WESTERN MINING NETWORK LIMITED

ABN: 63 144 079 667

& CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2013

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CORPORATE DIRECTORY

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Paulus Irawan
Roger Pooley

SECRETARY

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CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

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

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

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1. Board of Directors

1.1 Role of the Board

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

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

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

1.2.1 Composition of the Board

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

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Roger Pooley is a Non-Executive Director and independent director, meeting the following criteria for independence adopted by the Company. The Board recognises that the following criteria are not exhaustive in determining the independence of directors.

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not been employed in an executive capacity by the Company or another Company member since incorporation;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other Company member other than as a Director of the Company.
- their role is to advise the Company on matters pertaining to their expertise and provide governance in the best interests of the Company. Independent Directors do not participate in day to day operations or management of the Company and its affairs.
- are remunerated based on a set scale relating to the risks undertaken within their roles as Non-Executive Directors. Additional work engagements may be undertaken by independent Directors at commercial rates, however the Company and the Independent Directors must ensure that materiality thresholds are not breached.

Mr Paulus Irawan and Mr Christopher Clower are Executive Directors of the Company and do not meet the Company's criteria for independence. However, their experience and knowledge of the Company makes their contribution to the Board such that it is appropriate for them to remain on the Board.

1.2.2 Role of the Chairman and CEO

Recommendation 2.3 has been complied with as the Company currently does not have a CEO in place and appointed management is separate from the Chairman's position.

1.3 Responsibilities of the Board

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

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

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

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

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

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

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

1.4.2 Commitments

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

1.4.3 Confidentiality

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

1.4.4 Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules which is available on the Company's website. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

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

1.4.5 Education and Induction

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

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company; and
- a copy of the Constitution of the Company.

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

1.4.6 Independent Professional Advice

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

1.4.7 Related Party Transactions

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

1.4.8 Shareholder Communication

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

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

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information. The Company's policy for shareholder communication is available on the Company's website.

1.4.9 Trading in Company Shares

On 10 February 2011 the Board adopted a Share Trading Policy. The Board periodically reminds directors, officers and employees of the prohibition in the Corporations Act 2001, and any other prohibited trading periods stated in the Share Trading Policy, concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met. The Company's policy for trading in Company securities is available on the Company's website.

1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct regular evaluation of its performance against appropriate measures. The evaluation process was introduced via the Board Charter adopted on 12 November 2010 and was implemented for the financial year ended 30 June 2013. A performance evaluation of senior executives will be undertaken during the financial period ended 30 June 2014 in accordance with the Board Charter. The objective of this evaluation is to provide ongoing best practice corporate governance to the Company.

1.4.11 Attestations by CEO and CFO

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

2. Board Committees

2.1 Audit Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. In the absence of a formal audit committee the board considers the issues that otherwise would be considered by the audit committee. A copy of the Audit Committee Charter is available on the Company's website.

Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

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

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

2.1.2 Audit Committee Charter

The Board has adopted an Audit Committee Charter which sets of the roles and responsibilities, composition, structure and membership requirements. The Board refers to the Audit Committee Charter to ensure they are meeting all the requirements otherwise delegated to an audit committee. A copy of the Audit Committee Charter is available on the Company's website.

2.1.3 Responsibilities

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

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal. The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

2.1.4 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole. On completion of the 30 June annual audit Mr Paul Irawan (Executive Director) and Mr Christopher Clower (Executive Chairman) will provide the Board with written assurance that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.1.5 External Auditor

The Board's has adopted a policy setting out criteria for the selection and appointment of an external auditor. A copy of this policy is available on the Company's website.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees. As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.2.2 Responsibilities

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

2.2.3 Remuneration Policy

Current directors' Remuneration was approved the Board of Directors through the execution of director employment contracts.

2.2.3.1 Senior Executive Remuneration Policy

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

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- long term incentives in the form of shares or options in the Company;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. During the year the Non Executives of the Company were Mr Kent Hunter, Mr Colin Locke and Mr Paulus Irawan.

Where shares and options are granted to senior executives the value would be calculated using the Black and Scholes method.

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

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

2.2.3.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

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

2.2.4 Current Director Remuneration

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

2.3 Nomination Committee

2.3.1 Role

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

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

2.3.2 Responsibilities

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

2.3.3 Criteria for selection of Directors

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

3. Risk Management

3.1 Risk Management Policies

The Company's risk management strategy policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's risk management strategy are to:

- identify risks to the Company,
- balance risk to reward,
- ensure regulatory compliance is achieved; and
- ensure senior management, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Board requires that each major transaction proposed to the Board for decision is accompanied by a risk assessment. The Company's risk management strategy was formally reviewed by the Board on 12 November 2010 and was considered the Company's risk management strategy sound for addressing and managing risk. A copy of the strategy is available on the Company's website.

4. Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

As at the date of this report, the Company has the Company has the following proportion of women appointed:

- to the Board – nil
- to senior management – nil
- to the organisation as a whole – 17%

The Company's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.

The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company as disclosed above. Due to the size of the company and its small number of employees, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.

5. Company Code of Conduct

The Board adheres to and is responsible for enforcing the Code of Conduct set out in this Corporate Governance Statement.

The Company is committed to:

- applying the Company's funds efficiently to provide above average and sustainable return to shareholders through capital appreciation; and
- adopting high standards of occupational health and safety, environmental management and ethics.

The Board through the Executive Director monitors the Company's compliance with the Code of Conduct periodically. The Code of Conduct will be reviewed by the Board to ensure it reflects the standards of behaviour and practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct applies to all the directors and employees of the Company who must comply with all legal obligations and the Company policies.

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Company. If a situation where a conflict of interest arises the Executive Director is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition. Any breach of Corporate Governance is to be reported directly to the Executive Director.

Corporate Responsibility

The Company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws. A copy of the Company's Code of Conduct is available on the Company's website.

DIRECTORS' REPORT

Your Directors present their report on Western Mining Network Limited and its controlled entities (referred hereafter as "the Company") for the financial year ended 30 June 2013.

Directors

The names of the Directors of the Company in office during the financial year and up to the date of this report are:

- Christopher Clower (Executive Chairman)
- Paulus Irawan (Appointed Executive Director 18 January 2013, previously Non-Executive Director)
- Colin Locke (appointed Non-Executive Director 18 January 2013, previously Executive Director, resigned 5 April 2013)
- Kent Hunter (Non-Executive Director, resigned 30 July 2013)
- Roger Pooley (Appointed Non-Executive Director 30 July 2013)

Unless noted above, all directors have been in office since the start of the financial year to the date of this report.

Company Secretary

The following persons held the position of company secretary during the financial period:

- David Palumbo

Details of the company secretaries' experience are set out below under 'Information on Directors'

Principal Activities

The principal activity of the Company during the year was the acquisition and exploration and evaluation of resource based projects within Indonesia.

Operating Results

Loss after income tax for the financial year was $1,227,602 (2012: $3,444,080).

Financial Position

The net assets of the Company at 30 June 2013 are $9,214,208 (2012: $9,350,070).

The Company's working capital, being current assets less current liabilities is $745,852 at 30 June 2013 (2012: $1,720,070).

Dividends Paid or Recommended

No dividends were paid during the period and no recommendation is made as to dividends.

Significant Changes in State of Affairs

The following significant changes in the state of affairs occurred during the year:

- In total, 871,725 ordinary shares were issued during the year on exercise of $0.20 options, raising $174,345;
- On 30 November 2012, shareholders approved a change of company name from Western Manganese Limited to Western Mining Network Limited.
- On 27 February 2013, executive chairman Christopher Clower paid $150,000 to exercise his entire tranche of 500,000 $0.30 director options which were due to expire on 4 March 2013;
- On 1 March 2013, the Company exercised its option to acquire 51% of PT Genesis Berkat Utama which holds a manganese production license in Central Sulawesi, Indonesia.
- On 21 May 2013, 5,000,000 ordinary shares were issued to Borneo Brothers Limited as final consideration for the option to acquire 51% interest of issued capital in PT Genesis, which was exercised on 1 March 2013.
- On 30 June 2013, 29,224,566 $0.20 options expired unexercised.

Review of Operations

Genesis Project (51% owned by WMN)

During the financial year, Western Mining Network Limited, via its wholly owned subsidiary PT. WMN Indonesia (PT. WMNI), exercised its Option to acquire 51% of PT. Genesis Berkat Utama (PT. GBU), which holds the Genesis Project.

The Genesis Project consists of one tenement covering an area of approximately 3,000 hectares in the Province of Central Sulawesi and is considered prospective for manganese. WMNI's 51% owned subsidiary PT. GBU holds an Ijin Usaha Pertambangan Produksi (Mining Production License) over the Genesis Project.

During the year, the Company received confirmation of the inclusion of the Genesis Project on the Clean and Clear List released by the Ministry of Energy and Mineral Resources. The designation of 'Clean and Clear Status' as defined under Law 4, year 2009 and PP no. 23, year 2010 provides assurance to WMN that its Genesis Project and its respective licence do not overlap with any other tenements or licences.

As previously announced, a number of manganese boulders have been found on the tenement with results from five rock chip samples ranging from 41.4% to 55.3% Mn. A geomagnetic survey over 490 hectares of the tenement was carried out to identify a number of anomalies for follow up work.

The Company plans to conduct trial production at the Genesis Project, as one manganese sample selected for laboratory analysis during the June 2013 quarter returned a good grade of 48.9% Mn. The Company is currently evaluating a corporate offer to a potential local buyer.

Persada Tenement (Master Agreement to acquire 75%)

WMN through its wholly owned subsidiary PT. WMNI has entered into an exclusive Master Agreement to ultimately own 75% of the shares of PT. Persada Bumi Rawas (PT. PBR), which directly holds a 100% interest in IUP Exploration No. 540/307.19/Distamben dated 12 August 2009 and issued by Regent of Buol (Persada Tenement).

The Persada Tenement holds clean and clear status with 8 years tenure expiring on 12 August 2016, covers an area of 5,000 hectares in the Buol region of Central Sulawesi, Indonesia and is considered to be prospective for gold.

During the year, a stream sediment sampling program was completed to evaluate the gold signature and surrounding areas. A total of 83 samples were collected with assay results returned showing that certain streams are relatively anomalous, with values ranging from <0.01 to 0.34 ppm Au.

Two discrete anomalous areas were identified by the gold in stream sediment anomalies. These prospect areas, identified as Block A (+ 480 Ha) and Block B (+ 450 Ha), are priority prospect areas for gold (Au) mineralization that is associated with either igneous rocks or sedimentary unit located in southern part of the tenement.

A second phase of exploration was then undertaken as a follow up to previous stream sediment Exploration conducted which revealed anomalies for Au. Several rock chip samples taken from either in situ outcrops or float were collected during geological mapping. A total of 16 selected samples were used for assay and 4 samples were used for petrographic analyses of the mineralisation and alteration.

Sample	Au ppm	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm	SB ppm	Se ppm	Te ppm	Hg ppm	Bi ppm	Mo ppm
RF-001	<0.01	0.1	29	6	80	7	<1	<10	<5	0.01	<2	<1
RF-002	0.01	0.1	35	13	82	2	<1	<10	<5	<0.01	2	<1
RF-003	<0.01	0.7	18	19	47	<2	<1	<10	<5	0.05	<2	<1
RF-004	<0.01	0.2	26	5	35	4	<1	<10	<5	0.01	<2	<1
OC-005	<0.01	0.6	70	23	54	55	10	<10	<5	0.16	<2	1
OC-006	<0.01	0.1	40	14	59	3	1	<10	<5	0.03	2	<1
OC-007	<0.01	0.3	62	14	64	<2	<1	<10	<5	0.05	3	1
OC-008	<0.01	0.3	89	5	37	<2	<1	<10	<5	0.02	<2	1
RF-009	1.58	5.7	69	63	19	8870	38	<10	<5	0.4	<2	<1
OC-010	0.32	0.8	12	87	108	5420	25	<10	<5	0.1	<2	<1
RF-011	<0.01	0.1	35	9	78	15	1	<10	<5	0.01	<2	<1
OC-012	<0.01	0.1	147	17	107	41	3	<10	<5	0.04	<2	<1
OC-013	0.02	0.5	49	79	95	7	1	<10	<5	<0.01	3	1
OC-014	<0.01	<0.1	52	15	43	14	2	<10	<5	<0.01	2	<1
OC-015	<0.01	0.1	21	12	99	3	<1	<10	<5	0.01	2	<1
RF-016	<0.01	0.1	34	12	55	<2	<1	<10	<5	<0.01	4	<1

Table 1: Assay results of rock samples from the Persada tenement

Based on these results, two prospective areas totalling 111ha have been identified as being priority targets for Au mineralisation that are associated with hydrothermal processes in andesite rocks and sandstone.

Ongoing exploration at the Persada tenement will include:

- Topographic & Grid Mapping
- Grid Pattern Soil Sampling using the MMI method for analysis
- Detailed Geological Mapping & Sampling
- Petrography & Mineragraphy Analysis
- Assay

Pancareka (subject to memorandum of understanding)

On 30 April 2013, WMN via its wholly owned subsidiary PT. WMNI, signed a MOU to conduct due diligence and detailed exploration for a period of 90 days on PUE's 100% owned exploration licences:

- IUP No. 545/011/IUP-E/D.PE/2010 issued by the Regent of Tanah Bumbu, with a total area of 5,149 hectares ("ha"), for a period of 7 years, ending 25 January 2017;

- 545/017/IUP-E/D.PE/2010 issued by the Regent of Tanah Bumbu, with a total area of 398.8 ha, for a period of 7 years, ending 26 January 2017.

Within Exploration License IUP No. 545/011/IUP-E/D.PE/2010, PUE is currently producing thermal coal under Production Licence IUP No. 188.45/467/DISTAMBEN/2012, which has a total area of 198.3 ha. The allocated area which WMN has the right to explore and if warranted mine is adjacent to but does not include this existing Production area.

The PUE tenements are located in Tanah Bumbu Regency, South Kalimantan, Indonesia approximately 70km west from Batulicin, the capital of Tanah Bumbu Regency.

If WMN decides to pursue the transaction after completion of the due diligence, PUE shall upgrade the IUP Exploration Licences to IUP Production Licences and both WMN and PUE shall execute the Joint Production and Coal Sale Agreement, which will govern the final terms and conditions of this transaction. Under the terms of the MOU, WMN shall pay a fee on per metric tonne of coal produced to PUE.

On 31 July 2013, the Company announced a 60 day extension to the company's due diligence period as exploration activities at the site have been hampered by heavy rains. The company will continue exploration in the area to further determine the potential of the region as the weather permits. WMN believes that the Pancareka Exploration Licences are strategically placed within the South Kalimantan region and have the potential to yield high value bituminous coal.

Rahma(subject to memorandum of understanding)

On 27 August 2013, WMN via its wholly owned subsidiary PT. WMNI, signed a MOU to conduct due diligence and detailed exploration for a period of 90 days on a thermal coal tenement in South Kalimantan which is 100% owned by CV Rahma ("RMA"):

- IUP (Izin Usaha Pertambangan Production/Mining Production License) No. 545/04/IUP OP/D.PE/2010 issued by the Regent of Kotabaru, with total area of 199 hectares, for period of 5 years, ending 10 February 2015.

From an initial site visit, RMA's coal sampling test resulted in coal specification as follows: CV (adb) 6,639 Kcal/kg, Total Moisture 6.9%, Inherent Moisture 4.6%, Sulphur 0.88%, Ash 10.2%, Fixed Carbon 46.8%, Volatile Matter 38.4%.

RMA previously conducted trial production, but stopped the program and decided to pursue a more detail exploration program with WMN. Should the Company and RMA be satisfied with the results from the detailed exploration, both WMN and RMA shall execute The Joint Production and Coal Sale Agreement.

Under the terms of the MOU, WMN shall pay to RMA a fee of US$ 4 per metric ton of coal produced and sold. The coal quality as sold must be above 5,600 Kcal/kg (adb).

Over the coming months WMN intends to execute an extensive exploration program including comprehensive mapping and drilling to identify the areas with the highest potential. The methods of exploration shall be:

- Detailed geological mapping
- Geological modelling
- Drilling to a sufficient spacing (100-150m) with the aim to outline Indicated and Measured resources
- Coal quality analysis
- Acquisition of topographic data by ground survey or Lidar.

Competent Person Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves".(JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Information on Directors

Christopher Clower
Executive Chairman

Background
Mr. Clower has 17 years of investment banking experience, 7 of which were spent specialising in natural resources in Indonesia. Mr. Clower was previously Head of South East Asia Corporate Finance at Merrill Lynch Investment Banking Division. At Merrill Lynch, Mr. Clower raised in excess of US$2 billion for Indonesian natural resources clients between 2005 and 2009. Prior to his role at Merrill Lynch, Mr. Clower held executive positions with Deutsche Bank and Bankers Trust Investment Banking, Corporate Finance Divisions.

Mr. Clower holds an MBA (Honors) from University of Chicago and a BS in Nuclear Engineering from Northwestern University.

Interest in shares and options

Ordinary shares	500,000
Options exercisable at $0.40 before 4 March 2014	500,000

Directorships held in other listed entities
None

Paulus Irawan
Executive Director (Appointed Executive Director 18 January 2013, previously Non-Executive Director)

Background
Mr. Irawan is currently a partner at Trust Capital, a Jakarta based boutique financial services firm focusing on mining and oil and gas in Indonesia. Previously he was a Director at a subsidiary company of PT Citra Tubindo Tbk, an Indonesia Stock Exchange's listed manufacturer of oilfield tubular goods.

Previously, Mr. Irawan held various executive positions in the banking industry where he focused on commodity finance, debt restructuring and leverage finance for Indonesian corporate clients in the resources sector at ING Bank in Indonesia, NM Rothschild & Sons, Australia and HSBC, Australia.

Mr. Irawan holds an MBA from Radford University, Virginia and a B. Sc. in Industrial Engineering from Northwestern State University, Louisiana. Mr. Irawan is an Indonesian Citizen and holds Permanent Residency in Australia.

Interest in shares and options
Nil

Directorships held in other listed entities
None

Roger Pooley
Non-Executive Director (Appointed 30 July 2013)

Mr Pooley has over forty years' experience in the mining industry. He has worked in Australia, Ghana, UK, Iran and Indonesia. For the first fifteen years of his career, Mr Pooley worked in operations, in both line management and staff positions. Following this, he moved into project management for twelve years. For the past eighteen years as a consultant, he has been involved mainly in studies, valuations, reserves estimates, and appraisals. The latter part of his experience has been mainly in Indonesia, although in that time he has also completed assignments in Australia, the Philippines, Cameroon, Brazil, Kyrgyzstan and Vietnam. Mr Pooley has worked on open pit, underground, and alluvial properties in gold, coal, base metals and nonmetallics. This wide experience, together with his expertise in economics, helps him to competently assess a variety of solutions to mining, treatment, logistical and environmental problems.

Previous to joining the Board of WMN, Mr Pooley worked at SRK Consulting (Australasia) Pty Ltd as a Senior Consultant based in the Perth and Jakarta offices from 2007 to June of 2013. Previous to working at SRK, Mr Pooley worked in Jakarta from 1994 to 2007 at PT Simapertama Minindo as an Independent Consultant. Mr Pooley holds a BSc (Mining Engineering) - Royal School of Mines in London, is a member of The Australasian Institute of Mining and Metallurgy, a Chartered Professional Engineer, and a member of MICA. He holds a WA Quarry Manager's Certificate of Competency. Mr Pooley is bilingual, speaking English and Bahasa Indonesia.

Interest in shares and options
Nil

Directorships held in other listed entities
None

Kent Hunter
Non-Executive Director (Resigned 30 July 2013)

Background
Kent is a Chartered Accountant with over 16 years' corporate and company secretarial experience. He has been involved in the listing of over 20 exploration companies on ASX in the past 8 years. He has experience in capital raisings, ASX compliance and regulatory requirements.

Interest in shares and options (at resignation)

Ordinary shares	521,687
Options exercisable at $0.40 before 4 March 2014	526,316

Directorships held in other listed entities
Cazaly Resources Limited
Carbon Conscious Limited
Stratum Metals Limited
Krakatoa Resources Limited

Colin Locke
Non-Executive Director (Resigned 5 April 2013)

Background
After leaving school, Colin spent 10 years in the mining industry processing base and precious metals. During this time, he traded resource stocks and international futures contracts. In 1993, Colin joined an Australian commodity and futures broking firm as an investment advisor and became a Director in 1994.

In 1998 Colin co-founded CK Locke and Partners Pty Ltd (formally Australian Futures & Options Brokers), AFSL 222440. Colin held the position of Managing Director from 1999 until 2010. In 2007 Colin held the role of Corporate Advisor during the acquisition process for the Mayoko iron ore project in the Republic of Congo (now taken over by Cape Lambert Ltd). Accordingly, Colin brings to the board 26 years of mining and financial experience. Since 2008, Colin has concentrated on the exploration and acquisition of Indonesian mining and exploration projects in Kalimantan, Sumatera, West Timor, Java, Halmahera and Papua.

Interest in shares and options (at resignation)

Ordinary shares	4,586,054
Options exercisable at $0.40 before 4 March 2014	2,631,579
Options exercisable at $0.20 before 30 June 2013	687,510

Directorships held in other listed entities
None

COMPANY SECRETARY

David Palumbo
Secretary

Background
David is a Chartered Accountant with over six years' experience in the auditing and financial reporting of ASX listed and unlisted companies. David provides corporate advisory and financial management advice to clients of Mining Corporate and specialises in corporate compliance, statutory reporting and financial accounting services. David is currently also company secretary of Strike Resources Limited, Rumble Resources Limited and Krakatoa Resources Limited.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Western Mining Network Limited and for the executives receiving the highest remuneration.

1. Employment Agreements

Mr Paulus Irawan currently works for the Company in an executive capacity.

Mr Irawan's contract is for a term of 2 years from the commencement date with the option to extend for a further 1 year. Under the terms of the agreement, Mr Irawan's annual salary is $90,000 plus superannuation.

The Company may terminate Mr Irawan's contract by giving Mr Irawan a minimum of 3 months written notice or by paying Mr Irawan 3 months' salary in lieu of notice. Mr Irawan may terminate the contract by giving 3 months written notice to the Company.

Mr Christopher Clower currently works for the Company in an executive capacity.

Mr Clower's contract is for a term of 2 years from the commencement date with the option to extend for a further 1 year. Under the terms of the agreement, Mr Clower's annual salary is $90,000.

The Company may terminate Mr Clower's contract by giving Mr Clower a minimum of 3 months written notice or by paying Mr Clower 3 months' salary in lieu of notice. Mr Clower may terminate the contract by giving 3 months written notice to the Company.

Appointments of non-executive directors are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act. They are entitled to receive directors' fees of $30,000 per annum plus superannuation.

2. Remuneration policy

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

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

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options. The remuneration committee reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

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

All remuneration paid to directors and executives is valued at the cost to the Company and expensed, or capitalised to exploration expenditure if appropriate. Options, if given to directors and executives in lieu of remuneration, are valued using the Black-Scholes methodology.

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

3. Options issued as part of remuneration for the year ended 30 June 2013

No options (2012:1,000,000) were issued to Directors as part of their remuneration during the period.

4. Details of remuneration for the year ended 30 June 2013:

The remuneration for each key management personnel of the Company during the period was as follows:

2013	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	%	%
Directors								
Chris Clower	90,000	-	-	-	-	90,000	-	-
Colin Locke	58,137	5,232	-	-	-	63,369	-	-
Paulus Irawan	55,000	4,950	-	-	-	59,950	-	-
Kent Hunter (a)	30,000	2,700	-	-	-	32,700	-	-
	233,137	**12,882**	**-**	**-**	**-**	**246,019**	**-**	**-**

2012	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	% of Options as Remuneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	%	%
Directors								
Chris Clower	52,193	-	-	-	215,705	267,898	-	80.5
Colin Locke	90,000	8,100	-	-	-	98,100	-	-
Allen Lyons	45,000	14,000	60,000	-	-	119,000	-	-
Marlon Ticoalu	10,000	900	-	-	-	10,900	-	-
Paulus Irawan	15,807	1,423	-	-	-	17,230	-	-
Kent Hunter (a)	30,000	2,700	-	-	-	32,700	-	-
	243,000	**27,123**	**60,000**	**-**	**215,705**	**545,828**	**-**	**39.6**

(a) Director fees were paid to Mining Corporate Advisory Services Pty Ltd, an entity associated with Kent Hunter.

(b) Mining Corporate Pty Ltd, a company of which the Company Secretary Mr David Palumbo is an employee, was paid or due to be paid $101,759 (2012: $86,950) in cash and equity for company secretarial and accounting services.

5. Options and Rights Over Equity Instruments Granted as Compensation

Details of options over ordinary shares in the Company that were granted as compensation to each key management person and details of options that were vested are as follows:

Director/Key Management Personnel	Number Options Granted During Period	Grant Date	Fair Value per Option at Grant Date	Exercise Price per Option	Expiry Date	Number Options Vested During Period
Chris Clower	500,000	23 March 2012	0.2093	$0.30	4 March 2013	500,000
	500,000	23 March 2012	0.2221	$0.40	4 March 2014	500,000

The options granted on 23 March 2012 vested immediately. No options vested during the year ended 30 June 2013.

"End of Remuneration Report (Audited)"

After Balance Date Events

On 19 July 2013, the company lodged a non-renounceable priority offer prospectus for the offer of 1 new option for every 1 listed option registered at the record date of 30 June 2013 at an issue price of $0.01 per new option to raise up to $292,196. Shareholders subsequently approved the issue of new options, the subject of the non-renounceable priority offer prospectus on 16 August 2013.

On 30 July 2013, Roger Pooley was appointed as a non-executive director and Kent Hunter resigned as a non-executive director of the board.

On 27 August 2013, the Company issued 5,011,672 Options exercisable at $0.10 on or before 30 June 2014, raising $50,117 before capital raising costs, and on 10 September 2013, the Company issued the shortfall of 24,207,894 Options exercisable at $0.10 on or before 30 June 2014, raising $242,079 before capital raising costs, pursuant to the non-renounceable priority offer prospectus lodged on 19 July 2013.

On 20 September 2013, the Company renegotiated a reduction in the acquisition of issued shares in PT. Persada Bumi Rawas from 80% to 75% and the consideration from US$500,000 to US$475,000 under the Master Agreement.

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

Future Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of Directors

During the financial period, 1 meeting of directors was held. Attendances by each director during the period were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Colin Locke	1	1
Kent Hunter	1	1
Chris Clower	1	1
Paulus Irawan	1	1

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Options

At the date of this report, the unissued ordinary shares of Western Mining Network Limited under option are as follows:

Date of Expiry	Exercise Price	Number under Option
4 March 2014	$0.40	5,500,000

During the year ended 30 June 2013, 1,371,725 ordinary shares of Western Mining Network Limited were issued on the exercise of options.

During the year ended 30 June 2013, 5,000,000 options exercisable at $0.30 on or before 4 March 2013 and 29,219,566 options exercisable at $0.20 on or before 30 June 2013 expired unexercised.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

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

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

Indemnifying of Officers

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

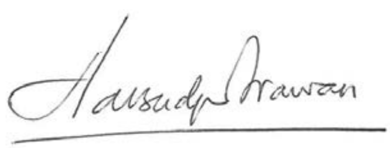
Non-Audit Services

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2013.

Auditor's Declaration of Independence

The auditor's independence declaration for the year ended 30 June 2013 has been received and is included within the financial statements.

Signed in accordance with a resolution of directors.



Paulus Irawan
Executive Director
25 September 2013

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Western Mining Network Limited and its controlled entities for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS	**DOUG BELL CA**
Chartered Accountants	**Director**

DATED at PERTH this 25th day of September 2013

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue	2	35,111	88,196
Administration expenses		(185,874)	(247,935)
Consulting expenses	18	-	(1,940,000)
Corporate compliance expenses		(196,766)	(154,925)
Directors fees		(246,019)	(455,828)
Occupancy costs		(74,537)	(71,441)
Travel expenses		(102,680)	(102,480)
Impairment of exploration expenditure	9	(456,837)	(559,667)
Loss before income tax benefit		**(1,227,602)**	**(3,444,080)**
Income tax benefit	3	-	-
Loss for the year		**(1,227,602)**	**(3,444,080)**
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		832,643	-
Total comprehensive loss		**(394,959)**	**(3,444,080)**
Loss attributable to:			
Members of the parent entity		(1,226,803)	(3,444,080)
Non-controlling interest		(799)	-
		(1,227,602)	**(3,444,080)**
Total comprehensive loss attributable to:			
Members of the parent entity		(394,160)	(3,444,080)
Non-controlling interest		(799)	-
		(394,959)	**(3,444,080)**
Basic loss per share (cents per share)	4	(2.74)	(9.23)
Diluted loss per share (cents per share)	4	(2.74)	(9.23)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	737,517	1,744,325
Trade and other receivables	6	22,639	10,447
Other assets	7	63,680	12,116
Total Current Assets		**823,836**	**1,766,888**
Non-Current Assets			
Other assets	7	107,660	30,000
Other financial assets	8	-	7,600,000
Exploration and evaluation expenditure	9	8,467,574	-
Plant and equipment	10	8,689	-
Total Non-Current Assets		**8,583,923**	**7,630,000**
Total Assets		**9,407,759**	**9,396,888**
LIABILITIES			
Current Liabilities			
Trade and other payables	11	77,984	46,818
Total Current Liabilities		**77,984**	**46,818**
Non-Current Liabilities			
Trade and other payables	11	115,567	-
Total Non-Current Liabilities		**115,567**	**-**
Total Liabilities		**193,551**	**46,818**
Net Assets		**9,214,208**	**9,350,070**
EQUITY			
Issued capital	12	9,897,685	9,578,340
Reserves	13	4,303,238	3,470,595
Accumulated losses		(4,925,668)	(3,698,865)
Non-controlling interest	14	(61,047)	-
Total Equity		**9,214,208**	**9,350,070**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued capital $	Foreign translation reserve $	Options reserve $	Accumulated losses $	Non-controlling interest $	Total $
Balance at 1 July 2011	3,023,958	-	-	(254,785)	-	2,769,173
Loss for the period	-	-	-	(3,444,080)	-	(3,444,080)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	(3,444,080)	-	(3,444,080)
Shares issued during the year	6,644,543	-	-	-	-	6,644,543
Share issue expenses	(90,161)	-	-	-	-	(90,161)
Options issued during the year	-	-	3,470,595	-	-	3,470,595
Balance at 30 June 2012	**9,578,340**	**-**	**3,470,595**	**(3,698,865)**	**-**	**9,350,070**

	Issued Capital $	Foreign translation reserve $	Options reserve $	Accumulated Losses $	Non-controlling interest $	Total $
Balance at 1 July 2012	9,578,340	-	3,470,595	(3,698,865)	-	9,350,070
Loss for the period	-	-	-	(1,226,803)	(799)	(1,227,602)
Other Comprehensive Income	-	832,643	-	-	-	832,643
Total Comprehensive Income	-	832,643	-	(1,226,803)	(799)	(394,959)
Recognition of non-controlling interest	-	-	-	-	(60,248)	(60,248)
Shares issued during the year	319,345	-	-	-	-	319,345
Balance at 30 June 2013	**9,897,685**	**832,643**	**3,470,595**	**(4,925,668)**	**(61,047)**	**9,214,208**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $ Inflows/ (Outflows)	2012 $ Inflows/ (Outflows)
Cash flows from operating activities			
Interest received		35,111	88,196
Payments to suppliers and employees		(796,993)	(846,392)
Exploration and evaluation expenditure		(564,497)	(306,524)
Net cash (used in) operating activities	20	(1,326,379)	(1,064,720)
Cash flows from investing activities			
Purchase of financial assets		-	(100,000)
Net cash inflow on acquisition of subsidiary		226	-
Net cash (used in) investing activities		226	(100,000)
Cash flows from financing activities			
Proceeds from issue of shares		319,345	284,544
Payment of share issue costs		-	(90,161)
Proceeds from issue of options		-	174,890
Net cash provided by financing activities		319,345	369,273
Net increase (decrease) in cash held		(1,006,808)	(795,447)
Cash at beginning of the financial period		1,744,325	2,539,772
Cash and cash equivalents at period end	5	**737,517**	**1,744,325**

The accompanying notes form part of these financial statements.

1. *Statement of Significant Accounting Policies*

These financial statements and notes represent those of Western Mining Network Limited (the "Company"). Western Mining Network is a listed public Company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 25 September 2013 by the directors of the Company.

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the year of $1,227,602 (2012: $3,444,080) and net cash outflows from operating activities of $1,326,379 (2012: $1,064,720). The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. Subsequent to year end the Company raised $292,196 from this issue of 29,219,566 options exercisable at $0.10 on or before 30 June 2014.

1. Statement of Significant Accounting Policies (Continued)

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

1. Statement of Significant Accounting Policies (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b) **Income Tax**

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

1. Statement of Significant Accounting Policies (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) **Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

1. Statement of Significant Accounting Policies (continued)

d) **Plant and Equipment**

Items of plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	40.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1. Statement of Significant Accounting Policies (continued)

f) **Financial Instruments**

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and reduction for impairment, and adjusted for any cumulative amortisation of the difference between the amount initially recognised and the maturity amount calculated using the effective interest method.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

1. Statement of Significant Accounting Policies (continued)

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

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

1. Statement of Significant Accounting Policies (continued)

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g) **Impairment of Assets**

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. Statement of Significant Accounting Policies (continued)

h) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation
The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black –Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i) **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) **Foreign currencies**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1. Statement of Significant Accounting Policies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

k) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

l) **Borrowing Costs**

All borrowing costs are recognised as expense in the period in which they are incurred.

1. Statement of Significant Accounting Policies (continued)

m) **Goods and Services Tax (GST)**

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n) **Revenue**

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

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

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

o) **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Environmental Issues
Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company’s development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation
Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors’ best estimate, pending an assessment by the Australian Taxation Office.

1. Statement of Significant Accounting Policies (continued)

Exploration and Evaluation Expenditure
Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c).

Share based payment transactions
The Company 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 internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 18.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model.

p) **New Accounting Standards for Application in Future Periods**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The Consolidated Entity has not completed an assessment on the effect of adopting these standards.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2015	30 June 2016
AASB 10 ‘Consolidated Financial Statements’ and AASB 2011-7 ‘Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards’	1 January 2013	30 June 2014
AASB 11 ‘Joint Arrangements’ and AASB 2011- 7 ‘Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards’	1 January 2013	30 June 2014
AASB 12 ‘Disclosure of Interests in Other Entities’ and AASB 2011-7 ‘Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards’	1 January 2013	30 June 2014

1. Statement of Significant Accounting Policies (continued)

	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'		
AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2013	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'	1 January 2013	30 June 2014
AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'	1 January 2013	30 June 2014

2. ***Revenue***	**2013 $**	**2012 $**
Interest received	35,111	88,196

3. ***Income tax benefit***		
Net loss before tax	(1,227,602)	(3,444,080)
Income tax benefit on above at 30%	(368,280)	(1,033,224)
Increase/(decrease) in income tax due to the tax effect of:		
Non-deductible expenses	183,198	873,363
Other assessable income	-	178
Current year tax losses not recognised	201,221	172,734
Movement in unrecognised temporary differences	(1,959)	2,808
Deductible equity raising costs	(14,180)	(15,859)
Income tax reported in the statement of comprehensive income	-	-

(b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:		
Tax revenue losses	439,761	229,858
Deductible temporary differences	44,150	67,219
	483,911	297,077

4. ***Earnings per share***	**Cents per Share**	**Cents per Share**
Basic/diluted loss per share	(2.74)	(9.23)

The loss and weighted average number of ordinary shares used in this calculation of basic/ diluted loss per share are as follows:

	$	**$**
Loss	(1,226,803)	(3,444,080)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic/ diluted loss per share	44,720,223	37,322,264

As the Company is in a loss position the options outstanding at 30 June 2013 have no dilutive effects on the earnings per share calculation.

5. *Cash and cash equivalents*	2013 $	2012 $
Cash at bank	737,517	1,744,325

6. *Trade and other receivables*

	2013 $	2012 $
Current		
GST receivable	4,639	10,447
Other receivables	18,000	-
	22,639	10,447

As at 30 June 2013, current trade and other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received when due.

7. *Other assets*

	2013 $	2012 $
Current		
Prepayments	63,680	12,116
Non-Current		
Deposits paid	107,660	-
Security bond	-	30,000
	107,660	30,000

8. *Other Financial Assets*

	2013 $	2012 $
Unlisted investment	-	7,600,000

On 21 November 2011, Western Mining Network Limited acquired an option to purchase 51% interest of the issued capital of PT Genesis, a company which holds a Manganese Production License located in Central Sulawesi.

The consideration paid to build an alliance with Borneo Brothers Limited ("Vendor" or "BBL") by acquiring the option was comprised of $100,000 cash, 10,000,000 ordinary shares and 10,000,000 options exercisable at $0.20 on or before 30 June. Refer to note 18: Share Based Payments for further details.

On 1 March 2013, the Western Mining Network Limited exercised its option to purchase 51% interest of the issued capital of PT Genesis. As a result, the carrying value of the investment in PT Genesis was transferred to exploration and evaluation expenditure - Refer to note 9.

9. *Exploration and evaluation expenditure*

Carrying amount at the beginning of the year	-	253,143
Transfer from other financial assets upon acquisition of 51% interest of the issued capital of PT GBU via option exercise	7,600,000	-
Recognition of minority interest of the issued capital of PT GBU	(60,248)	-
Effect of foreign currency exchange differences	804,865	
Expenditure capitalised during the year	579,794	306,524
Impairment of exploration expenditure during the year	(456,837)	(559,667)
Carrying amount at the end of the year	8,467,574	-

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.

On 1 March 2013, the Company exercised its option to purchase 51% of the issued capital in PT Genesis, which holds a Manganese Production License located in Central Sulawesi. It is considered that the acquisition of the Manganese Production License is not a business combination, but rather an acquisition of mining tenements.

10. *Plant and equipment*

Plant and Equipment		
At Cost	19,652	-
Accumulated Depreciation	(10,963)	-
	8,689	-

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

Plant and Equipment		
Opening balance	-	-
Additions through acquisition of PT. Genesis	10,327	-
Depreciation	(1,532)	-
Effect of foreign currency exchange differences	(106)	-
Closing balance	8,689	-

11. *Trade and other payables*

Current		
Trade payables and accruals	77,984	46,818
Non-Current		
Trade payables and accruals	115,567	-

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

12. *Issued capital*

(a) Issued and paid up capital

49,747,440 (2012: 43,375,715) Ordinary shares fully paid of no par value	9,897,685	9,578,340

(b) Movement in ordinary shares on issue	2013 Number	2013 $	2012 Number	2012 $
Balance at beginning of period	43,375,715	9,578,340	34,978,004	3,023,958
Shares issued during the year:				
- 28 November 2011	-	-	225,000	45,000
- 9 December 2011	-	-	25,000	5,000
- 3 January 2012	-	-	90,000	18,000
- 17 February 2012	-	-	40,000	8,000
- 20 February 2012	-	-	85,000	17,000
- 22 February 2012	-	-	34,395	6,879
- 6 March 2012	-	-	100,000	20,000
- 8 March 2012	-	-	39,999	8,000
- 12 March 2012	-	-	20,000	4,000
- 23 March 2012	-	-	7,000,000	3,710,000
- 30 March 2012	-	-	230,000	46,000
- 10 April 2012	-	-	87,640	17,528
- 16 April 2012	-	-	219,999	44,000
- 3 May 2012	-	-	79,748	15,950
- 11 May 2012	-	-	68,600	13,720
- 12 June 2012	-	-	52,330	10,466
- Shares unissued at 30 June 2012 (e)	-	-	-	2,655,000
- 2 July 2012 (e)	25,000	-	-	-
- 18 July 2012	182,874	36,575	-	-
- 31 July 2012	200,000	40,000	-	-
- 14 August 2012	49,984	9,997	-	-
- 3 October 2012	3,000	600	-	-
- 31 October 2012	83,120	16,624	-	-
- 3 December 2012	9,754	1,951	-	-
- 5 December 2012	78,120	15,624	-	-
- 21 January 2013	107,000	21,400	-	-
- 30 January 2013	82,873	16,574	-	-
- 21 February 2013	10,000	2,000	-	-
- 27 February 2013	500,000	150,000	-	-
- 12 March 2013	35,000	7,000	-	-
- 21 May 2013 (e)	5,000,000	-	-	-
- 28 June 2013	5,000	1,000	-	-
Transaction costs relating to share issues	-	-	-	(90,161)
Balance at end of period	49,747,440	9,897,685	43,375,715	9,578,340

12. *Issued capital (continued)*

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Company at 30 June 2013 is $745,852 (2012:$1,720,070) and the net decrease in cash held during the year was $1,006,808 (2012: $795,447). The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

(e) Share Options

At 30 June 2013, the Company has the following share options on issue:

- 5,500,000 (2012: 5,500,000) options exercisable at $0.40 on or before 4 March 2014;
- nil (2012: 5,500,000) options exercisable at $0.30 on or before 4 March 2013;
- nil (2012: 30,091,291) options exercisable at $0.20 on or before 30 June 2013.

Options carry no rights to dividends and have no voting rights.

(f) Shares unissued at 30 June 2012

On 21 November 2011, WMN executed an agreement with BBL to acquire an option to purchase 51% of PT Genesis, a company holding a manganese production license in Central Sulawesi (refer note 8: Other Financial Assets for further details). As part of the consideration, the Company has issued 5,000,000 ordinary shares and 10,000,000 options exercisable at $0.20 on or before 30 June 2013, with a further 5,000,000 ordinary shares unissued at 30 June 2012. These ordinary shares were granted on 23 March 2012, being the date of shareholder approval, and were subsequently issued on 21 May 2013.

As at 30 June 2012, the Company had received $5,000 in option exercise notices which had not yet been converted into ordinary shares. The ordinary shares were issued on 2 July 2012.

13. *Reserves*

	2013 $	2012 $
Foreign currency translation	832,643	-
Options reserve	3,470,595	3,470,595
	4,303,238	3,470,595

Options reserve		
Reserve at the beginning of the year	3,470,595	-
Options issued under entitlement issue prospectus	-	174,890
Options issued to vendors and consultants	-	3,080,000
Options issued to directors	-	215,705
Reserve at end of year	3,470,595	3,470,595

The options reserve arises on the grant of share options to directors as part of their remuneration and to consultants for services provided. Further information about share-based payments is made in Note 15 to the financial statements.

Foreign currency translation reserve		
Reserve at the beginning of the year	-	-
Exchange differences arising on translating foreign operations	832,643	-
Reserve at end of year	832,643	-

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

14. *Non-controlling interest*

Balance at the beginning of year	-	-
Non-controlling interests arising on the acquisition of PT. Genesis	(60,248)	-
Share of loss for the year	(799)	-
Balance at the end of year	(61,047)	-

15. *Auditors' remuneration*

Amounts, received or due and receivable by auditors for:		
- an audit or review services	22,500	17,500
	22,500	17,500

16. *Key Management Personnel (KMP)*

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2013 $	2012 $
Short term	233,137	243,000
Post-employment	12,882	27,123
Other long-term benefits	-	60,000
Share-based payments	-	215,705
	246,019	545,828

KMP Shareholdings

30 June 2013	Balance at beginning of year	Granted during the year	Options exercised	Net change other	Balance at end of year
Directors					
Colin Locke	4,586,054	-	-	(4,586,054)*	-
Kent Hunter	521,687	-	-	-	521,687
Chris Clower	-	-	500,000	-	500,000
Paulus Irawan	-	-	-	-	-
	5,107,741	-	500,000	(4,586,054)	1,021,687

30 June 2012	Balance at beginning of year	Granted during the year	Options exercised	Net change other	Balance at end of year
Directors					
Colin Locke	4,508,354	-	-	77,700	4,586,054
Kent Hunter	470,001	-	-	51,686	521,687
Chris Clower	-	-	-	-	-
Paulus Irawan	-	-	-	-	-
Allen Lyons	510,001	-	-	(510,001)*	-
Marlon Ticoalu	200,001	-	-	(200,001)*	-
	5,688,357	-	-	(580,616)	5,107,741

* Balance of shares at resignation

16. *Key Management Personnel (KMP)(continued)*

KMP Option holdings

30 June 2013	Balance at beginning of year	Granted as remuneration	Options exercised/ expired	Net change other	Balance at end of year
Directors					
Colin Locke	5,950,668	-	(2,631,579)	(3,319,089)*	-
Kent Hunter	1,157,632	-	(631,316)	-	526,316
Chris Clower	1,000,000	-	(500,000)	-	500,000
Paulus Irawan	-	-	-	-	-
	8,108,300	-	(3,762,895)	(3,319,089)	1,026,316

30 June 2012	Balance at beginning of year	Granted as remuneration	Options exercised	Net change other	Balance at end of year
Directors					
Colin Locke	5,263,158	-	-	687,510	5,950,668
Kent Hunter	1,052,632	-	-	105,000	1,157,632
Chris Clower		1,000,000	-	-	1,000,000
Paulus Irawan	-	-	-	-	-
Allen Lyons	2,631,578	-	-	(2,631,578)*	-
Marlon Ticoalu	1,052,632	-	-	(1,052,632)*	-
	10,000,000	1,000,000	-	(2,891,700)	8,108,300

* Balance of options at resignation

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 19: Related Party Transactions.

17. *Controlled Entities*

	Country of Incorporation	2013	2012
Subsidiaries of Western Mining Network Limited:			
PT. WMN Indonesia	Indonesia	100%	-
PT. Genesis	Indonesia	51%	-

18. ***Share based payments***	**2013 $**	**2012 $**
The following share based payments were made during the year:		
On 27 October 2010, 5,000,000 unlisted options exercisable at $0.30 on or before 4 March 2013 were granted to directors (a)	-	-
On 27 October 2010, 5,000,000 unlisted options exercisable at $0.40 on or before 4 March 2014 were granted to director (a)	-	-
On 23 March 2012, 500,000 unlisted options exercisable at $0.30 on or before 4 March 2013 were granted to director (b)	-	104,650
On 23 March 2012, 500,000 unlisted options exercisable at $0.40 on or before 4 March 2014 were granted to directors (c)	-	111,055
On 23 March 2012, 10,000,000 ordinary shares were granted to vendors for the option and building the alliance	-	5,300,000
On 23 March 2012, 2,000,000 shares were granted to consultants (d)	-	1,060,000
On 23 March 2012, 10,000,000 listed options exercisable at $0.20 on or before 30 June 2013 were granted to vendors (e)	-	2,200,000
On 23 March 2012, 4,000,000 listed options exercisable at $0.20 on or before 30 June 2013 were granted to consultants (e)	-	880,000

Fair value of share options granted in the period:

(a) Options were issued pre ASX listing and deemed to have nil value based on the company being in the early stages of its establishment.

(b) The fair value of the options granted was calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price:	0.30
Stock price at grant date	0.53
Life of option:	0.95 years
Expected volatility rate:	100
Risk free interest rate:	3.87%
Discount:	30%*

(c) The fair value of the options granted was calculated using the Black-Scholes option pricing model applying the following inputs:

Exercise price:	0.40
Stock price at grant date	0.53
Life of option:	1.95 years
Expected volatility rate:	100
Risk free interest rate:	3.72%
Discount:	30%*

18. *Share based payments (continued)*

* A discount of 30% for lack of marketability has been applied to reflect that the director options will not be listed and will be transferable only in limited circumstances.

(d) The fair value of the shares was calculated with reference to the closing ordinary share price on the date of grant.

(e) The fair value of the listed options was calculated with reference to the closing option price on the date of grant.

A summary of the movements of all director options issued is as follows:

	Number	Weighted average exercise price ($)
Opening Options outstanding	10,000,000	0.35
Granted	1,000,000	0.35
Expired	-	-
Exercised	-	-
Options outstanding as at 30 June 2012	11,000,000	0.35
Granted	-	-
Expired	5,000,000	0.30
Exercised	500,000	0.30
Options exercisable as at 30 June 2013	5,500,000	0.40

The weighted average remaining contractual life of options outstanding at period-end was 0.68 years (2012: 1.19 years).

19. *Related Party Transactions*

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

(b) Other transactions

During the year the Company incurred the following transactions with related parties:

- A total of $101,759 (2012: $86,950) in company secretarial and accounts assistance fees were paid to Mining Corporate Pty Ltd, a company of which Kent Hunter is a director. At 30 June 2013, $6,600 is payable to Mining Corporate Pty Ltd (2012:$nil)

A total of $50,000 (2012: $60,000) in office rental was paid to CK Locke & Partners (CKL), a company of which Colin Locke is a director.

There were no other transactions with key management personnel during the period.

20. *Cash Flow Information*

(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	2013 $	2012 $
Loss after income tax	(1,227,602)	(3,444,080)
Non cash flows in loss:		
Share based payments	-	2,155,705
Exploration expenditure written off	-	559,667
Depreciation	1,532	-
Foreign exchange differences	27,884	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(12,192)	26,739
- (increase)/decrease in other assets	(119,519)	(5,045)
- (increase)/decrease in exploration and evaluation expenditure	-	(306,524)
- increase/(decrease) in trade and other payables	3,518	(51,182)
	(1,326,379)	(1,064,720)

(b) Non Cash Investing & Financing Activities

During the financial year ended 30 June 2012, the Company issued 5,000,000 shares and 10,0000,000 $0.20 options and granted a further 5,000,000 shares which are unissued at 30 June 2012 to Borneo Brothers Limited for the option to acquire 51% interest of the issued capital of PT Genesis, as disclosed in Note 8. The shares and options transferred are not reflected in the Statement of Cash Flows for the year ended 30 June 2012.

Apart from the above, there were no non-cash investing or financing activities entered into by the Company during the period.

21. *Commitments*

The Company has no commitments as at 30 June 2013.

22. *Financial reporting by segments*

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the period, the Company operated in two geographical segments being Australia and Indonesia, and two business segments being mineral exploration and treasury.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Inter-segment transactions
Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- head office and other administration expenditure

22. *Financial reporting by segments (continued)*

(a) Segment performance

Total segment revenue

	Exploration $	Treasury $	Total Operations $
Year Ended 30 June 2013			
Revenue			
Interest revenue	-	35,111	35,111
Total segment revenue	-	35,111	35,111
Reconciliation of segment result to net loss before tax			
Unallocated revenue			
Total revenue	**-**	**35,111**	**35,111**
Segment net profit/(loss) before tax	**(456,837)**	**35,111**	**(421,726)**
Reconciliation of segment result to net loss before tax			
Unallocated items:			
- other			(805,876)
Net loss before tax from continuing operations			**(1,227,602)**

	Exploration $	Treasury $	Total Operations $
Year Ended 30 June 2012			
Revenue			
Interest revenue	-	88,196	88,196
Total segment revenue	-	88,196	88,196
Reconciliation of segment result to net loss before tax			
Unallocated revenue			
Total revenue	**-**	**88,196**	**88,196**
Segment net profit/(loss) before tax	**(2,499,667)**	**88,196**	**(2,411,471)**
Reconciliation of segment result to net loss before tax			
Unallocated items:			
- other			(1,032,609)
Net loss before tax from continuing operations			**(3,444,080)**

22. *Financial reporting by segments (continued)*

(b) Segment assets

	Exploration $	Treasury $	Total Operations $
As at 30 June 2013			
Segment assets	**8,467,574**	**737,517**	**9,205,091**
Segment asset increases/(decreases) for the period:			
- cash and cash equivalents	-	(1,006,808)	(1,006,808)
- other financial asset	(7,600,000)	-	(7,600,000)
- exploration and evaluation expenditure	8,467,574	-	8,467,574
	867,574	(1,006,808)	(139,234)
Reconciliation of segment assets to total assets			
Unallocated items:			
- trade and other receivables			22,639
- other assets			171,340
- plant and equipment			8,689
Total assets			**9,407,759**

	Exploration $	Treasury $	Total Operations $
As at 30 June 2012			
Segment assets	**7,600,000**	**1,744,325**	**9,344,325**
Segment asset increases/(decreases) for the period:			
- cash and cash equivalents	-	(795,447)	(795,447)
- other financial asset	7,600,000	-	7,600,000
- capital expenditure	(253,143)	-	(253,143)
	7,346,857	(795,447)	(6,551,410)
Reconciliation of segment assets to total assets			
Unallocated items:			
- trade and other receivables			10,447
- other assets			42,116
Total assets			**9,396,888**

22. *Financial reporting by segments (continued)*

(c) Segment liabilities

	Exploration $	Treasury $	Total Operations $
As at 30 June 2013			
Segment liabilities	**-**	**-**	**-**
Reconciliation of segment liabilities to total liabilities			
- other liabilities			193,551
Total liabilities from continuing operations			**193,551**

	Exploration $	Treasury $	Total Operations $
As at 30 June 2012			
Segment liabilities	**-**	**-**	**-**
Reconciliation of segment liabilities to total liabilities			
- other liabilities			46,818
Total liabilities from continuing operations			**46,818**

d) Assets by geographical location

	Indonesia $	Australia $	Total Assets $
As at 30 June 2013			
Segment assets	9,008,557	399,202	9,407,759

	Indonesia $	Australia $	Total Assets $
As at 30 June 2012			
Segment assets	7,600,000	1,796,888	9,396,888

23. *Financial risk management*

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

As the Company has just started operations, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2013 $	2012 $
Financial assets at fair value		
Cash and cash equivalents – AAA rated counterparties	737,517	1,744,325
Receivables – other	22,639	10,447
	760,156	1,754,772

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

23. *Financial risk management (continued)*

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to interest rate risk as it invests funds at floating interest rates.

Maturity profile of financial instruments
The following table details the Company's exposure to interest rate risk as at 30 June:

			Fixed interest rate maturing in:			
	Average interest rate	Floating interest rate	<1 year	1 – 5 years	Non-interest bearing	Total
	%	$	$	$	$	$
2013						
Financial assets						
Cash and cash equivalents	3%	737,517	-	-	-	737,517
Trade and other receivables	N/A	-	-	-	22,039	22,039
Other financial assets	N/A	-	-	-	-	-
		737,517	-	-	22,039	759,556
Financial liabilities						
Trade and other payables	N/A	-	-	-	193,551	193,551
		-	-	-	193,551	193,551
Net financial assets		**737,517**	**-**	**-**	**(171,512)**	**566,005**
2012						
Financial assets						
Cash and cash equivalents	5%	1,744,325	-	-	-	1,744,325
Trade and other receivables	N/A	-	-	-	10,447	10,447
Other financial assets	N/A	-	-	-	7,600,000	7,600,000
		1,744,325	-	-	7,610,447	9,354,772
Financial liabilities						
Trade and other payables	N/A	-	-	-	46,818	46,818
		-	-	-	46,818	46,818
Net financial assets		**1,744,325**	**-**	**-**	**7,563,629**	**9,307,954**

23. *Financial risk management (continued)*

Interest rate risk sensitivity analysis

The effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by $14,750 (2012: $34,887) and an increase in equity by $14,750 (2012: $34,887). The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by $14,750 (2012: $34,887) and an decrease in equity by $14,750 (2012: $34,887).

Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair value.

Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**$**	**$**	**$**	**$**
Unlisted investments	-	7,600,000	-	7,600,000

In determining the fair values of unlisted investments included in Level 2 of the hierarchy, valuation techniques such as using comparisons to similar investments for which market observable prices are available have been adopted.

24. *Contingent liabilities*

In the opinion of the Directors, the Company has no contingent liabilities at 30 June 2013 (2012 nil).

25. *Parent entity disclosures*

Financial position	2013 $	2012 $
Assets		
Current assets	399,202	1,766,888
Non-current assets	8,362,067	7,630,000
Total assets	8,761,269	9,396,888
Liabilities		
Current liabilities	49,665	46,818
Total liabilities	49,665	46,818
Equity		
Issued capital	9,897,685	9,578,340
Accumulated losses	(4,656,676)	(3,698,865)
Reserves	3,470,595	3,470,595
Total equity	8,711,604	9,350,070
Financial performance		
Profit/(loss) for the year	(957,811)	(3,444,080)
Total comprehensive income	(957,811)	(3,444,080)

Refer to Note 21 for commitments of the parent which are the same as the Group.

26. *Events Subsequent to Period End*

On 19 July 2013, the company lodged a non-renounceable priority offer prospectus for the offer of 1 new option for every 1 listed option registered at the record date of 30 June 2013 at an issue price of $0.01 per new option to raise up to $292,196. Shareholders subsequently approved the issue of new options, the subject of the non-renounceable priority offer prospectus on 16 August 2013.

On 30 July 2013, Roger Pooley was appointed as a non-executive director and Kent Hunter resigned as a non-executive director of the board.

On 27 August 2013, the Company issued 5,011,672 Options exercisable at $0.10 on or before 30 June 2014, raising $50,117 before capital raising costs, and on 10 September 2013, the Company issued the shortfall of 24,207,894 Options exercisable at $0.10 on or before 30 June 2014, raising $242,079 before capital raising costs, pursuant to the non-renounceable priority offer prospectus lodged on 19 July 2013.

On 20 September 2013, the Company renegotiated a reduction in the acquisition of issued shares in PT. Persada Bumi Rawas from 80% to 75% and the consideration from US$500,000 to US$475,000 under the Master Agreement.

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

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
   a) comply with Accounting Standards and the Corporations Regulations 2001; and
   b) give a true and fair view of the Company's financial position as at 30 June 2013 and its performance for the year ended on that date; and
   c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Chief Executive Officer and Company Secretary have each declared that:
   a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   c) the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Paulus Irawan
Executive Director
25 September 2013

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Western Mining Network Limited

We have audited the accompanying financial report of Western Mining Network Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a. The financial report of Western Mining Network Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of $1,227,602 during the year ended 30 June 2013. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report of the year ended 30 June 2013. 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 Western Mining Network Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

DATED at PERTH this 25th day of September 2013

SHAREHOLDER INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 13 September 2013.

1. Shareholding

a. **Distribution of Shareholders** **Number (as at 13 September 2013)**

Category (size of holding)	Shareholders	Ordinary Shares
1 – 1,000	15	2,995
1,001 – 5,000	48	167,633
5,001 – 10,000	135	1,299,765
10,001 – 100,000	234	10,133,945
100,001 – and over	77	38,143,102
	509	49,747,440

b. The number of shareholdings held in less than marketable parcels is 78 shareholders amounting to 273,808 shares.

c. There are no restricted securities at 13 September 2013.

d. The names of substantial shareholders listed in the company's register as at 13 September 2013 are:

Shareholder	Ordinary Shares	% Held of Total Ordinary Shares
Borneo Brothers Limited	5,000,000	10.051%
Citicorp Nominees Pty Ltd	3,997,400	7.995%
Archfield Holdings Pty Ltd	3,495,000	7.025%

e. Voting Rights
The voting rights attached to the ordinary shares are as follows:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

f. 20 Largest Shareholders as at 13 September 2013 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	BORNEO BROTHERS LIMITED	5,000,000	10.051
2.	CITICORP NOMINEES PTY LIMITED	3,997,400	7.995
3.	ARCHFIELD HOLDINGS PTY LTD	3,300,000	6.634
4.	NATIONAL NOMINEES LIMITED	2,388,502	4.801
5.	PROFESSOR YEW KWANG NG	2,253,085	4.529
6.	LINKWELL LIMITED	1,794,960	3.608
7.	ANDHIKA PRATAMA	1,110,000	2.231
8.	COLIN KENNETH LOCKE	1,050,001	2.111
9.	R & P AUSTIN SUPERANNUATION PTY LTD <AUSTIN SUPER FUND A/C>	800,000	1.608
10.	KAMUZU NOMINEES PTY LTD <BANDA A/C>	790,000	1.588
11.	ANDY SUSANTO	693,750	1.395
12.	CK LOCKE & PARTNERS PTY LTD	670,292	1.347
13.	GUFRON MAHMUD	624,375	1.255
14.	KEN JOHN BULL	600,000	1.206
15.	R C FISHING PTY LTD	595,000	1.197
16.	KURINGAI NOMINEES PTY LTD	550,000	1.106
17.	CHRISTOPHER CLOWER	500,000	1.005
18.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	421,000	0.846
19.	MEILY DAHLIA EVIANA	375,020	0.754
20.	CHANCERY HOLDINGS PTY LTD <MCKENZIE NO 1 SUPER FUND A/C>	359,890	0.723
		27,853,775	55.990

2. The name of the company secretary is David Palumbo.

3. The address of the principal registered office in Australia is:
Suite 1, 22 Railway Road, Subiaco WA 6008.

4. Registers of securities are held at the following address:
Advanced Share Registry, 150 Stirling Hwy, Nedlands, WA 6009

5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

6. Unquoted Securities
The Company has the following unquoted securities:
- 5,500,000 options exercisable at $0.40 on or before 4 March 2014

7. Quoted Options over unissued Shares ($0.10 options – expiry 30 June 2014)

		Number of Quoted $0.10 Options Held	% Held of Quoted $0.10 Options
1.	BORNEO BROTHERS LIMITED	10,000,000	34.224
2.	SANDY BUDIWARMAN	2,676,924	9.161
3.	ANDY SUSANTO	2,463,849	8.432
4.	ANDHIKA PRATAMA	1,958,157	6.702
5.	APRILLIA GLOBAL INVESTMENT LIMITED	1,352,500	4.629
6.	GUFRON MAHMUD	1,101,464	3.770
7.	LINKWELL LIMITED	1,000,000	3.422
8.	NEVILLE IAN BYRNES <NEVILLE BYRNES FAMILY A/C>	1,000,000	3.422
9.	BOLAND CONSULTING PTY LTD	850,000	2.909
10.	COBALT ROAD MANAGEMENT PTY LTD <COBALT RESOURCES A/C>	500,000	1.711
11.	PETER CULLEN	420,000	1.437
12.	MELBAR VIC PTY LTD <RICCHINI FAMILY A/C>	404,709	1.385
13.	CHRIS UNTHANK	398,500	1.364
14.	BERNARD JOHN MCCARTNEY & FAYE CATHERINE MCCARTNEY <RIPILI P/L PERSONAL S/F A/C>	270,000	0.924
15.	JOHN LOMBARDO	265,000	0.907
16.	KURUNGAI NOMINEES PTY LTD <THE PINEDALE SUPER FUND A/C>	250,000	0.856
17.	TERRY JAMES GARDINER & VICTORIA HELEN GARDINER <TERRY JAMES GARDINER S/F A/C>	250,000	0.856
18.	CHRISTOPHER BERNARD OLDFIELD	250,000	0.856
19.	DR JOHN ROBERT TYRELL <TYRELL FAMILY A/C>	206,300	0.706
20.	NATIONAL NOMINEES LIMITED	200,100	0.685
		25,817,503	88.357

SCHEDULE OF MINERAL TENEMENTS
AS AT 20 SEPTEMBER 2013

Project	***Tenement***	***Interest held by Western Mining Network Limited***
GENESIS	155 TAHUN 2011	51%
PERSADA	540/307.19/DISTAMBEN	0%*

* The Company holds a master agreement to acquire 75% of the issued shares in PT. Persada Bumi Rawas which holds a 100% interest in the Persada Tenement.