuju River Project culminating in the June 2009 release of a scoping study confirming the technical and economic viability of the project and its capacity to operate with strong cash margins. The fall and subsequent rise in Mantra's market capitalisation has meant that for the twelve months ending 30 June 2009, Mantra's market capitalisation has actually increased by AU$101m (34.9%) from AU$288m at 30 June 2008 to AU$389m at 30 June 2009.

Top 10 movers

We have identified the ten companies with the largest percentage growth in market capitalisation in Western Australia during the 12 months to 30 June 2009 and these are set out in the index below.

Rank	Company	Mkt Cap 30 June 2009 $m	Mkt Cap 30 June 2008 $m	Change in 12 mths $m	Change in 12 mths %
1	Catalpa Resources Limited	16	117	101	622%
2	Extract Resources Limited	272	1,487	1,215	446%
3	Red Fork Energy Limited	53	133	80	151%
4	Silver Lake Resources Limited	48	106	58	123%
5	Medusa Mining Limited	180	375	195	108%
6	Cash Converters International Limited	56	101	45	81%
7	Berkeley Resources Limited	88	148	60	68%
8	Centamin Egypt Limited	1,062	1,774	713	67%
9	Victoria Petroleum NL	91	144	52	57%
10	Carnavon Petroleum Limited	357	557	201	56%

Catalpa Resources Limited



Background

Catalpa Resources Limited (Catalpa) is a gold exploration and development company who recently signed a Merger Implementation Agreement with Lion Selection Limited (Lion) as part of its quest to become an Australian mid-tier gold producer. Catalpa (formerly Westonia Mines Limited) listed on the ASX in 2002.

Review of operations

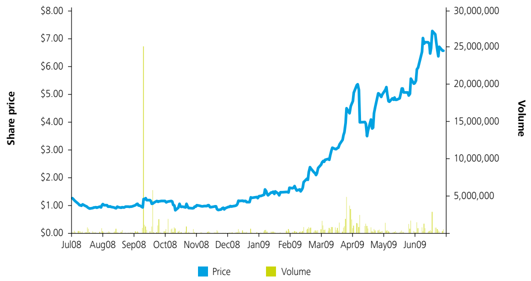
The company's flagship project is the Edna May project, which is located in the eastern wheat belt of Western Australia, 312 kilometres east of Perth and 1 kilometre north of the township of Westonia. Catalpa's mine and processing schedule propose an average gold production at Edna May in excess of 100,000 ounces per annum based on an estimated life of the mine of 7 years. Production is planned to commence in mid 2010. Some 64.0% of Edna May's 738,000 ounce reserve is said to be in the highest JORC proven category. Catalpa has three mining leases in the area and has been operating the mine since 2002. The Edna May ore body is of a lower grade, however, this is compensated by the vastness and geological simplicity of the ore body. The project has a low 2:1 strip ratio (58 million tonnes mined: 19m tonnes ore and 39m tonnes waste). Catalpa recently completed a drill program in April 2009 on the adjacent ore body to Edna May, the Greenfinch ore reserve (Greenfinch). Greenfinch has 79,000 ounces of gold, increasing the total Edna May reserve to 817,000 ounces. Catalpa has also been granted environmental mining approval, assisting in the development of the construction and commissioning phase of the project, enhancing the prospect of producing its first gold pour in mid 2010.

To finance the project, Catalpa has successfully raised AU$106m of debt and equity. In addition to this, the company has sold forward approximately 352,316 ounces of gold at a price of a US$1,544 per ounce, to realise a cash operating margin of AU$90m per annum. On 13 May 2009, Catalpa announced the completion of a share purchase plan, raising AU$7.5m, and the successful settlement of a AU$31.4m equity placement. The equity placement was issued in two tranches, AU$4.4m was received in tranche 1 and AU$27m in tranche 2. Following the placement the Edna May Gold Project is now fully funded and on target for commencement of production in mid 2010.

Movement analysis

The market capitalisation of Catalpa has increased by AU$101m (621.9%) from AU$16m at 30 June 2008 to AU$117m at 30 June 2009. The increase is attributable to the development of the Edna May Gold Project which has been funded through debt and equity raisings. The strong gold price has generated interest in the project and has had a positive impact on Catalpa's share price.

Extract Resources Limited



Background

Extract Resources Limited (Extract) is an Australian based minerals exploration and development company aiming to produce uranium from the rich provinces in Namibia. Extract Resources is listed on the Australian and Canadian Stock Exchange.

Review of operations

Extract's principal asset is its 100% owned Husab Uranium Project, covering approximately 637 square kilometres. The project contains two Uranium deposits being Rossing South and Ida Dome.

Rossing South

The Rossing South project is located 5 kilometres south of the Rossing Mine in Namibia, an area which had been uninterrupted for 30 years before Extract conducted its first feasibility studies in February 2008. Drill holes with an intersection of 40metres at 240ppm and 100metres at 265ppm U308 indicated the establishment of a new uranium discovery. A year later, Extract released its first initial resource estimate of 108m pound U308 at a grade of 430ppm (JORC Code and Canadian NI 43-101 compliant).

Ida Dome

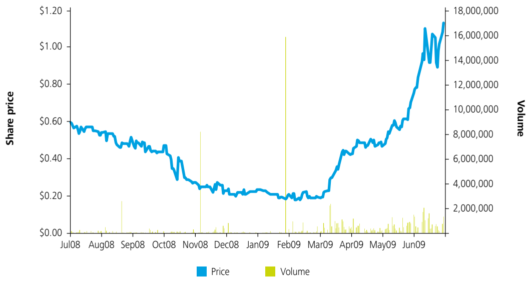
Uranium mineralisation has been found within 10,000 metres of sediments and Ida Dome Alaskites. The area contains seven different prospects that are either JORC Complaint or are at the resource definition stage; Ida Central, Swakop West, Garnet Valley, Hook, New Camp, Hollands Dome and Ida East.

In August 2008, the company announced its maiden resource within the Garnet Valley, New Camp and Ida Central Zones. 28,852 metres of drilling were completed, representing 48.0% of the 60,000 metre project. Results confirm an indicated resource of 0.31 M lb U308 at 246ppm and an inferred resource of 24.8 M lb at 213ppm.

Movement analysis

The market capitalisation of Extract has increased by AU$1.2bn (446.3%) to AU$1.5bn over the twelve months to 30 June 2009. The increase is attributable to the development of the Husab Uranium Project, primarily a result of the favourable uranium discoveries at Rossing South.

Red Fork Energy Limited



Background

Red Fork Energy Limited (Red Fork) is an Australian listed company engaged in oil and gas exploration and production in onshore Oklahoma. The company, founded in 2004, is based in Perth. Red Fork has large landholdings in Oklahoma, owning proven producing oil and gas fields. The company is exploring and developing coal bed methane, unconventional gas and conventional oil and gas targets.

Review of operations

Red Fork has three main operations being West Tulsa, Osage and Eastern Oklahoma. The current acreage held by Red Folk has the potential to support over 600 wells.

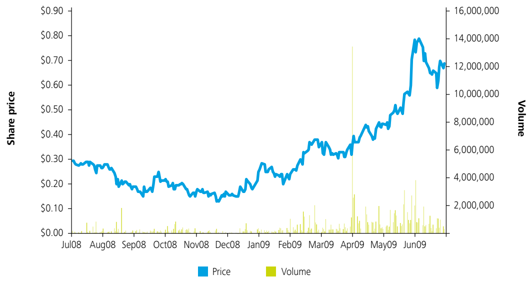
Initial development of the West Tulsa Project has focused on the Pawnee Prospect. Phase 1 development at the Pawnee Prospect has seen the company drill and complete three production wells and a water disposal well. The company has also established extensive production facilities, including tank batteries, separation equipment and gathering infrastructure. The Phase 1 development of the Eastern Oklahoma Project has commenced in the 2008/2009 financial year with drilling completed on an initial 10 well program. In addition, the company has secured access to a gas market on favourable terms and has commenced construction of its compression and gas sales equipment.

In May 2009, Red Fork raised AU$5m dollars through the placement of 10m ordinary shares in order to accelerate development of the East Oklahoma Project. The influx of funds will allow management to significantly increase the number of new wells drilled each year, increasing production much sooner than anticipated. Furthermore, flow test results have exceeded initial expectations, indicating that production rates are 300% greater than initially projected for the Oklahoma Project.

Movement analysis

Red Fork's market capitalisation has increased by AU$80m (150.7%) from AU$53m at 30 June 2008 to AU$133m at 30 June 2009. The increase has occurred due to the placement of approximately 67m shares during the year. Red Fork's share price on the ASX rose steadily throughout the months of May and June to reach a close of AU$1.14 on 30 June 2009, up from AU$0.56 on 1 July 2008. This increase can be attributed to the recent success of the Pawnee Prospect, which reported a large increase in production capacity.

Silver Lake Resources Limited



Background

Silver Lake Resources Limited (Silver Lake) is a gold producing and exploration company consisting predominantly of advanced gold projects in two prolific goldfields of Western Australia; Mount Monger and the Murchison. The Daisy Milano mine, Silver Lake's core project, is an underground mine situated on the Mount Monger tenements, 50 kilometres south east of Kalgoorlie.

Review of operations

The Mount Monger region that Silver Lake operates in has multi-mine potential underpinned by emerging open pit production from Christmas Flats. In addition Lorna Doone, Costello and Magic open pit deposits are presently being assessed for mining within the Mount Monger region. A pre-feasibility study has been completed to develop a low-capital multi-mine production centre in the Murchison region. The company has reviewed the results of the pre-feasibility study and is considering low capital cost milling options.

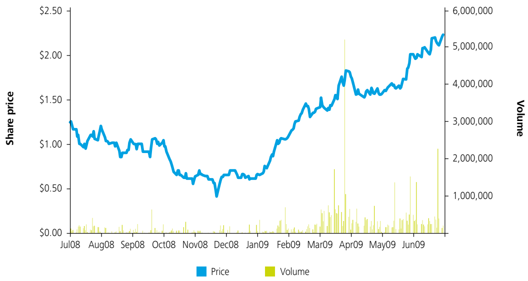
During the March 2009 quarter, a 20 hole underground diamond drilling program at Daisy Milano was completed to test the strike extent south of the dolerite dyke. This drill program has revealed continuity of the high-grade shoot previously announced by the company that contains considerable potential. Assays were still outstanding at the end of the quarter, however, the company reported several holes contained visible gold in the drill core.

On 2 June 2009, Silver Lake announced the commencement of the Christmas Flats Project at its Mount Monger Operations. Stage 1 will be principally a free dig producing 10,000 ounces, with mining expected to be completed by December 2009 and processing completed by June 2010. The remaining 41,000 ounces is being evaluated to be extracted by either an open pit cutback or from underground mining.

Movement analysis

Silver Lake's market capitalisation has increased by AU$58m (122.6%) from AU$48m at 30 June 2008 to AU$106m at 30 June 2009. This increase, reflected in a dramatic share price increase in late May 2009, can be largely attributed to the announcement of the results of the Mount Monger exploration program, in relation to the drilling results at Daisy Milano, coupled with the commencement of the Christmas Flats Project.

Medusa Mining Limited



Background

Medusa Mining Limited (Medusa) is an expanding gold producer with its main project located in the Philippines. The company was incorporated on 5 February 2002 and officially admitted to the Australian Stock Exchange on 23 December 2003. To enhance the company's profile in the international arena and to provide direct exposure to the United Kingdom and European capital markets, a listing on the Alternative Investment Market ("AIM") of the London Stock Exchange was undertaken in November 2006.

Review of operations

The company is chiefly focused on continuing its growth and success in gold production with a low capital exposure, coupled with exploring and acquiring high grade deposits with good access and infrastructure that have the potential to generate cashflow. As such, Medusa has invested primarily in the Philippines. With its rich mineral history and the Philippines government's support in facilitating the excavation and production of gold, Medusa has achieved high levels of success with its interests in the country.

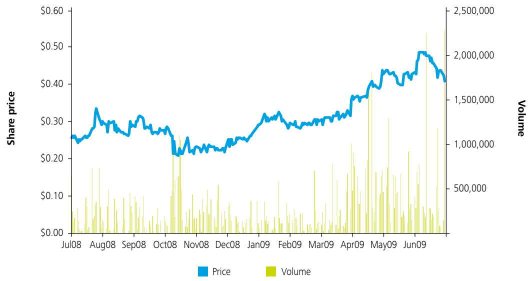
Although the company holds interests in many tenements throughout the Philippines, it primarily concentrates on its operations in the high-grade narrow vein Co-O Gold Mine, which it obtained through a merger with Philsaga Mining Corporation. Since the merger, Medusa has commenced expansions in an effort to increase production, with Phase I expected to be completed by the third quarter of 2009, and Phase II to be completed in early 2010. The combined results of these expansions will take production to an annualised rate of 100,000 ounces per year.

As well as the Co-O Gold Mine, Medusa also holds interests in a large number of gold and copper tenement prospects on which exploration work is ongoing. In particular, the Lingig Porphyry Copper Discovery, which is located in the southeast parcel of the Suriago del Sur province in east Midao, has achieved promising results leading the company to believe that it is potentially a large mineralised copper system.

Movement analysis

Medusa's market capitalisation increased by AU$195m (108.2%) from AU$180m at 30 June 2008 to AU$375m at 30 June 2009. This increase was principally due to an 85.0% increase in its share price as a result of its recent success in operations in the Philippines, particularly the Co-O Mine. Also contributing to Medusa's increase in market capitalisation was the successful placement of 20.3m shares at AU$1.21 each on 6 March 2009, which raised gross proceeds of AU$246.6m.

Cash Converters International Limited



Background

Cash Converters International Limited (Cash Converters) operates internationally and nationally as a retailer of second hand goods and more recently as a provider of personal finance. In 1984, Cash Converters started as a single store in Perth, Western Australia. Since then Cash Converters has expanded its business through franchising the Cash Converters brand both nationally and internationally. Today, there are more than 140 Cash Converters stores throughout Australia and over 450 worldwide in 21 different countries. Cash Converters is listed on both the ASX and the London Stock Exchange.

Review of operations

The core business of Cash Converters is that of the franchising of retail stores, which operate as retailers of second hand goods. Cash Converters business has achieved success through the systematic application of modern retailing practices, professional management techniques and high ethical standards to the management of its stores. As a result, Cash Converters has been able to position its franchised outlets as alternative retail merchandise stores and in the process has created a profitable market for the group.

As an international franchisor the company receives the benefit of being able to expand its business quickly and receive the strong managerial commitment of a local franchisee. Under the franchise agreements the franchisor provides each franchisee with a business format franchise; this provides each franchisee with the right to use the Cash Converters trademark and business systems.

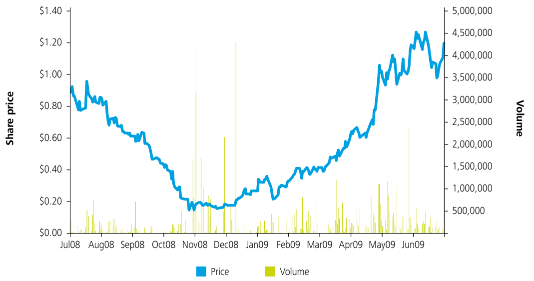
The company, Cash Converters International Limited, is the International master franchisor of the franchising concept. The company sells a licence for the franchise rights of a country to a sub-franchisor. It is the sub-franchisor who develops each country, which they may split into individual territories or regions for sale to a regional sub-franchisor. The regional sub-franchisor is responsible for the sale of franchises to individual franchisees.

Recently Cash Converters has embarked on a new strategy to buy back its franchised stores and expand its personal loan book.

Movement analysis

The market capitalisation of Cash Converters has increased by AU$45m (81.4%) from AU$55m at 30 June 2008 to AU$101m at 30 June 2009. This increase has been built on the success of the prior 12 months in which the company recorded record after-tax net profits of AU$15m, an increase of 30.0% over the prior twelve months. Profit forecasts for 2009 remain healthy at AU$13m given the underlying economic circumstances. The company has also continued with its long term strategy of using excess cash to buy back share capital with an additional 10.0% (AU$24m) of the company's ordinary stock being bought back during the year.

Berkeley Resources Limited



Background

Berkeley Resources Limited (Berkeley) is the premier uranium explorer and developer in the Iberian Peninsula. Berkeley listed on the ASX in September 2003 and the AIM market of the London Stock Exchange in December 2006. Berkeley has acquired a number of advanced uranium exploration projects in Spain totalling approximately 450,000 hectares, covering all the main historical uranium mining and exploration areas in the country.

Review of operations

Berkeley has advanced uranium exploration projects in the Salamanca, Caceres, Badajoz, Guadalajara and Calaf provinces in Spain. All of the Berkeley projects have been extensively explored in the past by reputable uranium explorers – notably Areva NC (the world's second largest uranium producer) and ENUSA (the Spanish national uranium company). As a result, a large volume of data was available, which Berkeley has purchased.

Since acquiring these projects, Berkeley has undertaken a substantial exploration program, with highly encouraging progress. Berkley has undertaken aggressive drilling campaigns (RC and Diamond) at Salamanca I, Salamanca II, Caceres III and Caceres VI projects. Aerial radiometric and magnetic surveys have also been performed at the Salamanca I, Salamanca II and Caceres VI projects highlighting the exploration potential of these tenements and generating a significant number of strong anomalies.

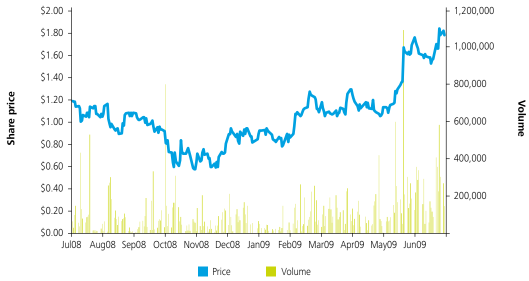
The Salamanca I project has an inferred and indicated JORC resource of 16.9m lbs of U3O8 (uranium oxide) at an average grade of 563ppm. Extensive drilling is ongoing to test a number of other attractive targets in the project area. A Scoping Study has been completed at the Salamanca I project confirming the potential economic viability of the project with forecast cash operating costs of US$25/lb and capital required to construct a new processing plant totalling US$109m.

Berkeley was chosen as the partner to develop ENUSA's assets in Spain. This gives Berkeley the right to acquire up to 90% of ENUSA's uranium mining and exploration assets. It includes State Reserve permits containing substantial historical resources and also access to ENUSA's Quercus uranium processing plant which was previously permitted to produce up to 950tpa of U3O8. In addition, the Gambuta deposit in the Cáceres Province of Spain has also had an initial inferred resource estimate of 9.23m pounds of U3O8, at an average grade of 371ppm U3O8, at a 200ppm cut-off.

Movement analysis

The market capitalisation of Berkeley has increased by AU$60m (68.3%) from AU$88m at 30 June 2008 to AU$148m at 30 June 2009. The increase in market capitalisation is mainly due to Berkeley being chosen as the partner to develop ENUSA's assets in Spain.

Centamin Egypt Limited



Background

Centamin Egypt Limited (Centamin) is a gold exploration and development company. The company has been exploring for gold since 1995 and in 2005 was granted a 160 square kilometres exploration lease of the Sukari East Gold Project ("Sukari"). The Sukari project is the company's flagship project and is located in eastern Egypt. Centamin is listed on the ASX, the Alternative Investment Market (AIM) of the London Stock Exchange and the TSX.

Review of operations

The Sukari gold project is located in the eastern desert of Egypt approximately 700 kilometres south of Cairo. A definitive feasibility study was completed in February 2007 based on a 15 year open pit mining operation to produce 200,000 ounces of gold per annum. Sukari is the first modern commercial gold mine to be operated in Egypt. In March 2008, the resource base was upgraded to a total of 8.12m ounces of Measured and Indicated resources and 3.5m ounces of Inferred resources. The drilling program has returned results which show current mineral reserve of 142m tonnes at 1.4g/t Au for 6.4m ounces with a current mineral resource of 191m tonnes at 1.53g/t Au for 9.39m ounces measured and 64m tonnes at 1.7g/t Au for 3.5m ounces inferred. Ongoing drilling is expected to add significantly to this resource.

On 26 June 2009, Centamin announced that it had completed the first gold pour from the Sukari Mine. This milestone marks the commencement of production and commissioning at the Sukari gold mine ahead of the commercial ramp up of production, which is anticipated over the coming months.

To add to the resource base, Centamin has commenced drilling focused in the Amun Deeps, Ra, Gazelle and Pharaoh Zones with 8 rigs on site. Centamin is also committed to significantly upgrading the Sukari gold reserves and increasing the confidence level in inferred resource areas such that conversion to reserves is possible.

Movement analysis

The market capitalisation of Centamin has increased by AU$712m (67.1%) from AU$1.1bn at 30 June 2008 to AU$1.8bn at 30 June 2009. The increase is attributable to the commencement of the production and commissioning at the Sukari site and as a result of the first gold pour in late June 2009. The increase is also supported by the continuing strength of the gold price during a period of economic instability.

Victoria Petroleum NL

Background

Victoria Petroleum NL (Victoria) is a Perth based company listed on the ASX. The company's principal activity is coal seam gas development and oil exploration and production. The company holds interests in oil production from the Cooper Basin (South Australia & Queensland) and the North Perth Basin. The company's key asset is a 45% interest in the Don Juan coal seam gas project in Queensland. The company's two core areas of focus are oil assets in the Cooper Basin in the short term and coal seam gas in Queensland for the longer term.

Review of operations

The Don Juan coal seam gas project in Queensland has certified reserves of 192PJ of coal seam gas. This project is still in the exploration stage with additional test wells being drilled and production testing underway with a view to put the project into full production in the near future. The company is currently actively exploring for additional coal seam reserves in Queensland.

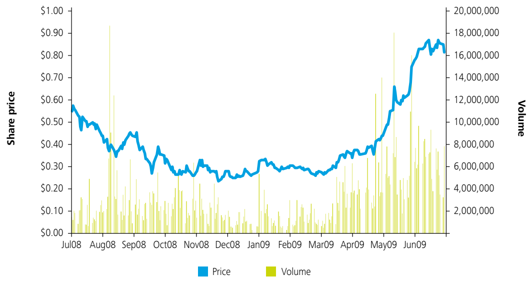
The majority of the company's oil assets in the Cooper Basin in South Australia are currently in production and are supporting the company's exploration for coal seam gas in Queensland. Victoria's 40% interest in the Cooper Basin is made up of 3 oil fields, Growler, Mirage/Ventura and the Cuisinier oil field. Current gross oil production from the Cooper Basin is 1,000 barrels of oil per day (bopd), of which Victoria's share of this is 400 bopd. The company plans to increase gross production to 2,000 bopd by the end of 2009, increasing Victoria's share to 800 bopd.

There is still ongoing exploration in the Cooper Basin in order to secure additional reserves, namely within the Jurassic Oil fairway which is located on the western margin of the South Australian Cooper Basin. The majority of the company's permits & development areas are held in joint venture arrangements with more established oil and gas producers such as Origin, Apache, Bow, QBC, Santos, Beach and Arrow.

Movement analysis

The market capitalisation of Victoria has increased by AU$52m (57.4%) from AU$91m at 30 June 2008 to AU$144m at 30 June 2009. This increase in market capitalisation is mainly due to the certification 192PJ of coal seam gas at the Don Juan Coal Seam Gas Project in which Victoria holds a 45% interest. This certification has come at the same time as falling oil and gas prices, however, has been partly offset by the strengthening of the USD against the AUD.

Carnarvon Petroleum Limited



Background

Carnarvon Petroleum Limited (Carnarvon) is a Perth based company listed on the Australian Stock Exchange. The company's principal activity is oil and gas exploration and production. Carnarvon's immediate objective is to create value from the production and exploration opportunities in its 40% interest in the Phetchabun Basin oil fields and exploration concessions in Thailand. The longer term objective is to build Carnarvon's asset base from exploration to production success, obtain cash flow self sufficiency and be widely recognised for excellent technical credentials.

Review of operations

Carnarvon's key asset is its 40% interest in the SW1 joint venture with Pan Orient Energy Corporation (operator) which includes the Wichian Buri Oil Field, Si Thep Oil Field and the Na Sanun and Na Sanun East oil fields with fractured volcanic reservoirs located within the Phetchabun Basin in Thailand. The Thai assets are currently in production and there is still ongoing exploration.

The company's two other significant exploration assets are located within the Carnarvon Basin in northwest Western Australia. The first of these is a group of permits in the Carnarvon Basin in which Carnarvon, as operator, holds a 50% interest with the other 50% interest held by Rialto Energy. The permits cover 50 square kilometres located between the Pyrenees and Macedon oil and gas fields and the Leatherback oil accumulation.

The second of these is another group of permits located in the Carnarvon Basin. Carnarvon holds a 35% interest in this permit with the remaining interest being held by Strike Oil Limited (40%), who is the operator, and by Pancontinental Oil & Gas NL (25%). The permits are located near Chevron's Saladin Gas Field and covers areas on and off shore surrounding the town of Onslow.

Movement analysis

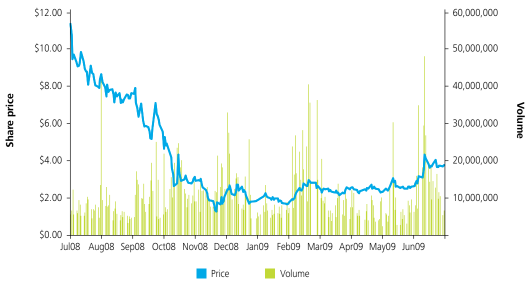
The market capitalisation of Carnarvon has increased 56.2% from $357m at 30 June 2008 to $557m at 30 June 2009. The main reason for this increase in market capitalisation is due to a 46% increase in reserves during the year which resulted from positive exploration results in Thailand and the Carnarvon Basin. This increase in market capitalisation has come during a year when oil prices have been falling from record all time highs of US$150\bbl to as low as US$35\bbl. This is in addition to the USD exchange rate to the AUD strengthening significantly making the result all the more impressive.

Top 20 mining and resources companies

We have identified the 20 largest mining and resources companies in Western Australia by market capitalisation as at 30 June 2009 and these are set out in the index below.

	Mkt Cap 30 June 09 $m	30 June 09 Rank	Mkt Cap 30 June 08 $m	30 June 08 Rank
Fortescue Metals Group Ltd	11,709	1	33,366	1
Paladin Energy Limited	3,074	2	3,931	4
Equinox Minerals Ltd	2,084	3	2,656	5
Aquarius Platinum Limited	2,017	4	4,379	2
Centamin Egypt Limited	1,774	5	1,062	13
Extract Resources Limited	1,487	6	272	48
Aquila Resources Limited	1,434	7	4,092	3
Iluka Resources Limited	1,197	8	1,793	7
Western Areas NL	1,054	9	1,728	8
Minara Resources Limited	975	10	1,517	11
Mount Gibson Iron Limited (formerly WHK)	968	11	2,508	6
Mirabela Nickel Limited	730	12	819	16
Andean Resources Limited	706	13	613	27
Murchison Metals Limited	694	14	1,208	12
Coal of Africa Limited	659	15	1,665	9
Mineral Resources Limited	528	16	799	17
Independence Group NL	526	17	596	29
Straits Resources Limited	518	18	1,592	10
Atlas Iron Limited	501	19	1,056	14
Dominion Mining Limited	475	20	343	41

Fortescue Metals Group Ltd



Background

Fortescue Metals Group Ltd (Fortescue) was formed in 2003 and its extraordinary growth has been unparalleled in recent times. Fortescue operates in Western Australia's iron ore rich Pilbara region. The CEO Andrew Forrest and his team have taken the company from an iron ore junior to an S&P/ASX50 company in 5 years. Fortescue's project was founded on the raising of AU$3.7bn, including AU$1bn equity, during two finance road shows in August 2006 and July 2007. The August 2006 raising was the single largest high-yield Asia-Pacific transaction, the largest high-yield bond project financing, one of the largest corporate bonds out of Australia and one of the largest global bond issues in the sector.

Review of operations

Fortescue holds 69,000 square kilometres of tenements in the Pilbara region of Western Australia. The company's flagship operation is the Cloudbreak mine in the Chichester Range, 260 kilometres south of Port Hedland. Construction of Fortescue's port, rail and mine project commenced in February 2006 and was completed in early 2008. The first shipment of ore from the Fortescue Herb Elliott Port in Port Hedland occurred on 15 May 2008.

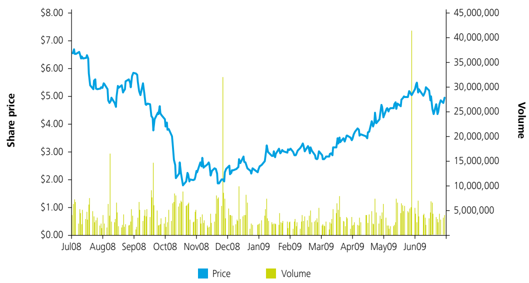
On 18 July 2008, Fortescue successfully mined, railed and shipped at a rate of 24mtpa for a one month period. The production target at Cloudbreak is 55m tonnes of iron ore per annum. This initial tonnage has sold out and agreements exist for up to 50m tonnes per annum of expansion tonnage. The Cloudbreak mine produces three products, High Grade Lump (61% Fe), Fines (60% Fe) and Rocket Fines (59%). The ore body at Cloudbreak is of flat lying nature and sits below a layer of overburden with an average thickness of around 20 metres. Fortescue are using a fleet of Wirtgen surface mining machines to remove this layer of overburden and the machines weigh over 100 tonnes and have over 1,000 horsepower. This type of mining has many benefits including reduced downtime as post-blast remobilisation becomes unnecessary and the ability to begin environmental rehabilitation work promptly.

Fortescue has 4.5bn tonnes of resources, including 1.6bn tonnes of reserves already delineated from less than 10.0% of its Pilbara tenements

Movement analysis

The market capitalisation of Fortescue has decreased by AU$21.7bn (64.9%) from AU$33.4bn as at 30 June 2008 to AU$11.7bn as at 30 June 2009. This decrease in market capitalisation is mainly due to currently unresolved iron ore price negotiations with Chinese steel mills which analysts are predicting to fall by 33.0% to 45.0% as well as a 33.0% fall in contracted iron ore prices with Japanese steel mills. The drop in contracted iron ore prices has been somewhat offset by strengthening of the USD against the AUD.

Paladin Energy Limited



Background

Paladin Energy Limited (Paladin) is a well established uranium producer in Africa and explorer in Australia. Paladin has a long term vision to become a major uranium producer with a strategy to identify, acquire and evaluate advanced uranium projects. Since 1998, during a period of sustained downturn in global uranium markets, Paladin accumulated a portfolio of advanced uranium projects with production potential. Paladin is listed on the Australian, Namibian, Toronto, Munich, Berlin, Stuttgart, and Frankfurt stock exchanges.

Review of operations

Langer Heinrich in Namibia is Paladin's flagship project. Now producing at its planned Stage I rate of 2.6mlb of uranium oxide per annum, the Langer Heinrich Uranium project will be a core long term producing mine for Paladin given the current and continuing positive outlook for uranium. Paladin acquired Langer Heinrich in 2002. The mine was officially opened by the President of the Republic of Namibia in March 2007. Work is now progressing on Langer Heinrich Stage II which will increase annual production to 3.7mlb of uranium oxide per annum. Full production was expected to be achieved from July 2009.

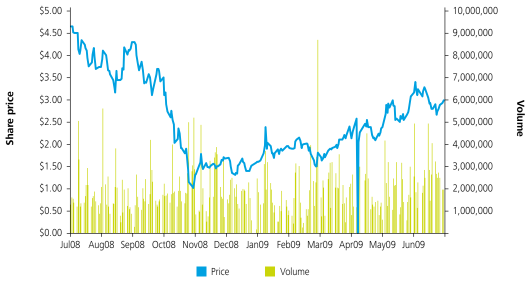
Kayelekera in Malawi, the company's second uranium mine, provides an excellent follow-on project to Langer Heinrich. A development agreement with the Government of Malawi was executed in February 2007 which provides fiscal stability for the project for 10 years. The mining licence was subsequently granted in April 2007. The Kayelekera Uranium Mine was officially opened in April 2009 and is currently in late stage commissioning and early production ramp-up. Annual production will be 3.3mlb of uranium oxide for seven years with potential for a further 1.1mlb of uranium oxide per annum for another four years.

The company has undertaken a mergers and acquisition program which has included the acquisition of Fusion Limited in April 2009 as well as aquiring a majority stake in Summit Resources Limited. Paladin now holds an 81.9% interest in Summit Resources Limited as at 30 June 2009.

Movement analysis

The market capitalisation of Paladin has decreased by AU$857m (21.8%) from AU$3.9bn at 30 June 2008 to AU$3.1bn at 30 June 2009. This decrease in market capitalisation is mainly due to falling uranium spot and contract prices. Contract prices that make up approximately 90% of sales have fallen from US$95/lb to US$65/lb, representing a fall of 33%. Spot prices which make up approximately 10% of sales have fluctuated during the year from a high of US$90/lb to a low of US$44/lb, representing a fall of 50%. This decrease in uranium prices has been partly offset by the strengthening of the USD against the AUD during the year.

Equinox Minerals Ltd



Background

Equinox Minerals Limited (Equinox) is an international copper development company dual listed on the ASX and the TSX. The company's flagship asset is the Lumwana copper sulphide project in Zambia. Copper sulphide concentrate production at Lumwana commenced in December 2008 from the 20mtpa processing plant. Full production will be reached during the second half of 2009 at which time Lumwana will become one of Africa's largest copper mines. Equinox also holds several exploration assets including uranium interests in Zambia.

Review of operations

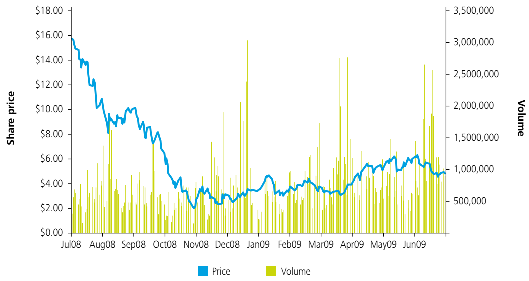
The Lumwana project achieved its first production in December 2008 after 9.5 years of intensive study. It is expected to produce at an average of 172,000 tonnes per year of copper metal contained in concentrates for the first 6 years of its 37 year mine life. Lumwana is currently the largest greenfield copper project due to be commissioned this year, and will make Equinox one of the 20 largest copper producers in the world. It is estimated that in 2009, production will total approximately 170,000 tonnes of copper metal in concentrates at an average operating cost of US$1.15 per pound. The unit production costs are anticipated to be higher until a steady state of production is achieved.

Equinox completed a uranium feasibility study ("UFS") in May 2009, investigating the onsite treatment of discrete and high grade uranium mineralisation contained with the Lumwana copper pits. The pits being developed on the Malundwe copper orebody include Uranium zones Valeria North and Valeria South. These pits are selectively mined and stockpiled. The uranium rich copper stockpile may be treated at a later date, if and when Equinox builds a Uranium plant, but it is not currently contributing to the current production cash flow. This decision is subject to board approval as well as improvements in the international project financing climate, with market prices for uranium oxide being a key factor.

Movement analysis

Equinox's market capitalisation has decreased by AU$571m (22%) from AU$2.7bn at 30 June 2008 to AU$2.1bn at 30 June 2009. This is primarily due to the decline in the copper price.

Aquarius Platinum Limited



Background

Aquarius Platinum Limited (Aquarius) produces platinum group metals (PGM), base metals and gold from their mining operations within the Bushveld Igneous Complex in South Africa and the Great Dyke in Zimbabwe. Aquarius listed on the ASX on 29 September 1999 and subsequently listed on the London Stock Exchange and the Johannesburg Stock Exchange with a sponsored Level 1 American Depository Receipts (ADR) program in the United States.

Review of operations

Aquarius has interests in six mining projects in South Africa. The Kroondal mine is the company's flagship operation that commenced in August 1999. This is a 50:50 partnership with Anglo Platinum through a pool and share agreement of revenue, operating costs and capital expenditure. The Marikana mine was the second operating mine commissioned in 2002 and the Everest mine was commissioned in 2005.

Mining operations were suspended at the Everest mine in December 2008 due to the subsidence that resulted in geotechnical instability. Since 10 February 2009, there has been no further subsidence or seismic activity, and an insurance claim has been submitted.

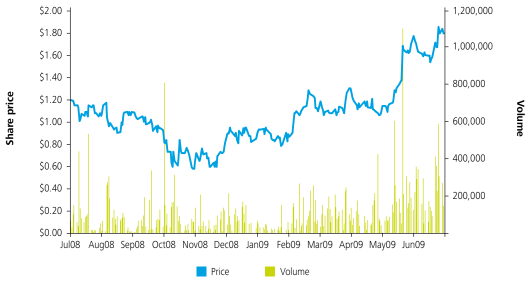
In 2002, Aquarius acquired a 50.0% interest in Mimosa, providing the company with a prime and long term asset and a foothold on the Great Dyke in Zimbabwe, one the of largest primary PGM reserves. Aquarius has a 50.0% participation interest in the Chromite Tailings Retreatment Project (CTRP). Aquarius has been contracted to operate the project and earns a management fee. Environmentally, the plant has a beneficial impact as it cleans up the old tailing dumps, remnants of earlier chromite activities on the Kroondal site.

Aquarius acquired a 50.0% interest in Platinum Mile Resources Pty Ltd ("Platinum Mile"), effective 1 March 2008. Platinum Mile operates a tailings retreatment facility which retreats certain tailings from Rustenburg Platinum Mine ("RPM") (owned by Anglo Platinum Ltd) and currently has an annual capacity of approx 34,000PGM ounces. Platinum Mile has a profit share agreement in place with RPM. The remaining interests are held by Mvelaphanda Holdings Pty Ltd (38.0%) and Management (12.0%). The company is also believed to have been actively looking at acquisitions of similar operations within the Platinum Mile sector.

Movement analysis

Aquarius's market capitalisation decreased by AU$2.4bn (54.0%) from AU$4.4bn at 30 June 2008 to AU$2.0bn at 30 June 2009. The decrease is due to the decline in PGM prices and lower than expected production levels due to the temporary shutdown of the Everest mine.

Centamin Egypt Limited



Background

Centamin Egypt Limited (Centamin) is a gold exploration and development company. The company has been exploring for gold since 1995 and in 2005 was granted a 160 square kilometres exploration lease of the Sukari East Gold Project ("Sukari"). The Sukari project is the company's flagship project and is located in eastern Egypt. Centamin is listed on the ASX, the Alternative Investment Market (AIM) of the London Stock Exchange and the TSX.

Review of operations

The Sukari gold project is located in the eastern desert of Egypt approximately 700 kilometres south of Cairo. A definitive feasibility study was completed in February 2007 based on a 15 year open pit mining operation to produce 200,000 ounces of gold per annum. Sukari is the first modern commercial gold mine to be operated in Egypt. In March 2008, the resource base was upgraded to a total of 8.12m ounces of Measured and Indicated resources and 3.5m ounces of Inferred resources. The drilling program has returned results which show current mineral reserve of 142m tonnes at 1.4g/t Au for 6.4m ounces with a current mineral resource of 191m tonnes at 1.53g/t Au for 9.39m ounces measured and 64m tonnes at 1.7g/t Au for 3.5m ounces inferred. Ongoing drilling is expected to add significantly to this resource.

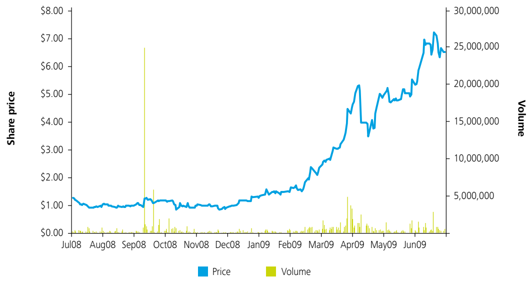
On 26 June 2009, Centamin announced that it had completed the first gold pour from the Sukari Mine. This milestone marks the commencement of production and commissioning at the Sukari gold mine ahead of the commercial ramp up of production, which is anticipated over the coming months.

To add to the resource base, Centamin has commenced drilling focused in the Amun Deeps, Ra, Gazelle and Pharaoh Zones with 8 rigs on site. Centamin is also committed to significantly upgrading the Sukari gold reserves and increasing the confidence level in inferred resource areas such that conversion to reserves is possible.

Movement analysis

The market capitalisation of Centamin has increased by AU$712m (67.1%) from AU$1.1bn at 30 June 2008 to AU$1.8bn at 30 June 2009. The increase is attributable to the commencement of the production and commissioning at the Sukari site and as a result of the first gold pour in late June 2009. The increase is also supported by the continuing strength of the gold price during a period of economic instability.

Extract Resources Limited



Background

Extract Resources Limited (Extract) is an Australian based minerals exploration and development company aiming to produce uranium from the rich provinces in Namibia. Extract Resources is listed on the Australian and Canadian Stock Exchange.

Review of operations

Extract's principal asset is its 100% owned Husab Uranium Project, covering approximately 637 square kilometres. The project contains two Uranium deposits being Rossing South and Ida Dome.

Rossing South

The Rossing South project is located 5 kilometres south of the Rossing Mine in Namibia, an area which had been uninterrupted for 30 years before Extract conducted its first feasibility studies in February 2008. Drill holes with an intersection of 40metres at 240ppm and 100metres at 265ppm U308 indicated the establishment of a new uranium discovery. A year later, Extract released its first initial resource estimate of 108m pound U308 at a grade of 430ppm (JORC Code and Canadian NI 43-101 compliant).

Ida Dome

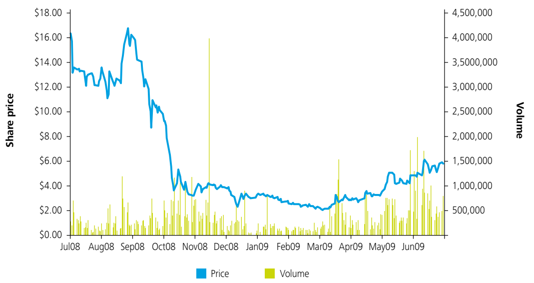
Uranium mineralisation has been found within 10,000 metres of sediments and Ida Dome Alaskites. The area contains seven different prospects that are either JORC Complaint or are at the resource definition stage; Ida Central, Swakop West, Garnet Valley, Hook, New Camp, Hollands Dome and Ida East.

In August 2008, the company announced its maiden resource within the Garnet Valley, New Camp and Ida Central Zones. 28,852 metres of drilling were completed, representing 48.0% of the 60,000 metre project. Results confirm an indicated resource of 0.31 M lb U308 at 246ppm and an inferred resource of 24.8 M lb at 213ppm.

Movement analysis

The market capitalisation of Extract has increased by AU$1.2bn (446.3%) to AU$1.5bn over the twelve months to 30 June 2009. The increase is attributable to the development of the Husab Uranium Project, primarily a result of the favourable uranium discoveries at Rossing South.

Aquila Resources Limited



Background

Aquila Resources Limited (Aquila) is a mineral exploration company primarily focused on coal, iron ore and manganese project development with tenements mainly in Australia. The company's most advanced project is the 50% owned Isaac Plains Coal Project in the Bowen Basin in Central Queensland. In January 2004, Aquila commenced exploring for iron ore in the Pilbara region of Western Australia, through the Australian Premium Iron Joint Venture (API). The company also has interests in coal projects in Mozambique and Botswana in Southern Africa.

Review of operations

Aquila and American Metals and Coal Industries (AMCI) each hold a 50.0% participating interest in the unincorporated joint venture, Australian Premium Iron (API). On the 23 June 2009, Aquila announced that API has signed a Cooperation Agreement with Fortescue Metals Group Ltd to investigate the potential for shared development port facilities at Anketell Point. A Definitive Feasibility Study (DFS) is scheduled to be completed in 2010 and environmental approvals are expected by 2011, with the first shipment of iron ore scheduled for 2013. In July 2009, AMCI announced it was seeking offers for its 50% interest in API. Aquila has a pre-emptive right to acquire AMCI's stake in the venture.

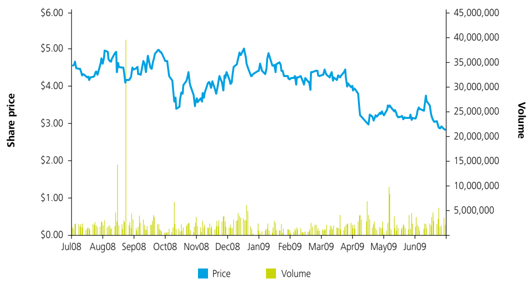
Aquila's coal interests comprise joint venture and wholly-owned projects in the Bowen Basin, Queensland, together with majority-owned projects in Botswana (Aquila-100% diluting to 50%) and South Africa (Aquila – 74.0%). The Isaac Plains Coal Project in Queensland commenced production in 2008 and has Run of Mine coal reserves of 65.5M tonnes and a projected mine life of over 17 years. The mine's planned production is 2.8mtpa of coal. Some seven kilometres south of Isaac Plains, Aquila and Vale Australia Ltd have completed a pre-feasibility study into the development of a twin longwall operation at the Eagle Downs Coal Project, targeted to produce 7Mtpa of hard coking coal, with coal production expected in 2012. Pre feasibility work continues on the Belvedere Coal Project and it is expected to start exporting coal in 2014.

On 9 February 2009, Aquila announced the potential for open cut resources of high grade manganese at the Gravenhage Prospect in the north of its Avontuur Manganese Project located in the Northern Cape Province of South Africa. This is a joint venture project with Kathu and Avontuur tenements of which Aquila owns 74%.

Movement analysis

Aquila's market capitalisation decreased by AU$2.7bn from AU$4.1bn at 30 June 2008 to AU$1.4bn at 30 June 2009. The decline is due to a combination of the fall in iron ore, coal and manganese prices during the period, together with the decrease in global demand for steel.

Iluka Resources Limited



Background

Iluka Resources Limited (Iluka) was listed on the ASX in May 1999 and is involved in the exploration, project development, operation and marketing of mineral sands. Iluka is the largest producer of zircon in the world, with an approximate market share of 34.0% and the second largest producer of titanium dioxide minerals, with an approximate market share of 18.0%. The company's core business is the production and processing of heavy minerals including zircon with its businesses based in Australia and the United States. Iluka receives royalty interest from BHP Billiton's Mining Area C iron ore assets in the Pilbara. In Australia, Iluka has operations and/or projects in the Eucla Basin, mid west and south west Western Australia (WA) and the Murray Basin.

Review of operations

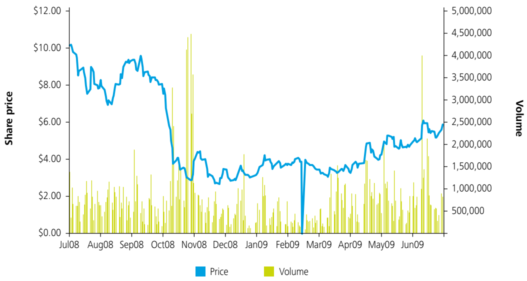
The WA south west operations produced approximately 883,019 tonnes of heavy minerals with finished products including ilmenite, synthetic rutile and zircon. Iluka's Murray Basin Stage 2 operations in Victoria, will only begin in August 2009 due to a 6 week delay caused by the late delivery of mining equipment, resulting in a lower than expected production figure. This site will be involved in mining and concentrating operations surrounding Ouyen, Victoria and includes the development of the Kulwin, Woornack, Rownack and Pirro group deposits.

During May 2009, Iluka sold its 51.0% interest in Consolidated Rutile Limited (CRL). CRL produced approximately 60,991 tonnes of zircon and 200,217 tonnes of ilmenite in the current financial year. Production results for Iluka's US operations in June 2009 were lower than expected (with approximately 63,611 tonnes of zircon produced) due to the lower product demand associated with a slowdown in global consumption. Final approval for the Jacinth-Ambrosia deposit was received in May 2009 by the South Australian government and the Iluka board. It has the capacity to produce at least 300,000 tonnes of zircon per annum and has an economic life of at least 10 years.

Movement analysis

Iluka's market capitalisation has decreased by AU$595m (33.0%) from AU$1.8bn as at 30 June 2008 to AU$1.2bn as at 30 June 2009. The decline is due to a decrease in commodity prices caused by the weakening global demand as well as a reduction in production due to the interrupted gas supply to the plant following the Varanus Island gas explosion.

Western Areas NL



Background

Western Areas NL (Western Areas) is a nickel sulphide mining and exploration company. Its principal asset is the Forrestania Nickel Project located in Western Australia. In addition, the company has several joint venture nickel interests in Western Australia and Canada. With sufficient funding available, Western Areas is aiming to produce 35,000 tonnes of nickel per annum from five mines by 2011. Western Areas is listed on both the ASX and the Toronto Stock Exchange.

Review of operations

The Forrestania Nickel project is made up the following deposits; Flying Fox, New Morning, Cosmic Boy, Diggers South and Spotted Quoll. Flying Fox is currently producing nickel and the Spotted Quoll deposit, discovered in October 2008, is expected to be the second producing nickel mine with production beginning in May 2009. Western Areas is currently producing 10,000 tonnes per annum at an estimated cash cost of US$1.50/lb nickel and now owns two of the highest grade nickel deposits and lowest cost nickel mines in the world.

Significant progress has been made on the Diggers South and Cosmic Boy deposits and a scoping study is underway at New Morning deposit. In February 2009, the company announced its agreement with Norilsk Nickel Australia Pty Ltd (Norilsk) to restructure the existing Ore Tolling and Concentrate Purchasing Agreement (OTCPA) relating to the 100% owned Forrestania Nickel Project. Western Areas had agreed to terminate its right to toll treat ore at Norilsk's Lake Johnston concentrator from 1 March 2009 in exchange for the option to remove up to 100% of the Flying Fox product from the OTCPA. Western Areas opened its own concentrator at the Forrestania Project in March 2009.

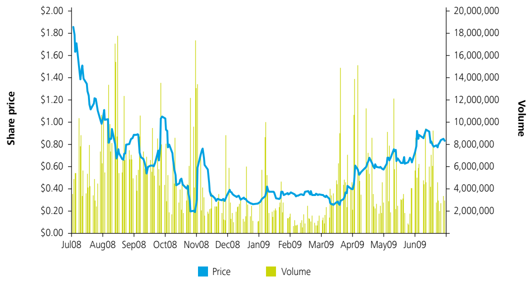
The company recently announced a two-year off-take agreement with Jinchuan Group Ltd covering 25,000 tonnes of nickel in concentrate from the Forrestania Project commencing in early 2010.

Western Areas has consolidated its substantial nickel interests in the 'Central Yilgarn Nickel Province' which extends 500 kilometres from Sandstone to Ravensthorpe. The company holds interests in seven nickel projects (including Forrestania) in the region and all are considered to have excellent potential for exploration. The company is also exploring for major deposits of nickel, copper and cobalt at its exploration project in Canada.

Movement analysis

The market capitalisation of Western Areas has decreased by AU$674m (39.0%) from AU$1.7bn at 30 June 2008 to AU$1.1bn at 30 June 2009. This decrease is primarily due to the sharp fall in the nickel price from approximately US$21,793/tonne in June 2008 to approximately US$15,291/tonne in June 2009. The decrease has been diluted by the increase in production as well as the strengthening of the USD.

Minara Resources Limited



Background

Minara Resources Limited (Minara) is a mineral exploration and production company with interests in nickel and cobalt mining in Western Australia. It is Western Australia's second largest nickel producer and one of the top ten nickel producers in the world. Minara operates the Murrin Murrin nickel and cobalt joint venture project (60.0% Minara, 40.0% Glencore International AG) in the northern goldfields region. The company is listed on the ASX and is one of Australia's Top 100 companies.

Review of operations

The Murrin Murrin deposit in Western Australia has an estimated life of at least 30 years. Based on a December 2008 statement, the mine production target for 2009 is 13.6m tonnes of total ex-pit material movement and a high-grade ore to ROM pad target of 3m tonnes at 1.27% nickel. The 2009 production guidance is 30,000-34,000 tonnes of nickel and 2,000-2,400 tonnes of cobalt. The Varanus Island incident in June 2008, affected the gas supply to the Murrin Murrin plant and only two thirds of the supply was available during July 2008, resulting in a reduction in production. In the second half of 2008, production was further impacted by a 12-day planned maintenance shutdown to repair duct work in the acid plant.

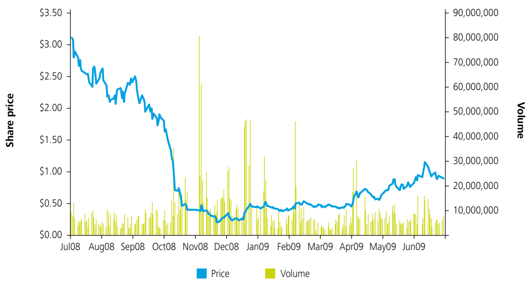
In response to external market conditions, Minara shifted its business focus from capital expansion to a "back to basics" philosophy, in the second half of 2008. The new business plan focussed on cost saving initiatives including; reduced capital expenditure, reduction in discretionary expenditure, reduced mining and maintenance costs, a new mine plan focussed on low magnesium ores and a reduction in the number of contractors and employees. The full impact of the cost savings will be realised during 2009.

The Board approved a major expansion of the heap leach activities in early 2008 which was deferred later in the year as a result of cost pressures. These activities will continue throughout 2009 and expansion plans will be reviewed in relation to the current market conditions.

Movement analysis

Minara's market capitalisation has decreased by AU$542m (36.0%) from AU$1.5bn at 30 June 2008 to AU$975m at 30 June 2009. This decrease is primarily due to the decrease in nickel and cobalt prices during the year, which has been driven by the decrease in demand for stainless steel in China, Europe and the USA. The shortage of gas supply due to the Varanus Island explosion also resulted in lower production during the second half of the 2008 calendar year.

Mount Gibson Iron Limited



Background

Mount Gibson Iron Limited (Mount Gibson) is a hematite iron ore producer with operations located in the mid west region and Kimberley region of Western Australia and is well-established in the bulk commodities sector. Mount Gibson was established in Perth in 1996 and listed on the ASX in 2002. In December 2006, Mount Gibson completed the takeover of Aztec Resources Limited.

Review of operations

Mount Gibson's Tallering Peak Hematite Operation, located 175 kilometres east of Geraldton, commenced production of high quality lump and fine hematite ores in February 2004 and achieved its target production rate of 3mtpa in the first quarter of the 2006 financial year. Tallering Peak is a modern efficient mining operation with a sustainable Life of Mine Plan that should see the mine continue to produce 3mtpa each year until 2013. Ore from Tallering Peak is trucked to Mullewa before being loaded onto rail wagons destined for the Port of Geraldton.

Extension Hill is Located in the Mt Gibson Ranges, 85 kilometres east of Perenjori and 260 kilometres east south east of Geraldton. The company completed a definitive feasibility study in August 2007, which confirmed that a 3mtpa hematite mining operation will generate strong financial returns. The Extension Hill Project has been suspended and tentatively deferred until 2010 as a result of the failure of customers to collect allocated ore. First ore shipments are expected in the June 2010 quarter. This date was revised from June 2009.

The Koolan Island hematite mining operation is located at Yampi Sound, off the northern Kimberley coast of Western Australia. Almost 70m tonnes of high grade iron ore was mined by BHP from Koolan Island from 1959 to 1993. Koolan iron ore is very high quality and low in impurities. Hematite production at Koolan Island recommenced in early 2007 with the first shipment achieved in June 2007 and is expected to reach its targeted ore production rate of 4mtpa in 2010.

Movement analysis

Mount Gibson's market capitalisation decreased by AU$1.5bn (61.4%) from AU$2.5bn at 30 June 2008 to AU$968m at 30 June 2009. The decrease in market capitalisation can be attributed to the suspension and deferral of operation of the Extension Hill project until 2010. The failure of customers to collect allocated ore as well as a deteriorating iron ore market which has led to a decrease in iron ore prices have also contributed to the decrease in market capitalisation.

Mirabela Nickel Limited

Background

Mirabela Nickel Ltd (Mirabela) owns 100% of the Santa Rita nickel sulphide project, located in Bahia, Brazil. The Santa Rita Project is the largest nickel sulphide discovery in 12 years and is expected to be the second largest open-pit nickel sulphide mine in the world. Mirabela Nickel also has a portfolio of nickel sulphide exploration projects including Serra Azul, Palestina, and São Francisco. The company's shares are listed on both the Australian and Toronto stock exchanges.

Review of operations

The Santa Rita Project will make Mirabela the largest nickel sulphide producer in the world. Additionally, there is scope to double the size of the project by adding an underground operation. Construction of the nickel sulphide concentrator at Santa Rita plant is over 90% complete, with commissioning due in September 2009. An underground scoping study performed demonstrates attractive potential economics to expand the mine underground. A US$190m senior loan facility was raised despite the difficult credit market conditions which have allowed substantial progress to be made in the construction of the plant.

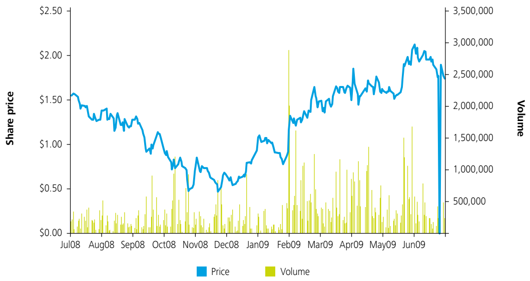
The current open pit mine has a life of 19 years of proven and probable resources with an additional four years waiting conversion from resource to reserve with a target production rate of 26,000 tonnes per annum of nickel concentrate. The potential open pit mine life is estimated at 25 – 30 years at 6m tonnes per annum (based on target resource) and the potential underground mine life is estimated at 25 – 40 years at 5m tonnes per annum (based on target resource) at a target production rate of 52,000 tonnes per annum nickel concentrate.

An off-take agreement is in place covering 100% of nickel concentrate production until the end of 2014. Mirabela will supply 50% of all concentrate to Votorantim at the minegate and the other 50% of concentrate to Norilsk CIF Rotterdam. In addition, Votorantim and Norilsk will make a prepayment of $50m each (total $100m) to Mirabela.

Movement analysis

The market capitalisation of Mirabela has decreased by 10.8% or AU$89m from $819m at 30 June 2008 to AU$730m at 30 June 2009. The decrease in market capitalisation is a result of the decline in nickel price in the past 12 months from US$20,282 per tonne at 30 June 2008 to US$15,291 per tonne at 30 June 2009.

Andean Resources Limited



Background

Andean Resources Limited (Andean) is a dual listed public company on the ASX and TSX which has focused on the exploration and development of gold projects in Patagonia, Argentina. The company's major project is its 100% owned Cerro Negro epithermal gold deposit which was acquired from MIM Limited in January 2004.

Review of operations

The Cerro Negro gold project is an advanced stage gold exploration project on the low level Patagonian plains in the southern Argentinean province of Santa Cruz. Project infrastructure is excellent with access to the property available through bitumen and gravel roads from the nearest provincial town of Las Heras. The main regional centre of Comodoro Rivadavia has port and airport facilities and is situated 160 kilometres north east of Las Heras. The Cerro Negro project covers approximately 25,000 hectares and there are currently ten identified prospect areas with manifestations of epithermal gold mineralization. Only two of these, the Vein Zone and the Eureka West prospects, have been subject to systematic drilling by Andean.

Within the overall Cerro Negro project, there are five zones of known epithermal mineralization, the Vein, Herradura, Eureka, Bajo Negro and Mariana zones. In September 2008, Andean commenced the largest planned drilling program at Cerro Negro and as a result, in June 2009 Andean reported an increase in the resource at the Eureka vein zone. During the year Andean also completed a pre-feasibility study at Cerro Negro which showed probable reserves of 7.2m tonnes of gold at 6.4 g/t and 75 g/t of silver for 1.5m ounces of gold and 17.3 million ounces of silver with a projected annual production of 350,000 ounces of gold per year.

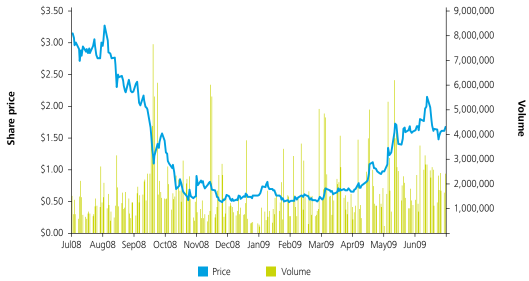
Andean has been proactive in expanding its regional interest in Santa Cruz province and holds options to purchase 100% interest in three prospective gold exploration licences, namely, Las Mellizas, La Esperanza and San Augustin. At Las Mellizas, which is located approximately 120 kilometres south east of Cerro Negro, exploration by previous explorers Rio Tinto and IAM Gold was successful in delineating several epithermal vein structures.

Andean did not significantly advance these properties during the Phase 3 field season due to the need to define resources on other targets, especially the Eureka West Vein and Vein Zone.

Movement analysis

Andean's market capitalisation has increased by AU$92m (15.1%) from AU$613m at 30 June 2008 to AU$705m as at 30 June 2009. The increase is a result of the rise in the price of gold per ounce over the year and the positive drill results that have been reported.

Murchison Metals Limited



Background

Murchison Metals Limited (Murchison) is an ASX listed company. The company is aiming to create shareholder wealth through mining and exporting high quality iron ore to world markets. Murchison is a 50% shareholder in Crosslands Resources Ltd which is the owner of the Jack Hills iron ore project located in the mid-west region of Western Australia.

Review of Operations

The Jack Hills Project is located 380 kilometres north-east of Geraldton in the Mid West region of Western Australia and was previously explored in the 1970s which identified the potential for a number of deposits of high grade hematite ore. Previous explorers at Jack Hills estimated potential mineralisation of 380m tonnes of ore. The project was not previously developed due to prevailing low iron ore prices and the ready availability of iron ore from the Pilbara. The Jack Hills Iron Ore Project is a joint venture with Mitsubishi Development Pty Ltd, a wholly owned subsidiary of Mitsubishi Corporation. In February 2009, Murchison announced that the estimated ore resource is now expected to exceed 1bn tonnes.

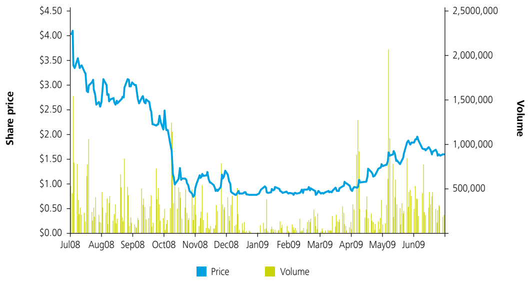
Murchison also has a 50% interest in the Oakajee Port and Rail (OPR) which was established by Murchison and Mitsubishi to develop world class port and rail infrastructure, including a heavy haulage railway and deepwater port, at Oakajee, north of Geraldton. The Oakajee Rail and Port will facilitate the expansion of the Jack Hills Iron Ore Project and provide the catalyst for other miners to develop their iron ore resources in the mid-west. In December 2008, Western Australia Premier Colin Barnett announced his support of the OPR project and agreed to help facilitate the timely development of the project.

Back in April 2008, Murchison acquired the tenements E47/952 from Austral Gold Limited and E47/1153 from Joytell Pty Ltd. The two tenements, to be known as the Rocklea Project, total over 400 square kilometres and are considered to be highly prospective for Channel Iron Deposit style iron ore mineralisation. Located between the major iron ore mining towns of Tom Price and Parabudoo, the Rocklea tenements are close to existing infrastructure that will facilitate exploration and potentially any future development activities. Exploration drilling commenced in October 2008 and the results returned JORC estimates of 100m tonnes at 52% Fe and 58m tonnes at 53% Fe. In June 2008 Murchison announced that it will begin a scoping study on its Rocklea Project.

Movement analysis

Murchison's market capitalisation has decreased by AU$514m (42.6%) from AU$1.2bn at 30 June 2008 to AU$694m as at 30 June 2009. The decrease is a result of the fall in iron prices and the slowdown in the steel market. The failed merger with Midwest Corporation Ltd in July 2008 also contributed to the decrease in share price.

Coal of Africa Limited



Background

Coal of Africa Limited (Coal of Africa), formerly GVM Metals Ltd, is primarily focused on the acquisition, exploration and development of coal projects in South Africa. The company's key projects, along with their leading metals processing company Nimag Group (Pty) Ltd are located in South Africa. The company was incorporated in Western Australia and listed on the ASX in 1980. Since 2005, the company has also listed on both the AIM (Alternative Investment Market) and JSE (Johannesburg Stock Exchange) markets, allowing further growth in the company's coal assets.

Review of operations

The Makhado coal project in which Coal of Africa has a 100% interest, is situated north of Soutpansberg, 60 kilometres from Musina in the Limpopo Province close to Rio Tinto Limited's Chapudi Project. The Makhado project covers an area of more than 23,000 hectares in the Mopane/Soutspansberg coalfield. Coal of Africa entered into a joint venture deal with Rio Tinto Coal companies in the Limpopo Province. The Rio associates, Kwezi Mining, Chapudi Coal and Coal of Africa signed a memorandum of understanding which involved a joint venture and farm swap agreement. Core analyses from the large diameter drilling program have been completed with an indication of good quality coking coal.

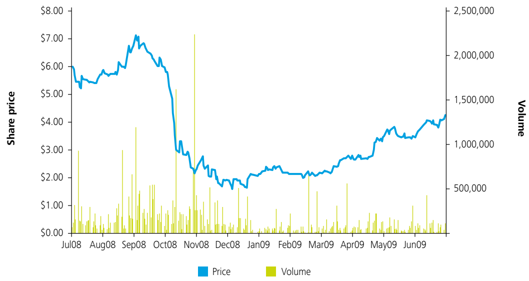
The Mooiplaats coal project in which Coal of Africa has a 100% interest is situated in the Ermelo coal fields 1.7 kilometres from the recently re-commissioned Camden Power Station. Development of the underground single seam thermal coal operation has commenced with the first coal extracted on 20 October 2008.The second continuous miner was handed over on 24 November 2008. Successful negotiations have recently been concluded with a local coal producer to obtain interim access to rail loading facilities.

The Vele project in which Coal of Africa has a 74.0% interest is also located in the Limpopo Province. This blended coking coal project is planned to commence production in 2009 with production of 1mtpa - 1.5mtpa. Capital expenditure on the Vele project will be close to US$300m (R3bn) and as with Makhado the bulk of the expenditure is anticipated to be financed through cash-flow and contractor supplied mining equipment. The New Order Mining Right application for this project was lodged in October 2008. Rail allocation has been secured for both coking projects with Transnet Freight Rail for one million tonnes per annum to the Matola dry bulk terminal.

Movement analysis

Coal of Africa's market capitalisation has decreased by AU$1.0bn (60.4%) from AU$1.6bn at 30 June 2008 to AU$659m at 30 June 2009. The decrease in market capitalisation is a result of the decline in the price per tonne of coal. The price of coal fell around 40% in the 2008/09 year from around AU$120/tonne to AU$70/tonne.

Mineral Resources Limited



Background

Mineral Resources Limited (Mineral Resources) is a diversified Australian mining services and contracting company which listed on the ASX in July 2006 following the consolidation of PIHA Pty Ltd (PIHA), Crushing Services International Pty Ltd (CSI) and Process Minerals International Pty Ltd (PMI). The company has operations in contract crushing, general mine services infrastructure provision and recovery of base metal concentrate for export sales. Mineral Resources operations are supplemented by rehabilitation and the sale of heavy duty crushing and processing equipment, hire of engineering and crushing fleet plant and workshop manufacture of pipe fittings and components.

Review of operations

Mineral Resources is a fully integrated mining services company developed from the integration of three wholly owned subsidiaries being PIHA, CSI and PMI. PIHA is a pipeline construction and civil engineering operation which specialises in the construction and installation of polyethylene piping, pipe lining and the manufacture of polyethylene fittings. PIHA's Perth premises include a sophisticated research and development operation.

CSI is a specialist contract crushing company which designs, constructs, owns and operates crushing and processing plants for the mining industry. Additionally, CSI is involved in the material handling field and design and install low cost overland conveying outcomes for transport of mined, crushed and processed product.

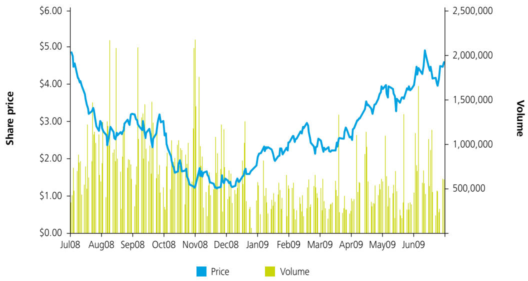
PMI is a mineral processing and marketing business which produces manganese and iron ore for export to China. PMI was founded to process reject manganese fines from the Woodie Woodie mining tenements. PMI also processes and upgrades waste iron ore for export from the Woodie Woodie fines operation which is located 400 kilometres southeast of Port Headland.

In April 2008, Mineral Resources participated in a placement of shares in Goldstar Resources, a gold exploration company, which gave Mineral Resources a 5% interest in the company.

Movement analysis

The market capitalisation of Mineral Resources decreased by AU$270m (33.9%) from AU$798m at 30 June 2008 to AU$528m at 30 June 2009. The decrease has been primarily due to the significant decline in demand volumes as well as recent falls in the prices of iron ore and manganese. Chinese demand has had a pivotal impact on financial performance and, although remaining stable, has been below the levels experienced in the 2008 financial year end.

Independence Group NL



Background

Independence Group NL (Independence) was incorporated in May 2000 for the purpose of discovering world-class ore bodies in Australia, focusing on gold and nickel. The company's philosophy is to favour ore bodies amenable to rapid evaluation and project turnover. Independence's mining operations are located in the Kambalda district of Western Australia (WA) with its main focus being on large, high grade nickel and gold deposits. Independence has identified and acquired an interest or right to earn an interest in numerous prospective projects. The company was officially listed on the ASX on 17 January 2002.

Review of operations

Independence's main cash producing mine is the Long Nickel Mine located in Kambalda, Western Australia. The company's wholly owned subsidiary Lightning Nickel Pty Ltd (Lightning) acquired the Long Nickel Mine and the lease of related infrastructure and equipment from WMC Resources Ltd for AU$15m in September 2002. The mine was successfully commissioned in October 2002. Historic production from the Long Nickel Mine represents the second largest concentration of nickel in the Kambalda region and qualified as one of WMC's longest operating nickel mines with a 21 year mine life. Since Independence recommissioned the mine in 2002, exploration and development activities have resulted in the discovery of an additional 5.5 years worth of reserves increasing the current life of mine to at least 2011. The McLeay nickel deposit, which is part of the Long Nickel mine, was discovered in 2005 and currently has a resource of 28,600 tonnes of nickel. Further exploration success at McLeay, Long South and Long North, has the potential to significantly increase the life of mine.

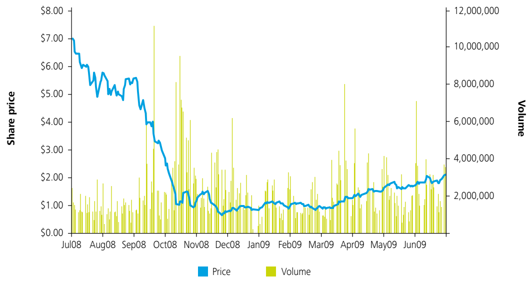
The second core asset held by Independence is a 30% interest in the Tropicana Joint Venture in the Great Victoria Desert, Western Australia. The Tropicana Project is focussed on gold development and exploration has shown evidence of significant underground and regional potential. The operating cash flows generated have allowed for the funding of Independence's mine and regional exploration activities.

Independence has two main investments namely a 17.7% interest in Matrix Metals Limited and an 11.5% share in Brumby Resources Limited.

Movement analysis

The market capitalisation of Independence has decreased by AU$70m (11.8%) from AU$596m at 30 June 2008 to AU$526m at 30 June 2009. The decrease in market capitalisation is primarily attributable to the reduction in the price of nickel during the year from US$21,793\t at 30 June 2008 to US$15,291\t at 30 June 2009. This decrease in nickel price has been partly offset by the USD strengthening against the AUD.

Straits Resources Limited



Background

Straits Resources Limited (Straits) is a diversified mining company with copper, gold and coal operations in Australia and Indonesia. Straits has a variety of mining investments, development projects and exploration tenements throughout Australia, Indonesia, Madagascar and Brunei. The company also owns GfE Energy Management and Magontec, which are European based specialty metals businesses. Recently, the company sold 60% of their interest in Straits Bulk and Industrial (SBI) to PTT Group companies and now only holds a 40% stake in SBI. Straits has four main areas of operational activity, namely the Tritton Copper Project, Mt Muro Gold Project, Whim Creek and Hillgrove.

Review of operations

The Tritton Copper Project is a mine located near Nyngan in New South Wales and is 100% owned and operated by Straits. Tritton operates a conventional crushing and flotation plant and the concentrate produced is relatively clean and acceptable to virtually all smelters in the Asia Pacific region.

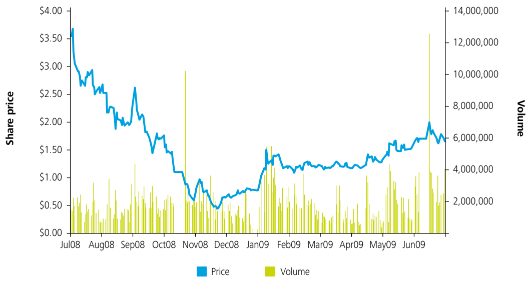
Straits operate the Mt Muro Gold Project under a Third Generation Contract of Work agreement with the government of the Republic of Indonesia. Mining activity is carried out on a wet hire basis by contractors with ore being supplied from a number of pits within reasonable haulage distance of the processing plant. The Whim Creek Copper Project is a wholly owned and fully engineered project, located adjacent to the North West Highway, midway between Karratha and Port Hedland in Western Australia.

The Hillgrove Gold Project, located near Armidale, New South Wales, was purchased by Straits in March 2004. Since then, Straits has been pursuing an aggressive development plan encompassing additional resource definition, metallurgical test work, design and mine planning which culminated in the completion of a Development Plan in late 2005. Straits have commenced construction of a demonstration process plant capable of achieving initial mine production rates of approximately 10,000 tonnes per annum of antimony metal and 20,000 ounces of gold. Additionally tungsten will be produced as a by-product.

Movement analysis

The market capitalisation of Straits decreased by AU$1.1b (67.5%) from AU$1.6b at 30 June 2008 to AU$518m at 30 June 2009. The decrease is primarily attributable to the downturn in resources prices, particularly copper.

Atlas Iron Limited



Background

Atlas Iron Limited (Atlas) is an emerging iron ore producer focused on exploration and rapid development of iron ore prospects within Western Australia. Atlas made a significant discovery of iron ore within nine months of listing on the ASX in December 2004 and currently exports iron ore at a rate of 1m tonnes per annum, mainly from its Pardoo operations. Increased production, coupled with the commissioning of new mines, is expected to see Atlas export 12m tonnes of iron ore per annum by 2012.

Review of operations

Atlas' projects are predominantly located in the highly prospective Northeast Pilbara region covering 9,000 square kilometres. In addition, Atlas has acquired two advanced iron ore projects in the Mid West region of Western Australia. Within the North East Pilbara region Atlas has three main projects, the Pardoo, Abydos and Wodgina projects. The Pardoo project, located 50 kilometres east of Port Hedland, is Atlas's flagship project and first iron ore mine. Pardoo is currently producing at a rate of one million tonnes of iron ore per annum and this is expected to increase significantly within the next year.

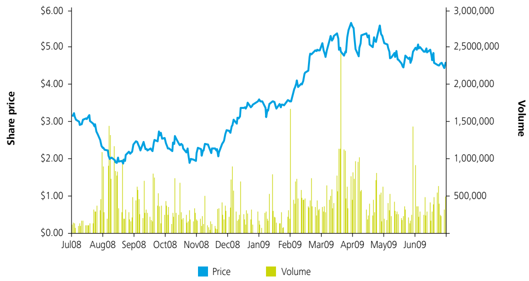
The Abydos project is 100% owned by Atlas and is located 130 kilometres south of Port Hedland, with exploration to date focused on iron mineralisation within prospective sequences. The Wodgina project falls under the banner of the Greater Abydos project area. Wodgina is host to large areas of surface iron enrichment defined by rock chip sampling, which are anticipated to provide an enormous boost to the Atlas resource inventory as they are explored in 2009.

Atlas' other interests include tenements at Mt Gould and Weld Range in the Mid West region of Western Australia. Atlas holds a 42.7% interest in Shaw River Resources Limited, a gold and base metals exploration company focused on the discovery, definition and development of high value mineral deposits in the Pilbara region. In addition, Atlas holds a 19.5% interest in Warwick Resources Limited, an emerging iron ore explorer with a diverse asset portfolio in the Pilbara region.

Movement analysis

Atlas's market capitalisation has decreased by AU$554m (52.5%) from around AU$1.1bn at 30 June 2008 to AU$501m at 30 June 2009. The decrease is primarily attributable to the global reductions in price and demand for iron ore over the period.

Dominion Mining Limited



Background

Dominion Mining Limited (Dominion) is a gold producer and explorer. Dominion has a high-margin gold mine in South Australia and a suite of prospective exploration projects spanning Western Australia, Queensland and South Australia. Dominion's shares are quoted on the ASX while Sponsored American Depositary Receipts representing its shares are traded in the USA.

Review of operations

Dominion's key asset is the 100%-owned Challenger Gold Mine, located 740 kilometres north-west of Adelaide in South Australia. The Challenger Project is the first-ever major gold mine development in South Australia to come on stream outside of the Olympic Dam copper-gold-uranium operation. It is also the first commercial mine development in the Gawler Craton. Construction and development of the Challenger mining complex was completed during 2002, on schedule and on budget.

Infrastructure at the site includes a processing plant, a laboratory, power station, borefield and other services, as well as a mine village and airstrip. Open pit mining operations commenced in October 2002 and the open pit phase of the operation concluded in April 2004 with the project making the transition during second half of the year to a wholly underground mining operation. Full-scale underground production commenced in the first quarter of 2005.

Dominion has a significant commitment to exploration for gold, base metals and other commodities in Australia, with much of this effort focused on intensive exploration at Challenger to maintain and, potentially, increase its gold reserve inventory.

Regional exploration programs are underway at prospective projects including the South West Yilgarn Project in Western Australia and the Wongan Hills base metal project, located 120 kilometres north east of Perth. The objective of these programs is to generate a substantial new mineral discovery with the potential to add significant value to Dominion.

Movement analysis

Dominion's market capitalisation has increased by AU$131m (38.3%) from AU$343m at 30 June 2008 to AU$474m at 30 June 2009. The increase is primarily attributable to a robust cashflow, a steady gold price over the period and a promising prospective exploration portfolio. This has been complemented by the strengthening of the USD against the AUD.

The market capitalisation of the twenty largest mining and resources companies in Western Australia almost halved between 30 June 2008 and 30 June 2009, declining by $32.9 billion (49.8%) to $33.1 billion.

WA's Top 100 listed companies

as at 30 June 2009

Last Month	This Month	Company name	Mkt Cap 30 June 09	Mkt Cap 31 May 09	Last Price (mth)	High Price (yr)	Low Price (yr)	EPS
1	1	Woodside Petroleum Ltd	30,648	30,747	43.21	68.20	26.81	2.61
2	2	Wesfarmers Ltd	22,766	21,429	22.65	35.53	14.11	1.70
3	3	Fortescue Metals Group Ltd	11,709	8,093	3.79	12.70	1.16	(1.55)
4	4	Paladin Energy Ltd	3,074	3,130	4.93	6.72	1.63	(0.06)
6	5	Equinox Minerals Ltd	2,084	2,154	2.98	4.76	0.95	-
5	6	Aquarius Platinum Limited	2,017	2,494	4.86	16.20	1.93	0.88
7	7	Centamin Egypt Limited	1,774	1,682	1.79	1.85	0.55	0.01
8	8	United Group Ltd	1,709	1,590	10.35	14.92	6.13	0.82
10	9	Extract Resources Ltd	1,487	1,256	6.50	7.27	0.75	(0.08)
11	10	Aquila Resources Limited	1,434	1,193	5.76	16.93	1.90	0.50
9	11	Iluka Resources Limited	1,197	1,331	2.86	5.40	2.83	0.22
14	12	Western Areas NL	1,054	852	5.90	10.34	2.46	(0.32)
13	13	Monadelphous Group Ltd	1,023	859	11.90	16.55	5.25	0.83
19	14	Minara Resources Ltd	975	747	0.84	1.91	0.19	(0.04)
17	15	Mount Gibson Iron Limited (formerly WHK)	968	833	0.90	3.27	0.19	0.14
12	16	Navitas Ltd	934	941	2.73	2.82	1.96	0.11
15	17	West Australian Newspapers Holdings Ltd	926	850	4.36	9.85	3.62	0.53
20	18	Mirabela Nickel Ltd	730	690	2.54	6.46	0.66	0.16
16	19	Andean Resources Ltd	706	835	1.74	2.14	0.43	(0.03)
21	20	Murchison Metals Ltd	694	661	1.68	3.37	0.48	0.14
22	21	Bunnings Warehouse Property Trust	668	621	1.63	2.03	1.31	0.00
18	22	Coal of Africa Ltd	659	757	1.60	4.22	0.73	(0.04)
23	23	Carnavon Petroleum NL	557	513	0.82	0.89	0.23	0.02
31	24	Mineral Resources Limited	528	434	4.25	7.68	1.54	0.39
30	25	Independence Group NL	526	441	4.63	5.17	1.10	0.45
25	26	Austal Ltd	525	480	2.79	2.80	1.38	0.28
34	27	Straits Resources Ltd	518	415	2.11	7.14	0.62	(0.08)
27	28	Atlas Iron Ltd	501	468	1.66	3.78	0.41	(0.18)
26	29	Clough Ltd	476	476	0.71	0.86	0.25	0.11
24	30	Dominion Mining Limited	475	505	4.61	5.69	1.91	0.33
28	31	Peet Limited	468	457	1.59	2.49	0.86	0.21
33	32	Panoramic Resources Limited	463	416	2.27	4.16	0.71	0.28
29	33	Avoca Resources Limited	453	448	1.75	2.38	0.88	(0.01)
38	34	Gindalbie Metals Ltd	396	375	0.77	1.48	0.32	0.09
35	35	CGA Mining Limited	390	409	1.45	2.10	0.80	(0.07)
46	36	Mantra Resources Limited	389	275	3.77	4.00	0.56	(0.78)
32	37	Deep Yellow Limited	376	426	0.34	0.47	0.10	(0.00)
40	38	Medusa Mining Limited	375	333	2.22	2.30	0.41	(0.01)
36	39	Summit Resources Ltd	368	389	1.75	2.98	1.33	0.03
37	40	St Barbara Ltd	344	381	0.23	0.48	0.18	(0.02)
42	41	Mermaid Marine Australia Ltd	336	303	1.83	1.86	0.65	0.12
52	42	Sundance Resources Limited	326	263	0.16	0.35	0.07	(0.01)
45	43	Automotive Holdings Group Ltd	315	276	1.43	2.25	0.42	0.28
39	44	Fleetwood Corporation Ltd	310	339	5.90	9.41	3.12	0.68
51	45	Mincor Resources NL	308	267	1.55	3.44	0.46	0.32
41	46	Kagara Ltd	303	304	0.68	3.48	0.22	0.23
57	47	Sylvania Resources Limited	291	218	1.60	2.19	0.55	0.06
48	48	Northern Iron Ltd	277	274	1.31	4.11	0.51	0.01
44	49	Platinum Australia Ltd	267	282	1.06	3.15	0.36	(0.05)
53	50	iiNet Ltd	261	261	1.73	1.89	1.00	0.16

Source: Australian Stock Exchange and Bloomberg

Earnings per share = company earnings divided by number of shares Price/Earnings ratio = A stock's price divided by its historic earnings per share
N/A – Not Available S – Suspended

Last Month	This Month	Company name	Mkt Cap 30 June 09	Mkt Cap 31 May 09	Last Price (mth)	High Price (yr)	Low Price (yr)	EPS
47	51	Emeco Holdings Limited	256	275	0.41	1.20	0.16	0.11
54	52	Macmahon Holdings Ltd	249	245	0.34	1.86	0.28	0.09
49	53	Australasian Resources Limited	239	272	0.54	1.65	0.26	(0.04)
56	54	NRW Holdings Limited	239	230	0.95	2.30	0.14	0.14
60	55	TFS Corporation Ltd	226	199	1.18	1.52	0.68	0.15
43	56	Grange Resources Ltd	225	297	0.46	2.49	0.26	0.01
55	57	Resolute Mining Ltd	220	243	0.64	2.04	0.37	(0.17)
61	58	Bannerman Resources Ltd	218	188	1.13	2.59	0.23	(0.08)
59	59	Perseus Mining Ltd	218	203	0.73	1.33	0.20	(0.03)
50	60	Carbon Energy Limited	211	269	0.39	0.83	0.20	(0.01)
58	61	Allied Gold Limited	196	213	0.42	0.60	0.19	(0.03)
62	62	Aspen Group	194	182	0.34	1.33	0.22	0.26
70	63	Anvil Mining Ltd	182	157	1.80	11.94	0.52	-
68	64	Nido Petroleum Ltd	179	163	0.17	0.50	0.06	0.01
64	65	Aditya Birla Minerals Ltd	179	175	0.57	2.34	0.10	(0.24)
66	66	Tap Oil Ltd	177	172	1.13	1.83	0.49	(0.05)
65	67	Neptune Marine Services Limited	177	174	0.54	0.65	0.25	0.03
79	68	Brockman Resources Ltd	168	140	1.25	2.58	0.40	(0.14)
69	69	Cape Lambert Iron Ore Ltd	168	157	0.32	0.52	0.16	0.01
71	70	Ausdrill Ltd	158	154	0.91	2.65	0.68	0.23
82	71	Arafura Resources Limited	155	136	0.70	0.85	0.22	(0.04)
72	72	United Overseas Australia Ltd	155	153	0.17	0.23	0.08	0.06
67	73	NKWE Platinum Ltd	153	166	0.30	1.03	0.10	(0.03)
78	74	Berkeley Resources Ltd	148	140	1.20	1.38	0.14	(0.07)
75	75	Jabiru Metals Ltd	147	148	0.27	0.61	0.09	(0.00)
73	76	PO Valley Energy Ltd	147	153	1.44	1.88	1.00	(0.07)
81	77	Victoria Petroleum NL	144	138	0.39	0.50	0.12	(0.02)
80	78	Tox Free Solutions Ltd	143	139	1.81	2.03	1.02	0.09
63	79	Perilya Limited	140	176	0.36	0.76	0.09	(0.72)
76	80	Intrepid Mines Limited	139	141	0.34	0.42	0.08	(0.11)
74	81	Integra Mining Ltd	139	151	0.30	0.47	0.10	(0.03)
117	82	Red Fork Energy Ltd	133	76	1.14	1.21	0.17	(0.05)
84	83	Metals X Limited	130	131	0.11	0.43	0.06	(0.01)
83	84	Cooper Energy Ltd	130	134	0.45	0.51	0.20	0.03
88	85	Conquest Mining Ltd	128	120	0.47	0.56	0.14	0.00
87	86	Linq Resources fund	128	122	0.55	1.37	0.28	-
77	87	United Minerals Corporation NL	126	141	0.82	2.80	0.30	(0.06)
104	88	Imdex Ltd	125	91	0.65	2.00	0.24	0.17
91	89	Euroz Ltd	119	115	0.93	2.35	0.50	0.33
100	90	Red hill Iron Limited	119	100	2.85	6.70	1.00	(0.04)
92	91	Catalpa Resources Limited	117	112	0.10	0.12	0.02	(0.01)
102	92	Southern Cross Electrical Engineering Ltd	113	96	0.95	1.29	0.35	0.10
89	93	Giralia Resources NL	113	118	0.64	2.33	0.29	0.19
101	94	Finbar Group Limited	113	99	0.80	0.80	0.45	0.09
96	95	Blue Energy Limited	110	105	0.20	0.39	0.09	(0.03)
90	96	Carnegie Corporation NL	106	117	0.22	0.29	0.09	(0.05)
94	97	Silver Lake Resources Ltd	106	108	0.69	0.89	0.13	(0.03)
107	98	Sphere Investments Ltd	106	83	0.72	3.10	0.19	(0.05)
95	99	Cash Converters International Ltd	101	106	0.42	0.50	0.20	0.06
n/a	100	Norseman Gold PLC	100	-	0.58	0.62	0.45	(0.09)

Source: Australian Stock Exchange and Bloomberg

Earnings per share = company earnings divided by number of shares Price/Earnings ratio = A stock's price divided by its historic earnings per share
N/A – Not Available S – Suspended

Compilation of the Deloitte WA Index

Compilation of the Deloitte WA Index

The monthly Deloitte WA Index is compiled from publicly available information provided by the ASX and Bloomberg on the market capitalisation of each Western Australian listed company.

A company is included as a Western Australian company where its registered office is listed in Western Australia, regardless of whether the company is dually listed. The information on Western Australian listed companies is extracted and then summarised to provide a cumulative market capitalisation figure for all Western Australian listed companies.

The base period of the Deloitte WA Index is May 2000 and for the purposes of the Index the month of May 2000 is given a notional value of one. All subsequent monthly cumulative market capitalisation totals are divided by the May 2000 total to then obtain a relative movement. Please note, if a company has been suspended or delisted during a particular period no data will be included for that month and all subsequent months until the company is re-listed or the suspension lifted. Historical information regarding the company's market capitalisation will continue to be included in the calculation of the Index.

Earnings per share (EPS) is a basic EPS calculation, i.e. net profit divided by weighted average number of shares.

About Deloitte Perth

Our practice continues to grow with over 360 dedicated personnel including 29 partners, delivering seamless solutions to clients throughout Western Australia. The strong performance culture of the Perth office is attributed to Deloitte's seven Signals, representing who we are and how we do business.

In Australia, Deloitte has 12 offices and over 4,500 people and provides audit, tax, consulting, and financial advisory services to public and private clients across the country. Known as an employer of choice for innovative human resources programs, we are committed to helping our clients and our people excel. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

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Recent awards and achievements

Awarded in 2008

- **Employer of Choice for Women - Leading Organisation for the Advancement of Women**

  Deloitte was recognised as an Employer of Choice for Women the seventh year in a row as well as winning the prestigious award for the Leading Organisation for the Advancement of Women by the Federal Government's Equal Opportunity for Women in the Workplace Agency (EOWA).

- **Accountancy Firm of the Year - CFO Awards**

  In 2008, Deloitte was awarded the Accountancy Firm of the Year - CFO Awards for the second time in three years.

- **AFR BOSS Young Executive of the Year**

  Damien Tampling, National leader, Technology, Media and Telecommunication group and a Corporate Finance partner, won the AFR BOSS Young Executive of the Year in 2008.

- **Best tax planning firms in Australia**

  Deloitte has tier one ranking as one of the best tax firms in Australia by the International Tax Review in its World Tax 2009 report. The International Tax Review has also awarded Deloitte the "2008 Asia Tax Firm of the Year " and the "2008 Australia Indirect Tax Firm of the Year ".

- **Number one non-investment bank financial advisers**

  Deloitte's Corporate Reorganisation Services have been ranked the number one non-investment bank financial advisers globally by The Deal for the eleven consecutive quarters (31 March 2008) with a significant contribution by the Australian practice.

- **IABC Gold Quill Award of Excellence**

  Deloitte was awarded the Gold Quill Award of Excellence for Employee/Member communications by the International Association of Business Communicators in 2008. This accolade, awarded to Deloitte for its work in Australia on its 2007 Signals campaign, is the mark of global distinction and represents the highest level of professional acknowledgment within business communication today.

- **World's leading Transfer Pricing team**

  For the fourth year in the row, Euromoney's 2008 Guide to the World's Leading Transfer Pricing Advisers recognized Deloitte Touche Tohmatsu member firms as having the most leading transfer pricing advisers.

- **World's Best Firm for Securitisation Accounting**

  For the tenth consecutive year Deloitte member firms were recognised at the annual ISR Global Securitisation Awards as the world's best firm for securitisation accounting.

- **Best Professional Services website**

  Deloitte.com was rated the best professional services website for the fifth consecutive year and was ranked the 11th best website in the world by the Web Globalisation Report.

Awarded in 2007

- **Number one non-investment bank financial advisers**

  Deloitte's Corporate Reorganisation Services have been ranked the number one non-investment bank financial advisers globally by The Deal for the ninth consecutive quarter in 2007.

- **West Australia Business and the Arts Partnership Award**

  Deloitte was presented the West Australia Business and the Arts Partnership Award by the Western Australian Minister for Culture and the Arts in 2007. This award acknowledged Deloitte's sponsorship of the Perth International Arts Festival (PIAF) as an outstanding partnership between the business and arts and culture sectors.

- **The Adcorp Award for Best Employer Branding Strategy**

  Deloitte was awarded the Adcorp Award in 2007 for Best Employer Branding Strategy by the Human Resources Magazine in recognition of their campaign around the seven Signals that created a strong positive identity amongst employees, competitors and the wider market. Deloitte's seven Signals shape their culture, inform the way they do business and are an expression of who the firm is.

- **Employer of Choice for Women**

  Deloitte was recognised as an Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA) for the sixth year in a row in 2007.

- **World's best securitisation accounting firm**

  Deloitte was named the 'Best Securitisation Accounting Firm' in the world for the ninth year in the International Securitisation Report (ISR) in 2007.

- **World's leading Transfer Pricing team**

  For the third year in the row, Euromoney's 2007 Guide to the World's Leading Transfer Pricing Advisers recognized Deloitte Touche Tohmatsu member firms as having the most leading transfer pricing advisers.

- **Global leader in security consulting services**

  Deloitte's Risk Services in 2007 has been nominated for the second year as the global leader in security consulting services by Forrester Research based on their breadth of current offerings and focus on future growth areas.

Our Signals

Recruit and retain the best
– Our people are talented, enthusiastic, self-starters, team players who are bursting with potential. They are people with whom we have a lifetime association.

Talk straight
– When we talk, it's open, regular, honest, constructive two-way communication between our people and our clients.

Empower and trust
– We encourage a sense of ownership and pride by giving responsibility and delegating authority.

Continuously grow and improve
– We have an environment that respects the individual, rewards achievements, welcomes change and encourages a lifetime of learning – with ourselves and our clients.

Aim to be famous
– We aim to reach for the stars – and beyond. To be thought leaders, showcasing our clients and our team's talent and expertise.

Play to win
– think globally – Winning is our stated objective.
It is also our state of mind.

Have fun and celebrate
– There is never a wrong time to celebrate and have fun – recognising, appreciating, acknowledging and learning from the experiences and success shared between our client and Deloitte teams.

Our Culture – our essence

Culture at Deloitte does not just happen – we work at it.

It's the sum total of the actions of our people, it's the way we treat others – it's the way we behave. Our seven Signals embody these values. Our passion for teamwork and exceptional client service is our point of difference.

At Deloitte, we live and breathe our culture. Our internationally experienced professionals strive to deliver seamless, consistent services wherever our clients operate.

Our mission is to help our clients and our people excel.

NB: See our media releases and research at www.deloitte.com.au

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