



Mount Magnet South NL

(ABN 93 096 635 246)

Annual Financial Report
For the year ended 30 June 2009

TABLE OF CONTENTS

CORPORATE INFORMATION 2

CHAIRMAN'S LETTER 3

DIRECTORS' REPORT 4

Directors..... 4

Company Secretary 6

Principal activities 7

Review of operations 7

Likely developments and expected results 8

REMUNERATION REPORT 9

DIRECTORS' MEETINGS 14

CORPORATE GOVERNANCE STATEMENT 15

AUDITOR'S INDEPENDENCE DECLARATION 18

INCOME STATEMENTS 19

BALANCE SHEETS 20

STATEMENTS OF CHANGES IN EQUITY 21

CASH FLOW STATEMENTS 22

NOTES TO THE FINANCIAL STATEMENTS 23

DIRECTORS' DECLARATION 51

INDEPENDENT AUDITOR'S REPORT 52

STOCK EXCHANGE INFORMATION 54

CORPORATE INFORMATION

Mount Magnet South NL

ABN 93 096 635 246

Directors

Geoffrey Newman

Matthew Shackleton

Geoffrey Motteram

Fred McMurray

Company Secretary

Matthew Shackleton

Registered office

Suite 2 Ground Floor, 10 Outram Street

West Perth Western Australia 6005

Principal place of business

Suite 2 Ground Floor, 10 Outram Street

West Perth Western Australia 6005

Share Register

Security Transfer Registrars Pty Limited

770 Canning Highway

Applecross Western Australia 6153

Solicitors

Wright Legal

1/103 Colin Street

West Perth Western Australia 6005

Bankers

Westpac Banking Corporation

Cnr South Street & Bannister Road

Canning Vale WA 6155

Auditors

HLB Mann Judd

Level 2, 15 Rheola Street

West Perth WA 6005

CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present the 2009 Annual Report for Mt Magnet South NL.

This year has been marked by significant progress in defining the commercial potential of our two key projects: gold at Curara Well and the Amazon iron ore project.

Specific milestones included:

1. In July 2008, completion of the Phase 1 drilling programme at Curara Well and announcement of encouraging assay results;
2. In August 2008, announcements of the results of the Amazon Phase 1 drilling results and Davis Tube Recovery analysis indicating the deposit could produce a blast furnace quality concentrate with concentrated iron grades of up to 68% at industry standard grind sizes and silica content;
3. By tenement acquisition, an increase in the strike length over the Amazon project to 33km;
4. Following the finalisation of assay testing from Phase 1 drilling campaign at Curara Well, release of the Company's maiden resource announcement of 184,300 ounces Au and the subsequent categorisation of that resource;
5. The purchase in March 2009 from Equigold of the 1.2mtpa CIL processing facility at Kirkalocka, all associated infrastructure and a 130 man camp;
6. In June 2009, the entering into of a Heads of Agreement with Tianda Resources for further exploration and resource definition on the Kirkalocka Project tenements.

These activities and developments have been financed through a combination of a rights issue for \$0.7m in August 2008, and convertible note issues for \$0.25m in December 2008 & \$0.66m in March 2009.

All of the activities have been led by our Managing Director Matt Shackleton with minimal in-house resources and I particularly want to acknowledge Matt's contribution in advancing our two key projects along the path to commercialisation.

With improving conditions in equity capital markets, more avenues are beginning to open up to monetisation of our assets and I am confident we will continue to make real progress on project development in 2010.

In conclusion, the achievements of this year would not have been possible without the considerable support of our loyal shareholder base and I thank you all for that.

Yours faithfully,



Geoffrey Newman

Chairman

Perth, 30 September 2009

DIRECTORS' REPORT

Your directors submit the annual financial report of the Consolidated entity for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Geoffrey Newman B.Ec. (Hons), MBA, FCPA, FAICD Aged 58 (Chairman)

Appointed 31 May 2006

Geoff Newman has over 30 years experience in finance, marketing and general management roles in organisations either directly involved in the resources sector or providing services and products to business in that sector. After managing Bunnings Pulpwood operations for a number of years, in 1995 Geoff joined Coogee Chemicals as Commercial Manager and then was appointed to the Board as Finance Director in the following year. Until August 2005, he was Finance Director/CFO and Company Secretary of both Coogee Chemicals and its oil and gas subsidiary Coogee Resources before he retired from the Coogee group of companies at the end of June 2006. Geoff is Chairman of Ledge Finance Limited and is the Principal of Geryl Advisory Services, a firm providing corporate and financial advice to companies in the resources sector.

Geoff was appointed a non-executive director of listed marine services company, Neptune Marine Limited, on 16 October 2008.

Matthew Shackleton B.Comm. MBA, FCA Aged 43 (Managing Director)

Appointed 18 April 2008

Appointed Company Secretary 30 September 2008

Matt Shackleton is a Chartered Accountant with 16 years experience in professional and corporate roles in Perth and London. Since graduating from Murdoch University in 1990, Matthew has held various senior and corporate roles with DRCM Global Investors (London), Skywest Airlines, Asgard Capital Management and Australian Wine Holdings. Matthew commenced his own consultancy practice in 2005, continuing to provide corporate services to clients including iiNet Limited and Mount Magnet South NL where he performed the role of Company Secretary and Chief Financial Officer (from 14 November 2006 until 13 June 2008, and re-appointed 30 September 2008), and was appointed Managing Director on 21 April 2008. Matthew is a Fellow of the Institute of Chartered Accountants in Australia, holds a Bachelor of Commerce Degree (Murdoch University) and a Masters Degree in Business Administration (University of Western Australia).

During the last three years, Matt has not served as a director of any other listed company.

Geoffrey Motteram B.Met. E. (Hons), MAus IMM Aged 60 (Non-executive Director)

Appointed 31 May 2006

Geoff Motteram is a metallurgical engineer with over 30 years experience in the development of projects within the Australian resources sector. Geoff has extensive experience in gold and base metals, having worked with WMC at Central Norseman Gold, Kwinana Nickel Refinery and the Kalgoorlie Nickel Smelter. He subsequently worked with BHP's Overseas Minerals group on copper/gold projects and Metals

DIRECTORS' REPORT continued

Exploration on the evaluation of gold and base metals projects. As General Manager Exploration and Development at Bond Gold he had responsibility for development of the Kalgoorlie Big Pit Project. Since 1989 Geoff has acted as a Mining Project and Metallurgical Consultant being involved in numerous gold operations and development projects. He was Technical Director of Anaconda Nickel Ltd for four years from 1994.

During the past three years, Geoff has also served as a director of the following listed companies:

- GME Resources Limited (February 1997 – present)

Fred McMurray Aged 60 (Non-executive Director)

Appointed 26 July 2007

Fred McMurray is the Managing Director of the highly successful plumbing and civil contractor, the Sanwell Group, a significant contributor to the construction and resources sector over the past 26 years. Fred was instrumental in developing the portfolio of tenements that comprised Mount Magnet South NL's original tenement package, and with establishing the cordial relations the Company enjoys with the local native title custodians, the Badimia.

During the past three years, Fred has not served as a director of any other listed companies.

John Stockley B.Sc. (Hons), AIMM SEG Aged 59 (Non-executive Director)

Appointed 31 May 2006; Resigned 17 August 2009

John Stockley is an experienced exploration geologist with over 25 years experience in mining and gold-base metal exploration. In recent years John has operated a successful geological consultancy which has focused on gold exploration in new, emerging gold provinces such as Mongolia, Argentina and the Western Mediterranean. Companies which John has assisted include Troy Resources NL, Brancote Holdings PLC in Patagonia and Gold Mines of Sardinia PLC. In addition, he has led exploration programs in Russia and Canada which have resulted in new discoveries of PGM mineralisation e.g. Junior Lake in NW Ontario. Other discoveries in which John has played a significant part include the Lake Cowal gold camp in New South Wales, the Slaughteryard gold deposit near Leonora in Western Australia, the Nimbus silver discovery near Kalgoorlie, the Mt Kare gold field in New Guinea, the Osilo gold-silver field in Sardinia and the La Cupula gold bearing breccia pipe near Esquel in Argentina. John has also worked for the Swedish Ministry of Foreign Affairs on promoting mineral exploration potential in Sweden.

During the past three years, John has not served as a director of any other listed companies.

Phil Botsis F.Fin., FAICD Aged 60 (Non-executive Director)

Appointed 31 May 2006; Resigned 16 September 2008

Phil Botsis is the founder, and Managing Director of Ledge Finance Ltd. Phil began his career within the finance industry in 1968 with Custom Credit Corporation, followed by a move to Allied Leasing in 1972. In January 1979 Phil established Ledge Finance, which today employs 20 staff and is a lead introducer to most major financial institutions. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australia. Phil is a member of The 500 Club, The Mortgage Institute of Australia, the Australian Institute of Management, The Civil Contractors Federation and The Chamber of Commerce and Industry (WA). Phil has previously sat on the Boards of the Leukaemia Foundation and the Family Business Association, and held the position of Vice President of the Hellenic Australian Chamber of Commerce and Industry.

DIRECTORS' REPORT continued

During the past three years, Phil has also served as a director of the following listed companies:

- Monarch Gold Mining Company Limited (February 2003 – 12 July 2008)

COMPANY SECRETARY

Matthew Shackleton B.Comm. MBA, FCA Aged 43

Appointed 30 September 2008. Matthew previously served as the Company Secretary from 14 November 2006 until 13 June 2008.

Matthews details are set out in the Directors section.

Matthew also performed the Chief Financial Officer role with the Company.

DIRECTORS' REPORT continued**Interests in the shares and options of the Company and related bodies corporate**

As at the date of this report, the interests of the directors in the shares and options of the Company were:

Director	Number of fully paid ordinary shares	Number of options over ordinary shares	
Geoffrey Newman	1,282,701	3,284,524	
Matthew Shackleton	6,449,859	2,453,690	
Geoffrey Motteram	2,542,363	1,878,690	
Fred McMurray	14,330,548	6,548,467	

Details of unissued ordinary shares in Mount Magnet South NL under options as at the date of this report are as follows:

Options series	Number of options	Exercise price	Expiry date
Director and executive options	1,333,334	\$0.25	May 2010
Director and executive options	1,333,333	\$0.32	May 2010
Director and executive options	1,333,333	\$0.40	May 2010
Director and executive options	500,000	\$0.25	May 2012
Director and executive options	500,000	\$0.32	May 2012
Director and executive options	500,000	\$0.40	May 2012
Director and executive options	666,667	\$0.10	May 2012
Director and executive options	666,667	\$0.15	May 2012
Director and executive options	666,666	\$0.20	May 2012
Unlisted May 2010 options	3,500,000	\$0.25	May 2010
Listed August 2010 options	32,266,946	\$0.25	May 2010
Convertible note options	250,000	\$0.10	May 2012
Employee Options	1,500,000	\$0.25	May 2013

Dividends

No dividends have been paid or declared since the start of the financial year and/or the directors do not recommend the payment of a dividend in respect of the financial year.

PRINCIPAL ACTIVITIES

The principal activity of the entities within the Consolidated entity during the year was gold exploration.

REVIEW OF OPERATIONS

The Company's operational endeavours were necessarily inhibited by the significant downturn in the investment sector during the financial year. Having completed an extensive drilling exploration campaign during the 2008 financial year the Company was looking to the equities market for funding at much the same time as that market's appetite for risk disappeared, and the concomitant contraction in investment dollars available to exploration companies occurred.

In light of this, during the reporting period the Company conducted only one drilling campaign, at the Foothills tenement. 16 reverse circulation holes for 1,086m were drilled at Foothills, located 14 kilometres southwest of Mount Magnet.

In addition, a small rock chip sampling program comprising approximately 200 samples was conducted across one of the tenements comprising the Amazon Project.

DIRECTORS' REPORT continued**Land Tenure**

At the end of the reporting period, the Company held 60 granted mineral leases comprising 36 prospecting licenses, 15 exploration licenses and 9 mining licenses.

Operating result for the year

The Group's operating loss for the year to 30 June 2009 was \$3,873,241 (2008: \$1,100,924).

Review of financial condition

At 30 June 2009, the Group had \$52,303 cash on hand.

Significant changes in the state of affairs

In May 2009, the Company completed the acquisition of the Kirkalocka Plant from Equigold Pty Ltd. The Plant comprises a 1.2 million tonne per annum capacity carbon in leach processing plant, 130 man camp, and all accompanying infrastructure.

Significant events after balance date

On 27 July 2009 the Company raised \$558,367 before costs by way of issue of 11,167,339 ordinary shares at \$0.05.

On 17 August 2009 John Stockley resigned as a director of the Company.

On 27 August 2009 1,500,000 unlisted options over the Company's ordinary shares in equal tranches of \$0.25, \$0.32 & \$0.40 were cancelled.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Subject to cash reserves and the ability to replenish those reserves, the Company will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

Disclosure of information regarding likely developments in the operations of the Consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated entity. Therefore, this information has not been presented in this report.

Environmental legislation

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

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as directors and officers. The agreement provides for the Company to pay an amount not exceeding \$5,000,000. The total amount of premiums paid excluding government charges and taxes was \$6,800.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of Mount Magnet South NL (the “Company”).

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration committee

Given the size of the Company and the number of executives in its employ, the Board determined by resolution not to establish a separate Remuneration Committee. The Board considers director and executive remuneration as part of its Charter.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company listed on ASX on 23 May 2007, and members approved the maximum aggregate payable to non-executive directors as \$500,000 on 24 November 2007.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually, with the next review to take place in November 2010. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee is also paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

The remuneration of non-executive directors for the period ended 30 June 2009 is detailed on pages 11 to 13 of this report.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

REMUNERATION REPORT continued**Fixed Remuneration**

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

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

The fixed remuneration component of the most highly remunerated Group and Company executive is detailed in Tables 1, 2 and 3.

Variable Remuneration

The objective of the short term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the financial year are met. For the year to 30 June 2009, and to the date of this report, the Company had not made any payments under the short term incentive program.

The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Employee Share Option Plan

The Mount Magnet South NL Employee Share Option Plan provides for the directors to set aside shares in order to reward and incentivise employees. Directors will not set aside more than 5% of the total number of issued shares in the Company at the time of the proposed issue. Officers and employees both full and part-time are eligible to participate in the plan.

Employment Contracts

Mr Matthew Shackleton, the Managing Director of the Company, has executed an Employment Agreement with the Company that provides for the following terms and conditions:

- Date of commencement of 21 April 2008 for an initial period of 3 years
- Remuneration of \$230,000 per annum
- Mr Shackleton may not accept directorships or any other form of employment during his term as Managing Director of the Company without obtaining prior approval of the Board.

During the year, Mr Shackleton received \$63,182 of his agreed remuneration in the form of fully paid shares.

REMUNERATION REPORT continued

Table 1: Remuneration of key management personnel (KMP) for the year ended 30 June 2009

	Short-term				Post Employment		Long-term	Share-based payment	Total	Performance Related
	Salary & fees	Cash bonus	Consulting Fees	Fully Paid Shares	Superannuation	Termination payments	Incentive plans	Options		
Non-executive directors										
Geoffrey Newman	-	-	-	37,500	12,000	-	-	-	49,500	-
Phil Botsis ¹	5,505	-	-	-	495	-	-	-	6,000	-
Geoffrey Motteram	6,000	-	-	18,000	-	-	-	-	24,000	-
John Stockley	5,505	-	9,545	18,000	495	-	-	-	33,545	-
Fred McMurray	5,505	-	-	18,000	495	-	-	53,000	77,000	69%
Sub-total non-executive directors	22,515	-	9,545	91,500	13,485	-	-	53,000	190,045	28%
Executive directors										
Matthew Shackleton	166,818	-	-	63,182	-	-	-	85,333	315,333	27%
Sub-total executive directors	166,818	-	-	63,182	-	-	-	85,333	315,333	27%
KMP										
John Vinar ²	58,603	-	-	-	4,950	13,750	-	-	77,303	-
Michael Muhling ³	15,000	-	-	-	-	-	-	-	15,000	-
Sub-total KMP	73,603	-	-	-	4,950	13,750	-	-	92,303	-
Total	262,936	-	9,545	154,682	18,435	13,750	-	138,333	597,681	23%

1. Resigned 22 September 2008.
2. Role of Exploration Manager made redundant on 28 November 2009. Remuneration excludes \$5,350 in fees received for casual contract services subsequent to the redundancy.
3. Resigned 30 September 2008. Remuneration excludes \$7,122 in fees received for casual contract services subsequent to resignation as Company Secretary/CFO.

REMUNERATION REPORT continued

Table 2: Remuneration of key management personnel for the year ended 30 June 2008

	Short-term				Post Employment		Long-term	Share-based payment	Total	Performance Related
	Salary & fees	Cash bonus	Non-monetary benefits	Other	Superannuation	Termination payments	Incentive plans	Options		
Non-executive directors										
Geoffrey Newman	-	-	-	-	44,037	-	-	-	44,037	-
Phil Botsis	22,018	-	-	-	1,982	-	-	-	24,000	-
Geoffrey Motteram	24,000	-	-	-	-	-	-	-	24,000	-
John Stockley	22,018	-	-	-	1,982	-	-	-	24,000	-
Fred McMurray	20,598	-	-	-	1,817	-	-	-	22,415	-
Sub-total non-executive directors	88,634	-	-	-	49,818	-	-	-	138,452	-
Executive directors										
Matthew Shackleton	149,845	-	-	-	-	-	-	-	149,845	-
Andrew Paterson	152,709	-	-	-	17,872	48,871	-	-	216,452	-
Sub-total executive directors	302,554	-	-	-	17,872	45,871	-	-	366,297	-
KMP										
John Vinar	102,427	-	-	-	23,018	-	-	213,146	338,591	63%
Michael Muhling	10,000	-	-	-	-	-	-	-	10,000	-
Sub-total KMP	112,427	-	-	-	23,018	45,871	-	213,146	348,591	61%
Total	503,615	-	-	-	90,708	45,871	-	213,146	853,340	25%

REMUNERATION REPORT continued

Table 3: Options granted as part of remuneration for the year ended 30 June 2009

Key Management Personnel	Grant date	Granted (number)	Vested (number)	Fair value per option at grant date (Note 12)	Exercise price (Note 12)	Expiry date	Vesting date
Matthew Shackleton	8 May 2009	2,000,000	2,000,000	\$0.043	10¢, 15¢ & 20¢	19 May 2012	8 May 2009
Fred McMurray	8 May 2009	1,500,000	1,500,000	\$0.035	25¢, 32¢ & 40¢	19 May 2012	8 May 2009

Table 4: Options granted as part of remuneration for the year ended 30 June 2008

Key Management Personnel	Grant date	Granted (number)	Vested (number)	Fair value per option at grant date (Note 12)	Exercise price (Note 12)	Expiry date	Vesting date
John Vinar	27 May 2008	1,500,000	1,500,000	\$0.142	25¢, 32¢ & 35¢	24 May 2013	27 May 2008

No shares were issued on exercise of compensation options in either of the years ending 30 June 2008 or 2009.

For details on the valuation of the options, including models and assumptions used, please refer to Note 12. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

DIRECTORS' REPORT continued**DIRECTORS' MEETINGS**

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

Total number of directors' meetings	Board Meetings		Exploration Sub-Committee Meetings	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
Geoffrey Newman	8	8	-	-
Matthew Shackleton	8	8	-	-
Geoffrey Motteram	8	6	-	-
John Stockley	8	7	-	-
Fred McMurray	8	8	-	-
Phil Botsis	2	1	-	-

The Company has formed an Audit & Risk Committee which did not meet during the year.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 18 and forms part of this directors' report for the year ended 30 June 2009.

Non-Audit Services

The following non-audit services were provided by our auditors, HLB Mann Judd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

HLB Mann Judd received or are due to receive the following amounts for the provision of non-audit services:

Income tax, fringe benefits tax and other taxation advice \$6,701

Signed in accordance with a resolution of the directors.



Matthew Shackleton
Managing Director
Perth WA, 30 September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mount Magnet South NL is responsible for the corporate governance of the Consolidated entity. The Board guides and monitors the business and affairs of Mount Magnet South NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

Mount Magnet South NL's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1. Lay solid foundations for management and oversight
- Principle 2. Structure the Board to add value
- Principle 3. Promote ethical and responsible decision making
- Principle 4. Safeguard integrity in financial reporting
- Principle 5. Make timely and balanced disclosure
- Principle 6. Respect the rights of shareholders
- Principle 7. Recognise and manage risk
- Principle 8. Remunerate fairly and responsibly

Mount Magnet South NL's corporate governance practices were in place throughout the year ended 30 June 2009 and were fully compliant with the Council's best practice recommendations.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Mount Magnet South NL are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, 'materiality' is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Mount Magnet South NL are considered to be independent:

Geoffrey Newman Non-executive director and Chairman

Geoffrey Motteram Non-executive director

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

CORPORATE GOVERNANCE STATEMENT continued

The term in office held by each director in office at the date of this report is as follows:

Director	Date of appointment	Term in office
Geoffrey Newman	31 May 2006	3 years 4 months
Matthew Shackleton	18 April 2008	1 year 5 months
Geoffrey Motteram	31 May 2006	3 years 4 months
Fred McMurray	27 July 2007	2 years 2 months

Nomination Committee

The Board has not established a Nomination Committee. The Board resolved, based on the size of the Company and the number of employees thereof, that all matters normally considered by a Nomination Committee are to be considered by the full Board.

Audit & Risk Committee

The Board has established an Audit & Risk Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit & Risk Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Audit Committee are non-executive directors.

The members of the Audit Committee during the year were:

Geoffrey Newman Non-executive director

Geoffrey Motteram Non-executive director

The qualifications and details of the members of the Audit & Risk Committee are contained in the Directors Report.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- performance incentives that allow executives to share the success of Mount Magnet South NL.

CORPORATE GOVERNANCE STATEMENT continued

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the Managing Director and executive team.



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mount Magnet South NL for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mount Magnet South NL.

A handwritten signature in blue ink, appearing to read 'Norman Glade'.

Perth, Western Australia
30 September 2009

N G NEILL
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

INCOME STATEMENTS

For the financial year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Interest revenue	2(a)	9,395	250,972	9,395	250,972
Reversal of option expense		149,757	-	149,757	-
Employee benefit expense		(206,901)	(256,429)	(206,901)	(256,429)
Share based Payments		(299,333)	(362,903)	(299,333)	(362,903)
Depreciation and amortisation expense		(56,140)	(46,769)	(56,140)	(46,769)
Impairment of non-current assets		(1,057,122)	-	(1,057,122)	-
Finance costs		(47,704)	(12,205)	(47,704)	(12,205)
Exploration Written Off		(2,082,448)	(222,209)	(2,082,448)	(222,209)
Other expenses	2(b)	(307,348)	(451,381)	(307,348)	(450,762)
Loss before income tax		(3,897,844)	(1,100,924)	(3,897,844)	(1,100,305)
Income Tax Benefit	3	24,603	-	24,603	-
Loss after tax		(3,873,241)	(1,100,924)	(3,873,241)	(1,100,305)
Basic loss per share (cents per share)	6	(5.58)	(2.10)		

BALANCE SHEETS

As at 30 June 2009

	Notes	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	7	52,303	1,129,750	52,303	1,129,750
Trade and other receivables	8	111,087	139,159	111,087	139,159
Total current assets		163,390	1,268,909	163,390	1,268,909
Non-current assets					
Property, plant & equipment	9	6,569,777	172,562	6,569,777	172,562
Other financial assets	10	-	-	-	-
Deferred exploration expenditure	11	7,908,844	9,133,431	7,908,844	9,133,431
Total non-current assets		14,478,621	9,305,993	14,478,621	9,305,993
Total assets		14,642,011	10,574,902	14,642,011	10,574,902
Liabilities					
Current liabilities					
Trade and other payables	13	149,900	936,465	149,900	936,465
Borrowings	14	37,806	41,991	37,806	41,991
Total current liabilities		187,706	978,456	187,706	978,456
Non-current liabilities					
Borrowings	14	6,291,728	64,201	6,291,728	64,201
Provisions	15	1,515,000	30,000	1,515,000	30,000
Total non-current liabilities		7,806,728	94,201	7,806,728	94,201
Total liabilities		7,994,434	1,072,657	7,994,434	1,072,657
Net assets		6,647,577	9,502,245	6,647,577	9,502,245
Equity					
Issued capital	17	12,260,463	11,386,633	12,260,463	11,386,633
Convertible notes	17	144,667	-	144,667	-
Reserves	17	1,067,892	1,136,666	1,067,892	1,136,666
Accumulated Losses	17	(6,825,445)	(3,021,054)	(6,825,445)	(3,021,054)
Total equity		6,647,577	9,502,245	6,647,577	9,502,245

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

	Ordinary shares \$	Convertible Notes \$	Retained earnings \$	Option reserve \$	Total \$
Consolidated					
Balance at 1 July 2007	7,897,571	-	(1,920,130)	664,450	6,641,891
Shares issued during the year	3,505,500	-	-	-	3,505,500
Transaction costs	(16,438)	-	-	(15,687)	(32,125)
Loss for the year	-	-	(1,100,924)	-	(1,100,924)
Transfer to reserves	-	-	-	362,903	362,903
Options issued during the year	-	-	-	125,000	125,000
Balance at 30 June 2008	11,386,633	-	(3,021,054)	1,136,666	9,502,245
Balance at 1 July 2008	11,386,633	-	(3,021,054)	1,136,666	9,502,245
Shares issued during the year	989,895	-	-	-	989,895
Transaction costs	(116,065)	-	-	-	(116,065)
Issue of convertible notes	-	144,667	-	-	144,667
Loss for the year	-	-	(3,873,241)	-	(3,873,241)
Options issued during the year	-	-	-	149,833	149,833
Reversal of option expense	-	-	-	(149,757)	(149,757)
Transfer of lapsed options	-	-	68,850	(68,850)	-
Balance at 30 June 2009	12,260,463	144,667	(6,825,445)	1,067,892	6,647,577
Parent					
Balance at 1 July 2007	7,897,571	-	(1,920,749)	664,450	6,641,272
Shares issued during the year	3,505,500	-	-	-	3,505,500
Transaction costs	(16,438)	-	-	(15,687)	(32,125)
Loss for the year	-	-	(1,100,305)	-	(1,100,305)
Transfer to reserves	-	-	-	362,903	362,903
Options issued during the year	-	-	-	125,000	125,000
Balance at 30 June 2008	11,386,633	-	(3,021,054)	1,136,666	9,502,245
Balance at 1 July 2008	11,386,633	-	(3,021,054)	1,136,666	9,502,245
Shares issued during the year	989,895	-	-	-	989,895
Transaction costs	(116,065)	-	-	-	(116,065)
Issue of convertible notes	-	144,667	-	-	144,667
Loss for the year	-	-	(3,873,241)	-	(3,873,241)
Options issued during the year	-	-	-	149,833	149,833
Reversal of option expense	-	-	-	(149,757)	(149,757)
Transfer of lapsed options	-	-	68,850	(68,850)	-
Balance at 30 June 2009	12,260,463	144,667	(6,825,445)	1,067,892	6,647,577

CASH FLOW STATEMENTS

For the year ended 30 June 2009

	Notes	Consolidated		Parent	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash flows from operating activities					
Payments to suppliers & employees		(453,198)	(720,719)	(453,198)	(720,719)
Exploration and Evaluation		(1,782,056)	(1,771,084)	(1,782,056)	(1,771,084)
Interest received		9,395	250,972	9,395	250,972
Finance costs paid		(9,747)	(12,205)	(9,747)	(12,205)
Net cash (used in) operating activities	7	(2,235,606)	(2,253,036)	(2,235,606)	(2,253,036)
Cash flows from investing activities					
Payments for property, plant and equipment		(31,785)	(65,474)	(31,785)	(65,474)
Payments for prospects		(290,895)	(1,527,000)	(290,895)	(1,527,000)
Net cash (used in) operating activities		(322,680)	(1,592,474)	(322,680)	(1,592,474)
Cash flows from financing activities					
Net proceeds from share issues		612,830	-	612,830	-
Net proceeds from option issues		-	114,382	-	114,382
Proceeds from borrowings		910,000	-	910,000	-
Payment of finance lease liabilities		(41,991)	(37,195)	(41,991)	(37,195)
Net cash provided by financing activities		1,480,839	77,187	1,480,839	77,187
Net (decrease) in cash and cash equivalents		(1,077,447)	(3,768,323)	(1,077,447)	(3,768,323)
Cash and cash equivalents at beginning of the year		1,129,750	4,898,073	1,129,750	4,898,073
Cash and cash equivalents at end of the year	7	52,303	1,129,750	52,303	1,129,750

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

a. Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The Company is a listed public company, incorporated in Australia.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund its and the Group's operations and further develop their mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding as occurred subsequent to the year ended 30 June 2009 as disclosed in Note 17, can be derived from either one or a combination of the following:

- Issuing Convertible Notes
- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable it and its subsidiary to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should the Company be unable to obtain sufficient funding as outlined above, there is significant uncertainty whether the entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

b. Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2008.

The Group has reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

c. Statement of compliance

The financial report was authorised for issue on 30 September 2009.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial

NOTES TO THE FINANCIAL STATEMENTS continued

report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

d. Basis of consolidation

The consolidated financial statements comprise the financial statements of Mount Magnet South NL and its subsidiary as at 30 June each year (the "Group" / or "the Consolidated Entity").

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

e. Significant accounting judgments, estimates and assumptions

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

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in note 12.

f. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

g. Borrowing costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

h. Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS continued

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

i. 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 Group will not be able to collect the debts. Bad debts are written off when identified.

j. Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if

NOTES TO THE FINANCIAL STATEMENTS continued

the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

k. Income tax

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

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS continued**I. Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

m. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment 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 an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS continued

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(ii) Derecognition and disposal

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

n. 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 Group 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 Group 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS continued

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.

o. Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

p. Trade and other payables

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

NOTES TO THE FINANCIAL STATEMENTS continued**q. Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

r. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

s. Employee leave benefits**(i) Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

t. Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits:

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model, further details of which are given in note 12.

NOTES TO THE FINANCIAL STATEMENTS continued

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Mount Magnet South NL (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 6).

u. Issued capital

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

v. Earnings per share

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

Diluted earnings per share is calculated as net profit attributable to members of the parent, 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 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.

w. Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

NOTES TO THE FINANCIAL STATEMENTS continued

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Revenue and expenses

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
(a) Revenue				
Bank interest paid and receivable	9,395	250,972	9,395	250,972
	9,395	250,972	9,395	250,972
(b) Other expenses				
Consulting	34,301	154,680	34,301	154,680
Auditor's remuneration	28,442	24,498	28,442	24,498
Administration and office expenses	79,513	85,666	79,513	85,666
Rental expense	46,039	28,743	46,039	28,743
Travelling expenses	4,116	10,599	4,116	10,599
Miscellaneous expenses	114,937	147,195	114,937	146,576
	307,348	451,381	307,348	450,762

NOTES TO THE FINANCIAL STATEMENTS continued**3. Income tax**

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Accounting (loss) before tax from continuing operations	(3,897,844)	(1,100,924)	(3,897,844)	(1,100,305)
Tax at the applicable tax rate of 30%	(1,169,353)	(330,277)	(1,169,353)	(330,092)
Non-deductible expenses at the applicable tax rate of 30%	1,020,163	124,339	1,020,163	124,339
Other at the applicable tax rate of 30%	(464,802)	(1,078,437)	(464,802)	(1,078,252)
Adjustments made to prior years	262,831	(215,561)	262,647	95,911
Carried forward losses from prior years at the applicable tax rate of 30%	(2,047,495)	(547,559)	(1,737,098)	(549,004)
Deferred tax assets not recognised in the accounts	2,398,656	2,047,495	2,088,443	1,737,098
Research & Development Grant	24,603	-	24,603	-
Income tax expense reported in the consolidated income statement	24,603	-	24,603	-
Deferred tax assets comprise				
Losses available for offset against future taxable income	2,398,656	2,047,495	2,088,443	1,737,098

The potential deferred tax benefit of these tax losses has not been recognised as an asset because recovery of tax losses is not considered probable in the context of AASB 112.

The benefit of these tax losses will only be realised if:

- a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised.
- b) The Company complies with the conditions for deductibility imposed by the law; and
- c) No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

4. Segment reporting

The consolidated entity operates in one geographical and one operating segment, being exploration in Australia.

5. Dividends

The Company has not declared a dividend for the year ended 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS continued**6. Loss per share**

	Consolidated	
	2009	2008
	Cents per share	Cents per share
Basic loss per share from continuing operations	(5.58)	(2.10)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

- Loss (\$)	(3,873,241)	(1,100,924)
- Weighted average number of ordinary shares	69,373,368	52,398,214

Diluted loss per share

Diluted loss per share has not been calculated as the result is anti-dilutive in nature.

7. Cash and cash equivalents

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Cash at bank and on hand	52,303	415,310	52,303	415,310
Short-term deposits	-	714,440	-	714,440
	<u>52,303</u>	<u>1,129,750</u>	<u>52,303</u>	<u>1,129,750</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Shorter-term deposits are made for varying periods of between one month and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 30 June 2009, the Group did not have any borrowing facilities in place.

Cash and cash equivalents as shown in the cash flow statements is reconciled to the related item in the balance sheets as in the above table.

NOTES TO THE FINANCIAL STATEMENTS continued

7. Cash and cash equivalents (continued)

i. Reconciliation of loss for the year to net cash flows from operating activities:

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Loss from ordinary activities after income tax	(3,873,241)	(1,100,924)	(3,873,241)	(1,100,305)
Impairment and write-off of non-current assets	3,139,570	-	3,139,570	-
Equity settled share based payments	310,833	362,903	310,833	362,903
Options forfeited	(149,757)	-	(149,757)	-
Other non-cash items	56,140	46,769	56,140	46,150
Changes in net assets and liabilities:				
(Increase)/Decrease in other receivables	28,072	(78,019)	28,072	(78,019)
(Increase)/Decrease in exploration	(960,658)	(2,366,418)	(960,658)	(2,366,418)
(Decrease)/Increase in trade creditors and accruals	(786,565)	882,653	(786,565)	882,653
Cash flows from operations	(2,235,606)	(2,253,036)	(2,235,606)	(2,253,036)

8. Trade and other receivables

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Other receivables	50,004	13,875	50,004	13,875
Prepayments	43,118	-	43,118	-
GST recoverable	17,965	125,284	17,965	125,284
	111,087	139,159	111,087	139,159

NOTES TO THE FINANCIAL STATEMENTS continued

9. Property, plant and equipment

	Consolidated		Parent	
	2009	2008	2009	2008
Hire Purchase Assets	\$	\$	\$	\$
Plant, equipment & vehicles – at cost	135,830	135,830	135,830	135,830
Less: accumulated depreciation	(58,655)	(32,189)	(58,655)	(32,189)
Total hire purchase assets	77,175	103,641	77,175	103,641

All Other Assets

Plant, equipment & vehicles – at cost	6,547,765	94,410	6,547,765	94,410
Less: accumulated depreciation	(55,163)	(25,489)	(55,163)	(25,489)
Total all other assets	6,492,602	68,921	6,492,602	68,921
Total property, plant & equipment	6,569,777	172,562	6,569,777	172,562

Reconciliation: 2009	Mining Plant	Motor Vehicles	Plant & Equipment	Total
	\$	\$	\$	\$
Opening written down value	-	50,810	121,752	172,562
Additions	6,450,750	-	2,605	6,453,355
Depreciation	-	(7,251)	(48,889)	(56,140)
Closing written down value	6,450,750	43,559	75,468	6,569,777

Reconciliation: 2008	Mining Plant	Motor Vehicles	Plant & Equipment	Total
	\$	\$	\$	\$
Opening written down value	-	-	99,856	99,856
Additions	-	57,053	62,422	119,475
Depreciation	-	(6,243)	(40,526)	(46,769)
Closing written down value	-	50,810	121,752	172,562

NOTES TO THE FINANCIAL STATEMENTS continued**10. Other non-current financial assets**

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Investment in controlled entity	37,799	37,799	37,799	37,799
Impairment of investment	(37,799)	(37,799)	(37,799)	(37,799)
	-	-	-	-

11. Deferred exploration expenditure

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Costs carried forward in respect of:				
Exploration and evaluation phase - at cost				
Balance at the beginning of the year	9,133,431	1,740,013	9,133,431	1,740,013
Expenditure incurred	960,658	2,588,627	960,658	2,588,627
Purchase of tenements	390,895	5,027,000	390,895	5,027,000
Rehabilitation Provision	563,430	-	563,430	-
Exploration Written Off	(2,082,448)	(222,209)	(2,082,448)	(222,209)
Provision for Impaired Exploration	(1,057,122)	-	(1,057,122)	-
Total exploration expenditure	7,908,844	9,133,431	7,908,844	9,133,431

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 site 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.

The Directors have considered it prudent to raise a provision to impair the full value of the Company's exploration and evaluation expenditure due to the difficult financial circumstances that Company continues to operate under.

NOTES TO THE FINANCIAL STATEMENTS continued**12. Share Based Payment Plans**

Employee Share Option Plan (ESOP)

The Company has in place an Employee Share Options Plan. The ESOP comprises the following terms and conditions.

Options may be offered to an Eligible person, defined as being any full or part time director, officer or employee of the Company, with the stipulation that any issue to directors must be approved at a general meeting of members.

Options are issued free of consideration and convert on exercise to one ordinary share.

Options expire after 5 years, and lapse, generally, on cessation of employment.

	Consolidated/Parent			
	2009		2008	
	Number of Options No.	Weighted Average Exercise Price \$	Number of Options No.	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	14,050,000	0.30	13,500,000	0.30
Granted	3,500,000	0.22	2,550,000	0.31
Forfeited	(3,550,000)	0.32	(2,000,000)	0.32
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	14,000,000	0.27	14,050,000	0.30
Exercisable at year-end	12,500,000	0.27	11,500,000	0.25

There were no options exercised during the year ended 30 June 2009.

The options outstanding at 30 June 2009 had a weighted average exercise price of \$0.27 and a weighted average remaining contractual life of 1.715 years. Exercise prices range from \$0.10 to \$0.40 in respect of options outstanding at 30 June 2009.

The weighted average fair value of the options granted during the year was \$0.04.

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

Weighted average exercise price	\$0.22
Weighted average life to exercise date of the option	3.00 Years
Underlying share price	\$0.09
Expected share price volatility	137%
Risk free interest rate	3.12%

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 share based payments in the income statement is \$299,333 (2008: \$362,903), and relates, in full, to equity-settled share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS continued

13. Trade and other payables

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Trade payables	125,627	738,361	125,627	738,361
Sundry accrued expenses	24,273	192,043	24,273	192,043
Employee Entitlements	-	6,061	-	6,061
	149,900	936,465	149,900	936,465

14. Interest bearing loans and payables

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Current				
Obligations under finance leases and hire purchase agreements	41,897	50,290	41,897	50,290
Less: Unexpired interest	(4,091)	(8,299)	(4,091)	(8,299)
	37,806	41,991	37,806	41,991
Non-current				
Hire purchase liability (i)	26,395	64,201	26,395	64,201
Convertible notes ¹ (ii)	765,333	-	765,333	-
Amount due under contract of sale ²	1,000,000	-	1,000,000	-
Amount due under financing arrangement ³	4,500,000	-	4,500,000	-
	6,291,728	64,201	6,291,728	64,201
(i) Obligations under finance leases and hire purchase agreements				
	26,594	68,491	26,594	68,491
Less: Unexpired interest	(199)	(4,290)	(199)	(4,290)
Hire purchase liability	26,395	64,201	26,395	64,201
(ii) Proceeds from issue of convertible notes				
	910,000	-	910,000	-
Amount classified as equity	(144,667)	-	(144,667)	-
Carrying amount of liability	765,333	-	765,333	-

NOTES TO THE FINANCIAL STATEMENTS continued

1: The Company has issued convertible notes totalling \$910,000.

The terms of the \$250,000 Converting notes issued are as follows:

- 5,000,000 converting notes with a face value of \$0.05 each.
- Interest on each converting note accrues daily and is calculated quarterly at an interest rate of 8.5% and payable within 2 years after issue.
- Converting at \$0.05 per share within 2 years after issue.

The terms of the \$660,000 Converting notes issued are as follows:

- 43,000,000 converting notes with a face value of \$0.02 each.
- Interest on each converting note accrues daily and is calculated quarterly at an interest rate of 9.75% and payable within 2 years after issue.
- Converting at \$0.015 per share within 2 years after issue.

2: The Company has agreed to pay Equigold \$1M in cash on commencement of gold production from the Kirkalocka Plant, or entering into any unconditional dealing, or agreement to deal, in relation to the Plant.

3: The Company has entered into a financing arrangement whereby it will either pay \$4.5M when the bank guarantee expires in two years time, or assign the Kirkalocka Plant for no further consideration (see also Note 15(1)).

15. Provisions

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Non-current				
Rehabilitation Bond	1,485,000	-	1,485,000	-
Rehabilitation & Restoration	30,000	30,000	30,000	30,000
	<u>1,515,000</u>	<u>30,000</u>	<u>1,515,000</u>	<u>30,000</u>

1: The Company has entered into a financing agreement to cover the rehabilitation bond on the Kirkalocka Plant. When the bank guarantee expires in two years time, the Company assumes the responsibility for securing this environmental bond. The bond is held by the Minister for Mines and is non-interest bearing. The bond was \$1.915M, but has now been reduced to \$1.485M.

16. Remuneration of auditors

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
The auditor of Mount Magnet South NL is HLB Mann Judd				
Amounts received & receivable by the auditor :				
- an audit of the financial report of the Group	28,442	24,300	28,442	24,300
- other services	6,701	5,767	6,701	5,767
	<u>35,143</u>	<u>30,067</u>	<u>35,143</u>	<u>30,067</u>

NOTES TO THE FINANCIAL STATEMENTS continued

17. Contributed equity and reserves

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Issued Capital	12,260,463	11,386,633	12,260,463	11,386,633

Fully paid ordinary shares carry one vote per share and the right to dividends

	Number of shares	\$	Number of shares	\$
Movement in ordinary shares on issue				
At 1 July 2007	50,000,000	7,897,571	50,000,000	7,897,571
- Conversion of options	22,000	5,500	22,000	5,500
- Issue of Shares for Kirkalocka Acquisition	12,062,033	3,500,000	12,062,033	3,500,000
- Share Issue Costs	-	(16,438)	-	(16,438)
At 30 June 2008	62,084,033	11,386,633	62,084,033	11,386,633
At 1 July 2008	62,084,033	11,386,633	62,084,033	11,386,633
- Issue of Shares under Rights Issue	7,288,946	728,895	7,288,946	728,895
- Issue of Shares for Tenement Acquisition	1,000,000	100,000	1,000,000	100,000
- Issue of Shares to Directors at general meeting (i)	4,075,948	161,000	4,075,948	161,000
- Share Issue Costs	-	(116,065)	-	(116,065)
At 30 June 2009	74,448,927	12,260,463	74,448,927	12,260,463

(i) These shares were issued in lieu of director's fees

Movement in equity portion of convertible notes:

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at 1 July	-	-	-	-
Issue of Convertible Notes (equity portion)	144,667	-	144,667	-
Balance at 30 June	144,667	-	144,667	-

NOTES TO THE FINANCIAL STATEMENTS continued**Movement in retained earnings:**

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance at 1 July	(3,021,054)	(1,920,130)	(3,021,054)	(1,920,130)
Transfer from Reserves	68,850	-	68,850	-
Net loss for the year	(3,873,241)	(1,100,924)	(3,873,241)	(1,100,924)
Balance at 30 June	(6,825,445)	(3,021,054)	(6,825,445)	(3,021,054)

	Consolidated	Parent
	\$	\$
Reserves		
Equity benefits reserve		
1 July 2008	1,027,353	1,027,353
Transfer to accumulated losses	(68,850)	(68,850)
Options forfeited during the year	(149,757)	(149,757)
Options issued during the year	149,833	149,833
	958,579	958,579
Option premium reserve		
Issue of options	125,000	125,000
Option issue costs	(15,687)	(15,687)
	109,313	109,313
At 30 June 2009	1,067,892	1,067,892

The equity benefits reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 12 for further information on these options, and the Employee Share Option Plan.

The option premium reserve is used to record the value of the non-renounceable rights issue of options where one option was issued for every two shares held at an issue price of \$0.005 per option.

NOTES TO THE FINANCIAL STATEMENTS continued**18. Financial Instruments**

The Group's principal financial instruments comprise bank hire purchase contracts, cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial liabilities such as trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term deposits with a floating interest rate.

The following table details the Group's exposure to interest rate risk at the reporting date. The table includes both interest and principle cashflows.

Consolidated 30 June 2009	Weighted Average Effective Interest Rate %	Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$	Total \$
<i>Financial assets</i>						
Non-interest bearing	-	97,212	-	-	13,875	111,087
Variable interest rate instruments	0.01%	52,303	-	-	-	52,303
Fixed interest rate instruments	-	-	-	-	-	-
		149,515	-	-	13,875	163,390
<i>Financial liabilities</i>						
Non-interest bearing	-	112,185	-	-	5,500,000	5,612,185
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	9.78%	9,228	18,455	54,509	791,927	874,119
		121,413	18,455	54,509	6,291,927	6,486,304

NOTES TO THE FINANCIAL STATEMENTS continued

Parent 30 June 2009	Weighted Average Effective Interest Rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	%	\$	\$	\$	\$	\$
<i>Financial assets</i>						
Non-interest bearing	-	97,212	-	-	13,875	111,087
Variable interest rate instruments	0.01%	52,303	-	-	-	52,303
Fixed interest rate instruments	-	-	-	-	-	-
		149,515	-	-	13,875	163,390
<i>Financial liabilities</i>						
Non-interest bearing	-	112,185	-	-	5,500,000	5,612,185
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	8.47%	9,228	18,455	54,509	26,594	108,786
		121,413	18,455	54,509	5,526,594	5,720,971
Consolidated 30 June 2008						
<i>Financial assets</i>						
Non-interest bearing	-	125,284	-	-	13,875	139,159
Variable interest rate instruments	4.43%	415,299	-	-	-	415,299
Fixed interest rate instruments	7.70%	-	719,991	-	-	719,991
		540,583	719,991	-	13,875	1,274,449
<i>Financial liabilities</i>						
Non-interest bearing	-	922,119	-	-	-	922,119
Variable interest rate instruments	18.25%	8,285	-	-	-	8,285
Fixed interest rate instruments	7.92%	4,191	12,572	37,717	64,301	118,781
		934,595	12,572	37,717	64,301	1,049,185

NOTES TO THE FINANCIAL STATEMENTS continued

Parent 30 June 2008	Weighted Average Effective Interest Rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
	%	\$	\$	\$	\$	\$
<i>Financial assets</i>						
Non-interest bearing	-	125,284	-	-	13,875	139,159
Variable interest rate instruments	4.43%	415,299	-	-	-	415,299
Fixed interest rate instruments	7.70%	-	719,991	-	-	719,991
		540,583	719,991	-	13,875	1,274,449
<i>Financial liabilities</i>						
Non-interest bearing	-	922,119	-	-	-	922,119
Variable interest rate instruments	18.25%	8,285	-	-	-	8,285
Fixed interest rate instruments	7.92%	4,191	12,572	37,717	64,301	118,781
		934,595	12,572	37,717	64,301	1,049,185

Sensitivity Analysis

Due to the Group currently having a low value of interest bearing assets, a change of 1% in interest rates would have no material impact on the post tax loss and equity.

(c) Net fair values

The net fair value of cash and cash equivalents and non interest bearing monetary financial assets and liabilities approximates their carrying value.

(c) Commodity price risk

The Group's exposure to price risk is minimal.

(d) Credit risk

There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral.

NOTES TO THE FINANCIAL STATEMENTS continued

(e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

The Group's payment commitments at 30 June 2009 are as follows:

Description	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Consolidated	\$	\$	\$	\$	\$
Payables & Accruals	112,185	-	-	-	112,185
Other finance commitments	5,037	10,074	25,184	-	40,295
Hire purchase liability	4,191	8,382	29,325	26,594	68,492
Convertible notes	-	-	-	765,333	765,333
Amount due under contract of sale	-	-	-	1,000,000	1,000,000
Amount due under financing arrangement	-	-	-	4,500,000	4,500,000
Rehabilitation bond	-	-	-	1,485,000	1,485,000
	121,413	18,456	54,509	7,776,927	7,971,305
Parent					
Payables & Accruals	112,185	-	-	-	112,185
Other finance commitments	5,037	10,074	25,184	-	40,295
Hire purchase liability	4,191	8,382	29,325	26,594	68,492
Convertible notes	-	-	-	765,333	765,333
Amount due under contract of sale	-	-	-	1,000,000	1,000,000
Amount due under financing arrangement	-	-	-	4,500,000	4,500,000
Rehabilitation bond	-	-	-	1,485,000	1,485,000
	121,413	18,456	54,509	7,776,927	7,971,305

(f) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary source of Group funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating capital raisings as required.

NOTES TO THE FINANCIAL STATEMENTS continued**19. Commitments and contingencies****Operating lease commitments – Group as lessee**

The Group has entered into a commercial lease for its office premises. Future minimum payments under these contracts as at 30 June are as follows:

	Consolidated		Parent	
	2009	2008	2009	2008
Within one year	27,806	-	27,806	-
After one year but not more than five years	-	-	-	-
Total minimum contract payments	27,806	-	27,806	-

Finance lease and hire purchase commitments – Group as lessee

The Group has finance leases and hire purchase contracts. Future minimum payments under these contracts together with the present value of the minimum payments are as follows:

	2009		2008	
	Minimum contract payments	Present value of payments	Minimum contract payments	Present value of payments
Consolidated				
Within one year	41,897	41,897	50,290	41,991
After one year but not more than five years	26,594	23,639	68,491	64,201
Total minimum contract payments	68,491	65,536	118,781	106,192
Less amounts representing finance charges	(4,290)	(7,882)	(12,589)	-
Present value of contract payments	64,201	57,654	106,192	106,192
Parent				
Within one year	41,897	41,897	50,290	41,991
After one year but not more than five years	26,594	23,639	68,491	64,201
Total minimum contract payments	68,491	65,536	118,781	106,192
Less amounts representing finance charges	(4,290)	(7,882)	(12,589)	-
Present value of contract payments	64,201	57,654	106,192	106,192

NOTES TO THE FINANCIAL STATEMENTS continued

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

	Consolidated		Parent	
	2009	2008	2009	2008
Within one year	1,269,440	1,672,440	1,269,440	1,672,440

Exploration expenditure commitments beyond twelve months cannot be reliably determined.

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.

20. Details of the controlled entity

The consolidated financial statements include the financial statements of Mount Magnet South NL and the subsidiary Mount Magnet Iron Pty Ltd (previously Airborne Geoscience Exploration Pty Ltd), a company incorporated in Australia. Mount Magnet South NL owns 100% of the issued ordinary shares in Mount Magnet Iron Pty Ltd (2008: 100%).

21. Related party disclosures

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:

In May 2009 the Company finalised the acquisition of the Kirkalocka Plant from Equigold Pty Ltd, which at that time held approximately 17% of the Company's issued ordinary shares. The transaction was facilitated by the assumption by the Company of Equigold's financial responsibility to rehabilitate the mining leases M59/233 and M59/234, and by the agreement by the Company to pay Equigold \$1m on either the resumption of production at the Plant, or the execution of any transaction using the Plant other than to finance its acquisition.

The acquisition of the Kirkalocka Plant from Equigold Pty Ltd was facilitated in part by the adoption of the financial responsibility for the rehabilitation bonds levied by the Department of Mines and Petroleum over the site (being mining leases M59/233 and M59/234) by the Company. In order to adopt this responsibility, the Company had to secure the replacement of Equigold's unconditional performance bonds with the DMP. On 26 May 2009 this process was completed, with the assistance of financing partly sourced from entities controlled by non-executive director, Fred McMurray.

Mr McMurray's entities will in two years from 30 June 2009 be paid \$1.8m or alternatively, they along with the other entities comprising the Investor Group which together lent the funds to replace Equigold's previous bonds, will be assigned the Kirkalocka Plant. This arrangement is secured by a charge in favour of the Investor Group over the Plant.

In December 2008 and March 2009, entities associated with Mr McMurray extended by way of convertible notes a total of \$500,000 to the Company on the terms and conditions outlined at note 14.

NOTES TO THE FINANCIAL STATEMENTS continued

In December 2008, entities associated with Mr Geoff Newman, a non-executive director of the Company, extended by way of convertible notes a total of \$25,000 to the Company on the terms and conditions as outlined at note 14.

Director related entities

Remuneration (excluding the reimbursement of costs) received or receivable by directors of the Company and aggregate amounts paid to superannuation funds in connection with the retirement of directors are disclosed in the Directors' Remuneration Report.

22. Events Subsequent to Reporting Date

- On 22 July 2009 the Company announced the placement of 11,167,339 ordinary shares at 5 cents to raise \$558,367 before costs. These shares were issued on or around 27 July 2009.
- On 27 August 2009 John Stockley resigned as a director of the Company.
- On 27 August 2009 1,500,000 unlisted options over the Company's ordinary shares in equal tranches of \$0.25, \$0.32 & \$0.40 were cancelled.

23. Contingent Liabilities

There are no contingent liabilities outstanding at the end of the year.

DIRECTORS' DECLARATION

1. In the opinion of the Directors:
 - a. the financial statements and notes of the Company and of the Consolidated entity are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Company's and Consolidated entity's financial position as at 30 June 2009 and of their performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

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



Matthew Shackleton

Director

Dated this 30th day of September 2009



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

**To the members of
Mount Magnet South NL**

Report on the Financial Report

We have audited the accompanying financial report of Mount Magnet South NL ("the Company"), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the Company and the Consolidated entity as set out on pages 19 to 51. The Consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the year.

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 controls 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(c), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: hlb@hlbwa.com.au. Website: <http://www.hlb.com.au>

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- (a) the financial report of Mount Magnet South NL is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and Consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Continuation as a Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1 in the financial report which indicates that the Company will require additional sources of funding to enable it to carry out its objectives. If the Company is unable to generate additional cashflows, there is significant uncertainty whether the Company will continue as a going concern and, therefore, whether it will realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 13 of the directors' report for the year ended 30 June 2009. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Mount Magnet South NL for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.



HLB MANN JUDD
Chartered Accountants



N G NEILL
Partner

Perth, Western Australia
30 September 2009

STOCK EXCHANGE INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. This information is current as at 24 September 2009.

(a) Distribution of equity securities

i. Ordinary share capital

- 85,616,266 fully paid ordinary shares are held by 742 individual shareholders. All issued shares carry one vote per share and carry the rights to dividends.

ii. Options

- 32,266,946 options are held by 445 individual option holders. Options do not carry the right to vote.

The number of holders by size of holding in each class is:

	Ordinary shares (ASX: MUM)		\$0.25 6 September 2010 options (ASX: MUMO)	
	Number of holders	Number of shares	Number of holders	Number of shares
1 – 1,000	35	10,028	17	12,465
1,001 – 5,000	89	300,913	105	401,151
5,001 – 10,000	129	1,150,864	74	615,989
10,001 – 100,000	370	15,329,958	180	6,648,015
100,001 and over	119	68,824,503	69	24,589,326
Total	742	85,616,266	445	32,266,946

(b) Substantial shareholders

The names of the substantial shareholders listed in the Company's register are:

	Number of fully paid ordinary shares	Percentage
Frederick William McMurray	14,330,548	16.73
Matthew William Shackleton	6,449,859	7.53
Total	20,936,885	24.26

(c) The number of unquoted equity securities are:

	Number	Expiry date
\$0.25, \$0.32 & \$0.40 Options	7,500,000	23 May 2010
\$0.25, \$0.32 & \$0.40 Options	1,500,000	19 May 2012
\$0.25, \$0.15 & \$0.20 Options	2,000,000	19 May 2012
\$0.25 Options	1,500,000	24 May 2013

(d) The number of unmarketable parcels is 146 (449,966 ordinary shares representing 0.53% of the issued ordinary shares).

(e) Mount Magnet South NL has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

(f) Twenty largest holders of quoted equity securities are:

Fully paid ordinary shares			\$0.25 6 September 2010 options		
Name	Number	Percentage	Name	Number	Percentage
McMurray Pty Ltd	8,085,186	9.44	Wvalee Pty Ltd	1,554,081	4.82
Matthew & Nicole	6,183,193	7.22	Nunzio Arrigo	1,274,950	3.95
Frederick W McMurray	2,918,757	3.41	McMurray Pty Ltd	1,266,861	3.93
Wvalee Pty Ltd	2,486,530	2.90	Frederick W McMurray	955,280	2.96
Geomett Pty Ltd <Wingillena	2,242,363	2.62	Victory Consolidated Gold	833,334	2.58
Guina Nominees Pty Ltd	1,531,000	1.79	Gregory Clyde Cambell	803,138	2.49
Parkheights Pty Ltd	1,502,999	1.76	FW & JG McMurray <McMurray Retirement Fund>	787,688	2.44
Methuen Holdings Pty Ltd <PB Family A/c>	1,480,001	1.73	Ralph Alexander McNab	755,093	2.34
Spirotrade Pty Ltd	1,364,673	1.59	David John Eggers	545,701	1.69
Victory Consolidated Gold	1,333,334	1.56	Emerald Partners Pty Ltd	520,834	1.61
Simon Robert Evans	1,300,000	1.52	Guina Nominees Pty Ltd	515,500	1.60
Jeffrey Reed	1,300,000	1.52	La Maison Pty Ltd	500,000	1.55
Ralph Alexander McNab	1,156,551	1.35	Kevin A & JM Hibbins	500,000	1.55
Leaping Pty Ltd <Marshall	1,086,773	1.27	Marco Longo	500,000	1.55
Phillip John Coulson	1,000,000	1.17	Thomas George Faggetter	491,834	1.52
Brian & Ruth Rushton	980,235	1.14	Castle Bailey Pty Ltd <D & S	481,732	1.49
Gary Johnson Super	966,167	1.13	Gioacchino Lombardi	479,334	1.49
GJ Johnson <Johnson	958,334	1.12	GJ Johnson	479,167	1.49
GG & CL Newman	949,367	1.11	Methuen Holdings Pty Ltd	475,001	1.47
Emerald Partners Pty Ltd	833,334	0.97	Peter J & EA Thompson	458,417	1.42
Total	39,658,797	51.80		14,177,945	42.94

(g) Administrative information

Company Secretary

Matthew Shackleton

Principal Place of Business and Registered Office

Mount Magnet South NL, Suite 2 Ground Floor, 10 Outram Street, West Perth WA 6005

Telephone: +61 8 9213 8900 Facsimile: +61 8 9213 8901 Internet: www.mountmagnet.com.au

Email: admin@mountmagnet.com.au

Share Registry

Security Transfer Registrars Limited, 770 Canning Highway, Applecross WA 6153

Telephone: +61 8 9315 2333 Internet: www.securitytransfer.com.au

Stock Exchange Listings

Mount Magnet NL's ordinary shares and 6 September 2010 options are quoted by the Australian Stock Exchange Limited (ASX: MUM & MUMO respectively).

(h) Interest in, situation of and percentage interest in mining tenements held are:

Tenement	Location	No of Shares
E58/285	Mt Magnet	100/100
E58/286	Mt Magnet	100/100
E58/288	Mt Magnet	100/100
E59/1104	Mt Magnet	100/100
E59/1105	Mt Magnet	100/100
E59/1106-l	Mt Magnet	100/100
E59/1145	Mt Magnet	100/100
E59/1148	Mt Magnet	100/100
E59/1184	Mt Magnet	100/100
E59/1250	Mt Magnet	100/100
E59/1342	Mt Magnet	100/100
E59/1343	Mt Magnet	100/100
E59/1361	Mt Magnet	100/100
E59/1491	Mt Magnet	100/100
E59/1555	Mt Magnet	100/100
E59/201-l	Mt Magnet	100/100
E59/278	Mt Magnet	100/100
E59/539-l	Mt Magnet	100/100
M58/183	Mt Magnet	96/96
M58/214	Mt Magnet	100/100
M58/336	Mt Magnet	96/96
M58/61	Mt Magnet	96/96
M59/232	Mt Magnet	100/100
M59/233	Mt Magnet	100/100
M59/234	Mt Magnet	100/100
M59/261	Mt Magnet	100/100
M59/367	Mt Magnet	100/100
M59/443	Mt Magnet	100/100
M59/444	Mt Magnet	100/100
M59/445	Mt Magnet	100/100
M59/446	Mt Magnet	100/100
M59/447	Mt Magnet	100/100
M59/448	Mt Magnet	100/100
M59/449	Mt Magnet	100/100
M59/467	Mt Magnet	100/100
M59/468	Mt Magnet	100/100
M59/469	Mt Magnet	100/100
M59/548	Mt Magnet	100/100
P58/1262	Mt Magnet	100/100
P58/1263	Mt Magnet	100/100
P58/1264	Mt Magnet	100/100
P58/1265	Mt Magnet	100/100
P58/1266	Mt Magnet	100/100
P58/1267	Mt Magnet	100/100
P58/1269	Mt Magnet	100/100
P58/1270	Mt Magnet	100/100
P58/1271	Mt Magnet	100/100

P58/1272	Mt Magnet	100/100
P58/1273	Mt Magnet	100/100
P58/1274	Mt Magnet	100/100
P58/1275	Mt Magnet	100/100
P58/1276	Mt Magnet	100/100
P58/1277	Mt Magnet	100/100
P58/1278	Mt Magnet	100/100
P58/1280	Mt Magnet	100/100
P58/1281	Mt Magnet	100/100
P58/1282	Mt Magnet	100/100
P58/1283	Mt Magnet	100/100
P58/1284	Mt Magnet	100/100
P58/1285	Mt Magnet	100/100
P58/1286	Mt Magnet	100/100
P58/1287	Mt Magnet	100/100
P58/1288	Mt Magnet	100/100
P58/1326	Mt Magnet	100/100
P58/1336	Mt Magnet	100/100
P58/1337	Mt Magnet	100/100
P58/1338	Mt Magnet	100/100
P58/1339	Mt Magnet	100/100
P58/1340	Mt Magnet	100/100
P58/1342	Mt Magnet	100/100
<i>P58/1344</i>	Mt Magnet	100/100
<i>P58/1346</i>	Mt Magnet	100/100
<i>P58/1348</i>	Mt Magnet	100/100
<i>P58/1349</i>	Mt Magnet	100/100
<i>P58/1350</i>	Mt Magnet	100/100
<i>P58/1351</i>	Mt Magnet	100/100
<i>P59/1886</i>	Mt Magnet	100/100