

Whinnen Resources Limited

(ACN 123 511 017)

Annual Report

*For the Period from 18 January 2007 to
30 June 2007*

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CORPORATE DIRECTORY

MANAGING DIRECTOR

William Witham

NON-EXECUTIVE DIRECTORS

Richard Monti
Felicity Repacholi

COMPANY SECRETARY

Elizabeth Hanrahan

PRINCIPAL & REGISTERED OFFICE

Level 1, 22 Oxford Close
WEST LEEDERVILLE WA 6007
Telephone: (08) 9388 2967
Facsimile: (08) 9381 1068

AUDITORS

Rix Levy Fowler

SHARE REGISTRAR

Advanced Share Registry

STOCK EXCHANGE LISTING

Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
Code: WWW

BANKERS

National Australia Bank
50 St Georges Terrace
PERTH WA 6000

DIRECTORS' REPORT

Your directors present their report on the Company from the period from incorporation to 30 June 2007.

1. *DIRECTORS*

The names of directors in office at any time during or since the end of the period are:

William Witham
Richard Monti
Felicity Repacholi

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

COMPANY SECRETARY

Elizabeth Hanrahan was appointed as Company Secretary upon incorporation of the Company.

2. *PRINCIPAL ACTIVITIES*

The company was incorporated on 18 January 2007.

There were no significant changes in the nature of the Company's principal activities during the financial period.

3. *OPERATING RESULTS*

The loss of the Company after providing for income tax amounted to \$641,555.

4. *DIVIDENDS PAID OR RECOMMENDED*

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. *REVIEW OF OPERATIONS*

Summary

Whinnen Resources Limited (The Company) is a uranium exploration company that is focused on its exploration tenements, which are located in Western Australia.

Whinnen Resources is endeavouring to discover and prove up uranium resources to enable it to take advantage of the higher prices and hopefully changing government policies towards uranium as an energy source.

Hinkler Well Uranium Project

Whinnen's primary focus is on its Hinkler Well Project located 30 kms south of Wiluna.

Work done at Hinklers Well during the period includes:

- Obtaining environmental and safety approvals
- Ground Spectrometer Survey
- 44 Hole drilling programme

Subsequent to listing on the ASX in April, Whinnen Resources has been focused mainly on its lead project at Hinkler Well which is prospective for calcrete-hosted uranium mineralisation. Approval for uranium exploration was at first required from the Department of Industry and Resources (DoIR) and the Department of Consumer Protection and Employment (DOCEP). Working closely with these departments, Whinnen Resources was able to acquire approvals to commence on-ground exploration at the project area. A field base was set up at nearby Lake Way Station and work commenced on clearing access and building sumps at each drill site.

A baseline ground spectrometer survey was also carried out using a hand-held spectrometer. Results of this survey will be used as part of the radiation management Plan to ensure that exploration activities will not increase the amount of naturally occurring radiation.

A table of the higher values is summarized below:

Easting	Northing	Counts Per Second
227505	7025029	735
225611	7025461	1240
225586	7025418	517
225873	7024982	778

These results confirm previous exploration carried out by Carpentaria Exploration Company in the 1970s that surface expression of uranium concentration is concentrated on the southern section of the channel and warrant further drill testing.

An aircore drill rig was contracted for the work but was only able to complete 5 holes. Subsequently a more powerful aircore rig was secured which was able to complete the initial program. Drilling was conducted at 100 metre intervals over six lines covering the project's strike length of 3 kilometres of the Abercrombie Creek Channel. This area is to the west of U308's Dawson Well and Hinkler Well Uranium deposits and east of Nova Energy's Centipede and Abercrombie Deposits. Whinnen Resources believes the location of its Hinkler Well Project close to other deposits with published resources increases our potential to discover an economic resource.

Peterson Uranium Project

The Peterson project is situated 55 km west of Leonora within the Eastern Goldfield Province of Western Australia. The project area is prospective for calcrete-hosted uranium mineralization and lies directly up-channel from the Stakeyard Well uranium prospect at Lake Raeside (0.25Mt @ 0.450 kg/t U3O8).

Whinnen Resources carried out a small four hole drilling programme and a ground gravity survey at its Peterson Project. Results from the drilling and gravity indicate that calcrete is present on the eastern side of granite creek and a drilling programme is planned for late 2007. Whinnen will use results from the gravity survey to plan a drilling program over the calcrete-rich sediments.

White Ring Uranium Project

The White Ring project is situated 157 km southeast of Exmouth in the Ashburton region of Western Australia. This project is prospective for hydrothermal and unconformity-related uranium mineralization. Isolated hydrothermal uranium mineralization has been identified along fractures within the Gascoyne Complex granites. Some potential exists for unconformity related uranium mineralization along the 12km of unexplored basal unconformity within the project.

A field trip was carried out in August 2007 to this area.

Kimberley Uranium Projects

The Kimberley uranium projects are held as exploration licences which were granted in late August 2007. A field trip was carried out in September 2007 which identified three areas of radioactive mineralisation. Another exploration licence was applied for subsequent to the field trip to the east of the Murderer's Pool Tenement where the basal sandstone member of the King Leopold group sedimentary sequence (O'Donnell Formation) was found.

The Murderers Pool project is situated 108 km west northwest of Halls Creek on the Fossil Downs Pastoral Lease. This project is strongly prospective for unconformity related uranium mineralization within the basal sandstone member of the King Leopold group sedimentary sequence which unconformably overlies Lower Proterozoic metamorphic rocks. North south faulting has also concentrated uranium in structurally controlled prospects. The Project covers some eight kilometres of strike length of the highly prospective yet largely unexplored, faulted basal sandstone unit.

The Lansdowne project is situated 112 km northwest of Halls on Lansdowne Station pastoral lease. Sedimentary Speewah Basin rocks unconformably overly sedimentary and volcanic rocks of the Kimberley Basin. At Lansdowne some 6 km of radioactive anomalies have been identified along the basal conglomerate facies of the King Leopold Sandstone. Spot samples taken in the September fieldtrip from 3 locations along the conglomerates identified thorium and uranium mineralisation.

Project Generation

Three exploration licences have been applied for at Lake Way, Broomehill and Murderers Pool East. Whinnen Resources looks forward to these licences being granted early in 2008.

Whinnen Resources also continues to assess other projects both at a grass-roots and an advanced level

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial period:

On the 16 April 2007 the Company issued 17,500,000 ordinary fully paid shares pursuant to the Prospectus dated 14 March 2007 to raise \$3,500,000.

On 28 June 2007 the Company issued a Short Form Prospectus for non-renounceable entitlement issue of up to 15,250,002 New Options to subscribe for ordinary fully paid shares on the basis of 1 New Option for every 2 ordinary fully paid shares held as at 9 July 2007.

7. AFTER BALANCE DATE EVENTS

On 30 July 2007 the Company issued 15,250,002 options exercisable at 20 cents on or before 31 January 2009 pursuant to the Short Form Prospectus dated 28 June 2007 for the non-renounceable entitlement issue.

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

8. INFORMATION ON DIRECTORS

William Witham	Managing Director
Qualifications	BSc (Hons)
Experience	<p>William Witham has qualifications in Geology (Bachelor of Science with Honours from the University of Western Australia). He has gained broad experience over a 19 year period working in the technical, government and financial sectors of the resources industry. This experience includes exposure to a number of countries, exploration techniques, commodities including uranium, base metals, gold, water, iron-ore, tantalum and platinum group metals.</p> <p>Mr Witham has worked for a number of international and Australian companies including Mount Isa Mines, Aerodata Holdings Ltd, World Geoscience Corporation Ltd, Mineral Securities Limited, Northern Gold NL and the Goldfields-Esperance Development Commission. During a nine year term at Aerodata Holdings Ltd he held General Manager positions in South America, Africa and Australia Asia Pacific. He also holds positions on the board of an ASX listed company and unlisted companies.</p>
Interest in Shares	225,001 fully paid ordinary shares
Interest in Options	225,000 35 cent options expiring on or before 19 April 2012 225,000 40 cent options expiring on or before 19 April 2012 112,501 20 cent options expiring on or before 31 January 2009
Felicity Repacholi	Non-Executive Director
Qualifications	BSc
Experience	<p>Felicity Repacholi is a geologist with over five years of experience in minerals exploration after graduating from the University of Western Australia with a Bachelor of Science. Felicity began her career with Placer Dome Asia Pacific with the Granny Smith exploration team. She then worked for BHP Billiton involved in the expansion of the iron ore reserves before returning to gold exploration in the Murchison District of WA with Harmony Gold.</p> <p>Ms Repacholi is currently Senior Geologist at Cazaly Resources Ltd. Her experience extends to numerous commodities including gold, iron ore and uranium throughout Australia and abroad. Felicity is a member of the Australian Institute of Geoscientists.</p>
Interest in Shares	100,001 fully paid ordinary shares
Interest in Options	50,001 20 cent options expiring on or before 31 January 2009

Richard Monti	Non-Executive Director
Qualifications	BSc, GradDip App Fin
Experience	<p>Richard Monti has qualifications in Geology (Bachelor of Science with Honours from the University of Western Australia) and Finance (Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia).</p> <p>He has gained broad experience over a twenty year career working in the technical, marketing and financial fields of the international exploration and mining industry. This experience includes exposure to a number of commodities including nickel, base metals, gold, coal, iron-ore, tin-tantalum, platinum group metals and industrial and heavy minerals.</p> <p>Mr Monti has worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. During a seven year term at Anaconda Nickel he held General Manager positions in technical, commercial and marketing fields.</p> <p>He has also held positions on the boards of a number of ASX listed and private mining companies.</p>
Interest in Shares	125,001 fully paid ordinary shares
Interest in Options	62,501 20 cent options expiring on or before 31 January 2009

Directorships of other listed companies

Directorships of other listed companies held by directors in the three years immediately before the end of the financial year are as follows:

<i>Name</i>	<i>Company</i>	<i>Period of directorship</i>
William Witham	Windy Knob Resources Limited	13 October 2006 to present
	DMC Mining Limited	1 December 2006 to present
Felicity Repacholi	Nil	Nil
Richard Monti	Transit Holdings Ltd	11 December 2006 to present
	Peninsula Minerals Limited	7 November 2003 to 8 April 2005
	Alto Energy International Ltd	24 May 2005 to 19 January 2006
	Poseidon Nickel Ltd	4 April 2007 to present

COMPANY SECRETARY

Elizabeth Hanrahan held the position of Company Secretary as at the date of this report.

Elizabeth Hanrahan has four years corporate and accounting experience. She has been involved in the listing of a number of junior mineral exploration companies on ASX in the past four years. She has experience in ASX compliance and regulatory requirements.

9. MEETINGS OF DIRECTORS

The number of directors' meetings held during the financial period each director held office during the financial period and the number of meetings attended by each director are:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
William Witham	5	5
Felicity Repacholi	5	4
Richard Monti	5	5

The Company does not have a formally constituted audit committee as the board considers that the company's size and type of operation do not warrant such a committee.

10. FUTURE DEVELOPMENTS

The Company will continue its mineral exploration and mineral acquisition activity with the view to sourcing advanced development projects capable of being put into production.

11. ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

12. REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Whinnen Resources Limited.

Remuneration Policy

The remuneration policy of Whinnen Resources Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The board of Whinnen Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as create goal congruence between directors and shareholders.

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior staff members, was developed by the managing director and approved by the board after seeking professional advice from independent external consultants.

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits.

The Company is an exploration entity, and therefore speculative in terms of performance. Consistent

with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions, within the same industry. The Board however were issued shares and options as part of the terms of the Initial Public Offer and until recently were issued with shares and options to attract additional Board members. Board members have largely retained these securities which assist in aligning their objectives with overall shareholder value.

Options have been issued to Board members to provide a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to the Company.

Options and performance incentives may also be issued in the event that the entity moves from an exploration entity to a producing entity, and key performance indicators such as profits and growth can then be used as measurements for assessing Board performance.

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

All remuneration paid to directors is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

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

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. This has been achieved by the issue of shares and options to the majority of the directors and executives to encourage the alignment of personal and shareholder interest.

Details of Remuneration for Year Ended 30 June 2007

The remuneration for each director of the Company during the year was as follows:

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary, Fees & Superannuation	Other	Non-Monetary	Super-annuation	Retirement Benefits	Equity	Options (i)	
Directors								
William Witham – Managing Director								
2007	62,500	-	-	5,625	-	-	29,250	97,375
Felicity Repacholi – Non-Executive Director								
2007	7,200	-	-	648	-	-	-	7,848
Richard Monti – Non-Executive Director								
2007	7,200	-	-	648	-	-	-	7,848
Total Remuneration Directors								
2007	76,900	-	-	6,921	-	-	29,250	113,071

(i) The fair value of the Options is calculated at the date of grant using a Black-Scholes model.

Options issued as part of remuneration for the year ended 30 June 2007

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Whinnen Resources Limited to increase goal congruence between executives, directors and shareholders.

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
William Witham	-	225,000	19/4/2007	\$0.06	\$0.35	19/4/2007	19/4/2012
	-	225,000	19/4/2007	\$0.07	\$0.40	19/4/2007	19/4/2012
		450,000					

	Options Granted as Part of Remuneration	Total Remuneration Represented by Options	Options exercised	Options lapsed	Total
William Witham	225,000	14.0%	-	-	225,000
	225,000	16.4%	-	-	225,000
	450,000	30.4%	-	-	450,000

Employment Contracts of Directors and Senior Executives

The employment conditions of the managing director, William Witham is formalised in a contract of employment. Other than the managing director, all executives are permanent employees of Whinnen Resources Limited. Mr Witham is employed under a fixed three year contract, which commenced on 1 February 2007 and expires on 31 January 2010.

The employment may be terminated by the Company or Mr Witham by giving the other three months notice in writing. Alternatively, the employment may be terminated by the Company providing compensation instead of the period of notice required. Termination payments due are three months lieu of notice if the termination period is not worked out. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time.

13. OPTIONS

As at the date of this report there are the Company had the following options over unissued ordinary shares of the company.

Number	Exercise Price	Expiry Date
15,240,002	20 cents	31 January 2009
3,725,000	35 cents	19 April 2012
3,725,000	40 cents	19 April 2012

There have been 10,000 ordinary shares issued as a result of the exercise of options since the end of the financial year.

14. INDEMNIFYING OFFICERS OR AUDITOR

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

15. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

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

16. AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 33 of annual report.

17. NON-AUDIT SERVICES

The board of directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

An amount of \$7,000 was paid to Rix Levy Fowler, for the preparation of an Investigating Accountants Report for inclusion in the Company's prospectus dated 14 March 2007. No other fees were paid or payable to the auditors for non-audit services performed during the period to 30 June 2007.

Signed in accordance with a resolution of the Board of Directors.



William Witham
Director

Perth, 27 September 2007

INCOME STATEMENT
For the Period from
18 January 2007 to 30 June 2007

	NOTE	Period from 18 January 2007 to 30 June 2007
		\$
Revenues from ordinary activities	2	41,528
Administration		(34,487)
Compliance and regulatory expenses		(20,433)
Directors fees		(69,195)
Employee benefits expense		(9,101)
Option valuation expense		(484,250)
		<hr/>
Loss from ordinary activities before income tax expense	3	(575,938)
Income tax expense relating to ordinary activities	6	(65,617)
		<hr/>
Net Loss attributable to members		(641,555)
		<hr/>
Basic earnings (loss) per share (cents per share)	17	(7.55)
Diluted earnings (loss) per share (cents per share)	17	(6.44)

The accompanying notes form part of these financial statements.

BALANCE SHEET
As at 30 June 2007

	NOTE	30 June 2007 \$
CURRENT ASSETS		
Cash and cash equivalents	7	2,756,736
Trade and other receivables	8	96,341
TOTAL CURRENT ASSETS		<u>2,853,077</u>
NON CURRENT ASSETS		
Plant and equipment	9	3,205
Exploration and evaluation expenditure	10	1,077,081
TOTAL NON CURRENT ASSETS		<u>1,080,286</u>
TOTAL ASSETS		<u>3,933,363</u>
CURRENT LIABILITIES		
Trade and other payables	11	35,157
Provisions	12	4,795
TOTAL CURRENT LIABILITIES		<u>39,952</u>
TOTAL LIABILITIES		<u>39,952</u>
NET ASSETS		<u><u>3,893,411</u></u>
EQUITY		
Issued Capital	13	4,050,716
Reserves	14	484,250
Accumulated losses	15	(641,555)
TOTAL EQUITY		<u>3,893,411</u>

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
For the Period Ended 30 June 2007

	NOTE	18 January 2007 to 30 June 2007 \$
Cash Flows from Operating Activities		
- Payments to suppliers and employees		(191,838)
- Interest received		41,528
- Payments for exploration and evaluation		(37,323)
		(187,633)
<i>Net cash used in operating activities</i>	18 (i)	(187,633)
Cash Flows from Investing Activities		
- Purchase of exploration tenements		(1,030,000)
- Purchase of plant and equipment		(3,205)
		(1,033,205)
<i>Net cash used in investing activities</i>		(1,033,205)
Cash Flows from Financing Activities		
- Proceeds from issue of shares		4,250,978
- Payment for costs of issue of shares		(273,404)
		3,977,574
<i>Net cash provided by financing activities</i>		3,977,574
Net increase in cash held		2,756,736
Cash at beginning of financial period		-
Cash at end of financial period	7	2,756,736

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the Period from
18 January 2007 to 30 June 2007

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
At the beginning of financial period	-	-	-	-
Issue of share capital	4,258,503	-	-	4,258,503
Issue costs	(207,787)	-	-	(207,787)
Issue of options	-	484,250	-	484,250
Loss for the period	-	-	(641,555)	(641,555)
Balance at 30 June 2007	4,050,716	484,250	(641,555)	3,893,411

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD
18 JANUARY 2007 TO 30 JUNE 2007**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the Company of Whinnen Resources Limited. Whinnen Resources Limited is a public listed company, incorporated and domiciled in Australia.

The financial report of Whinnen as an individual entity complies with all International Financial Reporting Standards (IFRS) in their entirety.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40.0%

(b) Exploration, Evaluation and Development Expenditure

Costs incurred during exploration and evaluation related to an area of interest are accumulated. Costs carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

These assets are considered for impairment on an annual basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient key data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

(c) ***Other Financial Assets***

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

(f) Revenue

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

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(g) Impairment of Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from the other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generated unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Profit and Loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in the Profit and Loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation increase.

(h) Goods and Services Tax (GST)

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

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

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

(i) Taxation

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(j) **Trade and Other Payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(k) **Provisions**

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) **Share Based Payments**

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(m) **Issued Capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(n) **Earnings Per Share**

Basic earnings per share is calculated as net earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for an bonus element.

Diluted EPS is calculated as net earnings attributable to members, adjusted for: costs of servicing equity (other than dividends) and preference share dividends; the after tax effect of dividends and interest associated with dilutive potential ordinary shares that would have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(o) **Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been

measured at the present value of the estimated future cash outflows to be made for those benefits.

(p) New accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Company's assessment of these new standards and interpretations is set out below:

(i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reports periods beginning on or after 1 January 2007. The Company has not adopted the standards early. Application of the standards will be affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Company's financial instruments.

(ii) AASB-1 10 Interim Financial Reporting and Impairment

AASB-1 10 is application to reporting periods commencing on or after 1 November 2006. The Company has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried out at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Company's financial statements.

	2007
	\$
2. REVENUE	
Operating activities	
- interest received	41,528
	<u>41,528</u>
3. LOSS FOR THE YEAR	
(i) Expenses	
Employee benefits expense	
- Salaries	2,000
- Superannuation	7,101
	<u>9,101</u>

4. KEY MANAGEMENT PERSONNEL COMPENSATION

a) Name and positions held by directors' in office at any time during the financial year are:

Mr William Witham	Managing Director
Mr Richard Monti	Non-Executive Director
Ms Felicity Repacholi	Non-Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

b) Optionholdings

Number of \$0.35 Options expiring 19 April 2012, held by Directors:

	Balance 18-1-07	Issued	Options Exercised	Lapsed	Balance 30 June 2007
W Witham	-	225,000	-	-	225,000
R Monti	-	-	-	-	-
F Repacholi	-	-	-	-	-
	-	225,000	-	-	225,000

Number of \$0.40 Options expiring 19 April 2012, held by Directors:

	Balance 18-1-07	Issued	Options Exercised	Lapsed	Balance 30 June 2007
W Witham	-	225,000	-	-	225,000
R Monti	-	-	-	-	-
F Repacholi	-	-	-	-	-
	-	225,000	-	-	225,000

c) Shareholdings

Number of Shares held by Directors:

	Balance 18-1-2007	Received as Remuneration	Options Exercised	Net Change - Other	Balance 30-6-2007
W Witham	1	-	-	225,000	225,001
R Monti	1	-	-	125,000	125,001
F Repacholi	1	-	-	100,000	100,001
	3	-	-	450,000	450,003

The Company policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement specified directors and executives are paid employee benefit entitlements accrued to date of retirement. The company may terminate the contracts without cause by providing one to three months written notice or making payment in lieu of notice based on the individual's annual salary component at industry award redundancy rates.

	2007
	\$
5. AUDITORS' REMUNERATION	
Remuneration of the auditor for:	
- Auditing or reviewing the financial report	7,000
- Other services	7,000
	<u>14,000</u>
6. INCOME TAX EXPENSE	
The components of the tax expense/(income) comprise:	
Current tax	-
Deferred tax	65,617
	<u>65,617</u>
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30%	<u>(172,782)</u>
Increase in income tax due to:	
Non-deductible expenses	145,275
Effect of current year tax losses derecognised	<u>109,528</u>
Decrease in income tax expense due to:	
Deductible equity raising costs	<u>(16,404)</u>
Income tax attributable to entity	<u>65,617</u>
(b) Deferred tax recognised directly in equity	
Relating to equity raising costs	<u>(65,617)</u>
	(65,617)
(c) Unrecognised deferred tax assets	
Deferred tax assets have not been recognised in respect of the following:	
Tax revenue losses	109,528
	<u>109,528</u>
7. CASH AND CASH EQUIVALENTS	
Cash at bank	269,076
Deposits at call (i)	<u>2,487,660</u>
	<u>2,756,736</u>
(i) The bank deposits are bank bills maturing within 30 days, and pay interest at a rate of 6.29% per annum.	

	2007
	\$
8. TRADE AND OTHER RECEIVABLES	
Current	
Other debtors	<u>96,341</u>
9. PLANT AND EQUIPMENT	
Plant and Equipment	
At cost	3,205
Accumulated depreciation	<u>-</u>
	<u><u>3,205</u></u>

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year.

	2007	
	\$	
	Plant and Equipment	Total
Balance at the beginning of the year	-	-
Additions	3,205	3,205
Disposals	-	-
Depreciation expense	-	-
Carrying amount at the end of the year	<u>3,205</u>	<u>3,205</u>

	2007	
	\$	
10. EXPLORATION, EVALUATION AND DEVELOPMENT COSTS		
Non-Current		
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases – at cost	<u>1,077,081</u>	
Movement		
(a) Brought forward	-	
Exploration expenditure capitalised during the year	<u>1,077,081</u>	
	<u><u>1,077,081</u></u>	

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

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

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

	2007
	\$
11. TRADE AND OTHER PAYABLES	
Current	
Unsecured	
Trade creditors	13,090
Other creditors and accrued expenses	<u>22,067</u>
	<u><u>35,157</u></u>
12. PROVISION	
Current	
Provision for Annual Leave	<u><u>4,795</u></u>

13. ISSUED CAPITAL

2007	No.	\$
Fully paid ordinary shares	<u>30,500,003</u>	<u>4,050,716</u>
Ordinary Shares		
At the beginning of the reporting period	-	-
Shares issued during the year		
- subscriber shares issued on 18 January 2007	3	3
- promoter shares issued on 22 January 2007	8,500,000	8,500
- seed shares issued on 15 February 2007	1,500,000	150,000
- vendor shares issued on 16 April 2007	3,000,000	600,000
- issue pursuant to prospectus dated 14 March 2007	17,500,000	3,500,000
- capital raising costs	-	(207,787)
	<u><u>30,500,003</u></u>	<u><u>4,050,716</u></u>

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2007
	\$
14. OPTION RESERVE	
Reserves at the beginning of the reporting period	-
3,725,000 incentive options issued pursuant to Prospectus (i)	223,500
3,725,000 incentive options issued pursuant to Prospectus (ii)	<u>260,750</u>
Option Reserve at the end of the financial reporting period	<u><u>484,250</u></u>

Option Reserve

The option reserve records items recognised as expenses on valuation of direct and employee share options.

- (i) On 19 April 2007 a total of 3,725,000 options exercisable at \$0.35 on or before 19 April 2012 were issued to Directors and promoters of the Company.
- (ii) On 19 April 2007 a total of 3,725,000 options exercisable at \$0.40 on or before 19 April 2012 were issued to Directors and promoters of the Company.

2007

\$

15. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial period	-
Net loss attributable to members	(641,555)
Accumulated losses at the end of the financial period	<u>(641,555)</u>

16. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the entity. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the entity's policy not to trade in financial instruments.

The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

2007	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non- interest bearing	2007 total
	\$	\$	\$	\$	\$
Financial assets					
Cash	269,076	2,487,660	-	-	2,756,736
Receivables	-	-	-	96,341	96,341
Investments	-	-	-	-	-
	<u>269,076</u>	<u>2,487,660</u>	<u>-</u>	<u>96,341</u>	<u>2,853,077</u>
Weighted average Interest rate	1.8%	6.00%	-		
Financial Liabilities					
Payables	-	-	-	35,157	35,157
	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,157</u>	<u>35,157</u>
Weighted average interest rate	-	-	-		

(b) Net Fair Values

The carrying value and net fair value of financial assets and liabilities at balance date are:

	Carrying Amount	Net Fair Value
	\$	\$
On-balance sheet financial instruments		
Financial Assets		
Cash and deposits	2,756,736	2,756,736
Receivables	96,341	96,341
	<u>2,853,077</u>	<u>2,853,077</u>
Financial Liabilities		
Payables	35,157	35,157
Interest bearing liabilities	-	-
	<u>35,157</u>	<u>35,157</u>

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company maximum exposure to credit risk.

17. EARNINGS PER SHARE	2007
	\$
(a) Earnings / (Loss) used in the calculation of basic EPS	(641,555)
	Number of
	Shares
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share:	8,493,133
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings per share:	<u>9,966,760</u>

	2007
	\$
18. CASH FLOW INFORMATION	
(i) Reconciliation of cash flows from operating activities with profit/(loss) after income tax	(641,555)
- Profit / (Loss) after income tax	
Non-cash flows in loss for the year	
- Equity settled transactions	484,250
Cash flows not in loss for the year	
- Payments for exploration and evaluation	9,759
Changes in assets and liabilities	
- Decrease/(Increase) in receivables & prepayments	(88,816)
- Increase/(Decrease) in trade and other creditors and accruals and employee entitlements	(21,683)
- Increase/(Decrease) in employee entitlements	4,795
- Increase/(Decrease) in deferred taxes payable	65,617
	<hr/>
Net cash inflows (outflows) from operating Activities	(187,633)

19. SEGMENT INFORMATION

The Company currently operates predominantly in one geographical segment, being Western Australia, and in one industry, mineral mining and exploration.

20. EVENTS SUBSEQUENT TO REPORTING DATE

On 30 July 2007 the Company issued 15,250,002 options exercisable at 20 cents on or before 31 January 2009 pursuant to the Short Form Prospectus dated 28 June 2007 for the non-renounceable entitlement issue.

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

21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with related entities:

Remuneration (excluding the reimbursement of costs) received or receivable by the directors of the Company and aggregate amounts paid to superannuation plans in connection with the retirement of directors are disclosed in Note 4 to the accounts.

These transactions were made on commercial terms and conditions and at market rates.

22. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2007, and the interval between 30 June 2007 and the date of this report

23. COMMITMENTS

a) Exploration

In order to maintain current rights of tenure to mining tenements, the Company has the following discretionary exploration expenditure requirement up until expiry of leases. These obligations, where are subject to renegotiation on expiry of the leases, are not provided for in the financial statements and are payable:

	2007
	\$
Not longer than one year	221,000
Longer than one year, but no longer than five years	884,000
Longer than five years	0
	<u>1,105,000</u>

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

24. SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2007:

On 19 April 2007, 225,000 share options to accept ordinary shares at an exercise price of \$0.35 and 225,000 share options to accept ordinary shares at an exercise price of \$0.40 were granted to directors. The options are exercisable on or before 19 April 2012. The options hold no voting or dividend rights and are not transferable. When a director ceases employment the options are deemed to have lapsed. Since balance date, no director has ceased their employment. At balance date, no share option has been exercised.

All options granted to key management personnel are ordinary shares in Whinnen Resources Limited, which confer a right of one ordinary share for every option held.

	Number of Options	Weighted Average Exercise Price
		\$
Outstanding at the beginning of the period	-	-
Granted	450,000	0.375
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at the end of the financial period	<u>450,000</u>	-
Exercisable at the end of the financial period	<u>450,000</u>	-

The options outstanding at 30 June 2007 had a weighted average exercise price of \$0.375 and a weighted average remaining contractual life of 4.80 years.

The weighted average fair value of the options granted during the year was \$0.065.

This price was calculated by using a Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.375
Weighted average life of the option	5 years
Underlying share price at 19 April 2007	\$0.20
Expected share price volatility	50%
Risk free interest rate	6.29%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under option valuation expense in the income statement is \$29,250, and relates, in full, to equity-settled share-based payment transactions.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 13 to 31, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



William Witham
Managing Director

Perth,
27 September 2007



To The Board of Directors

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

This declaration is made in connection with our audit of the financial report of Whinnen Resources Limited for the period ended 30 June 2007 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

RIX LEVY FOWLER

RIX LEVY FOWLER
Audit & Corporate Pty Ltd

CHRIS WATTS
Director

DATED at PERTH this 27th day of September 2007



Independent Audit Report

To the Members of Whinnen Resources Limited

We have audited the accompanying financial report of Whinnen Resources Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in pages 9 to 11 of the directors' report and not in the financial report.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

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

Independent Auditor's Report

To the Members of Whinnen Resources Limited (Continued)

Independence

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

Auditor's Opinion

In our opinion:

- a. the financial report of Whinnen Resources Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- c. the remuneration disclosures that are contained in pages 9 to 11 of the directors' report comply with Accounting Standard AASB 124.

RIX LEVY FOWLER

RIX LEVY FOWLER
Audit & Corporate Pty Ltd



CHRIS WATTS.
Director

DATED at PERTH this 27th day of September 2007

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of equity securities in the company as at 17 September 2007 was as follows:

Number Held as at 17 September 2007	Class of Equity Securities	
	Fully Paid Ordinary Shares	Options expiring 31 January 2009
1-1,000	23	28
1,001 - 5,000	92	195
5,001 – 10,000	159	55
10,001 - 100,000	191	153
100,001 and over	48	28
TOTALS	513	459

Holders of less than a marketable parcel:
- fully paid shares

Nil

Substantial Shareholders

The company has the following substantial shareholders listed in the Company's register as at 17 September 2007:

Holder	Number
Sammy Resources Pty Limited	2,500,000
UBS Wealth Management Australia Nominees Pty Ltd	2,121,171

Restricted Securities

The Company has issued the following restricted securities:

Class of Equity Security	Number	Date Ceasing To Be Restricted Securities
Fully paid ordinary shares	500,000	15 February 2008
Fully paid ordinary shares	2,750,000	17 April 2008
Fully paid ordinary shares	9,000,000	19 April 2009
\$0.35 options expiring 19 April 2007	3,725,000	19 April 2009
\$0.40 options expiring 19 April 2007	3,725,000	19 April 2009

Voting Rights

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

ADDITIONAL SHAREHOLDER INFORMATION (CONT.)**Twenty Largest Shareholders**

The names of the twenty largest ordinary fully paid shareholders and 31 January 2009, 20 cent option holders are as follows:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital	Name	Number of 31 January 2009 Options Held	% Held of Class of Equities
Sammy Resources Pty Limited	2,500,000	8.194	Sammy Resources Pty Limited	1,250,000	8.202
UBS Wealth Management Australia Nominees Pty Ltd	2,121,171	6.952	UBS Wealth Management Australia Nominees Pty Ltd	999,900	6.561
Bluefind Pty Ltd	1,300,000	4.261	Bluefind Pty Ltd	650,000	4.265
Gazard Investments Pty Ltd	1,000,000	3.278	Gazard Investments Pty Ltd	500,000	3.281
Merrill Lynch (Australia) Nominees Pty Ltd	1,000,000	3.278	Merrill Lynch (Australia) Nominees Pty Ltd	500,000	3.281
Merrill Lynch (Australia) Nominees Pty Ltd	1,000,000	3.278	Merrill Lynch (Australia) Nominees Pty Ltd	500,000	3.281
Cangu Pty Ltd	1,000,000	3.278	Cangu Pty Ltd	500,000	3.281
Merrill Lynch (Australia) Nominees Pty Ltd	987,500	3.237	Merrill Lynch (Australia) Nominees Pty Ltd	493,750	3.240
Merrill Lynch (Australia) Nominees Pty Ltd	987,500	3.237	Merrill Lynch (Australia) Nominees Pty Ltd	493,750	3.240
Merrill Lynch (Australia) Nominees Pty Limited	820,000	2.688	Merrill Lynch (Australia) Nominees Pty Limited	410,000	2.690
Perizia Investments Pty Ltd	700,000	2.294	Perizia Investments Pty Ltd	350,000	2.297
Mr Andrew David Wilson & Mrs Jillian Gae Wilson	676,000	2.216	Mr Andrew David Wilson & Mrs Jillian Gae Wilson	250,000	1.640
ANZ Nominees Limited	561,500	1.840	Dr Neil Tanudisastro	200,000	1.312
Bluebase Pty Ltd	435,525	1.427	SJ Bird Pty Ltd	200,000	1.312
SJ Bird Pty Ltd	400,000	1.311	Summerset Investments Pty Ltd	160,490	1.053
Zella Investments Pty Ltd	375,000	1.229	Cangu Pty Ltd	160,489	1.053
Mr Mervyn Ian Leo Bassett & Mrs Shirley Ethel Bassett	310,000	1.016	Mr Mervyn Ian Leo Bassett & Mrs Shirley Ethel Bassett	155,000	1.017
Clear Range Pty Ltd	300,000	0.983	M&M Media & Marketing	140,536	0.922
Southbank Equity Pty Ltd	250,000	0.819	Southbank Equity Pty Ltd	125,000	0.820
Indian Ocean Capital (WA) Pty Ltd	250,000	0.819	Equitas Nominees Pty Limited	125,000	0.820
Total	16,974,196	55.635	Total	8,163,915	53.569

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

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

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

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chairman	1.2
Recommendation 2.3 Role of the Chairman and CEO	1.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Reporting on Principle 2	1.2, 1.4.6, 2.3.2 and the Directors' Report
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	1.1
Recommendation 3.2 Company Security Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9
Recommendation 4.1 Attestations by CEO and CFO	1.4.11
Recommendation 4.2 Establishment of Audit Committee	2.1
Recommendation 4.3 Structure of Audit Committee	2.1.2
Recommendation 4.4 Audit Committee Charter	2.1
Recommendation 4.5 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Attendance of Auditor at General Meetings	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Attestations by CEO and CFO	1.4.11
Recommendation 7.3 Reporting on Principle 7	2.1.3
Recommendation 8.1 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 9.1 Remuneration Policies	2.2.4
Recommendation 9.2 Establishment of Remuneration Committee	2.2
Recommendation 9.3 Executive and Non-Executive Director Remuneration	2.2.4.1 and 2.2.4.2
Recommendation 9.4 Equity-Based Executive Remuneration	2.2.4.1
Recommendation 9.5 Reporting on Principle 9	2.2.2 and 2.2.4
Recommendation 10.1 Company Code of Conduct	3

1. Board of Directors

1.1 *Role of the Board*

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

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

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

1.2 *Composition of the Board*

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

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr R Monti and Ms F Repacholi are Non-Executive Directors and are independent directors as they meet the following criteria for independence adopted by the Company.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr W Witham is an Executive Director of the Company and does not meet the Company's criteria for independence. However, his experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

1.3 *Responsibilities of the Board*

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

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

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- **Strategy Formulation:** to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.

- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

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

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

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

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

1.4.2 Commitments

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

1.4.3 Confidentiality

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

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

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

1.4.5 Education and Induction

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

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;

- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

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

1.4.6 *Independent Professional Advice*

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

1.4.7 *Related Party Transactions*

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

1.4.8 *Shareholder Communication*

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

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

1.4.9 *Trading in Company Shares*

Due to the size of the Company, the Board does not consider it appropriate to implement a Share Trading Policy. Rather, it reminds directors, officers and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information".

1.4.10 *Performance Review/Evaluation*

It is the policy of the Board to conduct evaluation of its performance. The evaluation process was introduced via the Board Charter adopted on 21 February 2007 and will be implemented for the financial period ended 30 June 2007. The objective of this evaluation will be to provide best practice corporate governance to the Company.

1.4.11 *Attestations by CEO and CFO*

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

2. Board Committees

2.1 *Audit Committee*

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 *Role*

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

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit committee consisting primarily of

Independent Directors.

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

2.1.2 Responsibilities

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

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

2.1.3 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole. On 27 September 2007 Mr W Witham (Managing Director) and Ms E Hanrahan (Company Secretary) provided the Board with written assurance that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

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

2.2.2 Responsibilities

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

2.2.3 Remuneration Policy

Directors' Remuneration was approved by resolution of the Board on 6 February 2007.

2.2.3.1 Senior Executive Remuneration Policy

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

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/options scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. During the year there were no Non-Director Executives.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

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

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

2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

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

2.2.4 Current Director Remuneration

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

2.3 Nomination Committee

2.3.1 Role

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

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

2.3.2 Responsibilities

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

2.3.3 Criteria for selection of Directors

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

3. Company Code Of Conduct

The Board has decided against the implementation of a code of conduct as it does not believe that it is in the best interests of its employees or other stakeholders to have what purports to be an exhaustive code of conduct. The Board feels that such a code may be too prescriptive and not allow the employees the discretion they need to best serve the Company's stakeholders.

**SCHEDULE OF MINERAL TENEMENTS
AS AT 26 SEPTEMBER 2007**

<i>Project</i>	<i>Tenement</i>	<i>Interest held by Whinnen Resources Limited</i>
White Ring	E08/1559	35%
Peterson	E29/590	35%
Hinkler Well	E53/1247	35%
Murderer's Pool	E80/3680	35%
Lansdowne	E80/3764	35%
Broomehill	ELA70/3232	100%
Williamson	ELA53/1337	100%
Murderers Pool East	ELA80/4039	100%

P Prospecting Licence
E Exploration Licence
M Mining Licence
