2014

DELOITTE WESTERN AUSTRALIA INDEX
DIGGERS & DEALERS SPECIAL EDITION

A REVIEW OF WESTERN AUSTRALIAN COMPANIES LISTED ON THE AUSTRALIAN STOCK EXCHANGE

Deloitte.

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IN THIS ISSUE

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EXECUTIVE SUMMARY

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Welcome to the annual Diggers & Dealers special edition of the Deloitte WA Stock Exchange Index (Deloitte WA Index)

The Deloitte WA Index rose 18.9% during the year ended 30 June 2014, closing at AU$149.3bn, a result driven by significant gains across a number of commodities and strong performances by some of the major constituents of the Deloitte WA Index such as Wesfarmers, Woodside and Fortescue Metals Group, which experienced growth in market capitalisation of 20.1%, 17.3% and 43.1% respectively.

The fall in iron ore prices had a mixed impact on key players in the market. Atlas Iron's market capitalisation declining almost 15%, while FMG increased its market capitalisation by 43.1% on the back of increased output and early debt repayments.

Overall commodity prices had a strong year with nickel and palladium the top performers, with growth of 39.0% and 31.2% respectively. Precious metals such as gold and silver also experienced strong gains during the year of 8.3% and 10.6% respectively.

The price of these in particular, are subject to changes in global economic sentiment and sharp movements have been experienced throughout the year due to events such as the turmoil in the Ukraine.

It was a good year for local indices, with the Deloitte WA Index experiencing gains of 18.9%, while the ASX overall experienced gains of 12.7%.

From an international perspective US S&P 500 (22.0%), the FTSE 100 (8.5%) and the Nikkei (10.9%) also all performed well. Consumer sentiment is continuing to creep slowly upwards on the back of positive economic data from a number of western countries, combined with signs of increased manufacturing activity in the global market.

This positive economic data contrasts with the backdrop of what seemed to be signs of a slowdown in China early in the year, when the Chinese manufacturing PMI data dropped into contractionary territory. However this has slowly recovered to end the year at 51%.

In this special edition of our WA Index, we highlight a number of emerging issues and areas of interest for the gold mining industry

Executive summary...continued

IN THIS DIGGERS & DEALERS SPECIAL EDITION

We highlight a number of emerging issues and areas of interest for the gold mining industry:

- **Gold survey results**
  Gold had a turbulent year with significant price volatility experienced over the last 12 months. The price of gold is often seen as a barometer of the overall health of the world economy. We explore the thoughts and concerns of some of the Gold producers that are based in WA, we ask what their focus has been over the past 12 months what their main concerns are for the future, and what they believe the future holds for their businesses
- **Killing the golden goose**
  In light of the Western Australian Government's review of the existing royalty regime, Deloitte Access Economics takes a look at the current contribution of the gold industry to the WA economy, and assesses the potentially negative impacts of a royalty increase
- **Gold M&A - Where to from here?**
  In this article we look at the future for mergers and acquisitions within the gold sector, what the current trends are in the industry and what the future holds.

DELOITTE WA INDEX TOP GOLD MOVERS 2014

At the Diggers & Dealers conference on 4 August 2014, we will recognise the top five growth companies, in terms of market capitalisation, for the year ended June 30 2014 within the gold sector. They are:

- **Gold Road Resources Limited**
  Market capitalisation increased by 664% from AU$20m to AU$149m
- **Saracen Mineral Holdings Limited**
  Market capitalisation increased by 375% from AU$68m to AU$325m
- **Northern Star Resources Limited**
  Market capitalisation increased by 194% from AU$248m to AU$730m
- **Papillon Resources Limited**
  Market capitalisation increased by 194% from AU$226m to AU$665m
- **Metals X Limited**
  Market capitalisation increased by 166% from AU$162m to AU$430m.

DELOITTE WA INDEX TOP RESOURCE MOVERS 2014

In this special edition, we also recognise the top five growth companies, in terms of market capitalisation, for the year ended June 30 2014 within the resource sector. These are:

- **Wolf Minerals Limited**
  Market capitalisation increased by 419% from AU$44m to AU$226m
- **Panoramic Resources Limited**
  Market capitalisation increased by 413% from AU$52m to AU$267m
- **TNG Limited**
  Market capitalisation increased by 349% from AU$23m to AU$102m
- **Iron Road Limited**
  Market capitalisation increased by 253% from AU$49m to AU$175m
- **Atrum Coal NL**
  Market capitalisation increased by 209% from AU$90m to AU$278m.

DIGGERS & DEALERS - DELOITTE WA INDEX TOP GOLD MOVERS 2014

We acknowledge gold companies that have outperformed the market and experienced extraordinary growth over the previous year.

Although on a year-on-year basis the price of gold rose by more than 8%, there were many fluctuations over the year, making budgeting a difficult exercise. These companies also faced a number of other challenges throughout the year. Factors which had a knock on effect on sentiment towards gold, such as a recovering but still unstable global economy and increased tensions between Ukraine and Russia, as well as tougher access to capital which many gold companies have faced during the year, have all played their part.

Consequently, the ability of these companies to push forward and achieve such outstanding results is to be commended.

The top (% increase in market capitalisation) gold movers for the 12 months ended 30 June 2014 were:

RANK	ASX	CONSTITUENT NAME	MKT CAP (AU$M) 30 JUN 14	MKT CAP (AU$M) 30 JUN 13	CHANGE IN YEAR (%)
1	GOR	Gold Road Resources Limited	149	20	664%
2	SAR	Saracen Mineral Holdings Limited	325	68	375%
3	NST	Northern Star Resources Limited	730	248	194%
4	PIR	Papillon Resources Limited	665	226	194%
5	MLX	Metals X Limited	430	162	166%

Source: Australian Securities Exchange and Capital IQ

1.

GOLD MOVER AND SHAKER: GOLD ROAD RESOURCES

Gold Road Resources Limited (Gold Road) is a Western Australian gold explorer which listed on the ASX in 2006. The company increased its market capitalisation by 664%, from AU$20m at 30 June 2013 to AU$149m at 30 June 2014, when Gold Road was ranked 70th in the Deloitte WA Index.

BACKGROUND

Gold Road is a gold exploration company that owns tenements covering more than 5,000km on the Yamarna Craton, 150km east of Laverton in Western Australia. The Yamarna Belt is noted as being under-explored and highly prospective for gold mineralisation.

OVERVIEW OF OPERATIONS

Gold Road is focused on exploring the pipeline of high quality gold prospects within the Yarmana Belt, prioritising exploration on six of its ten Gold Camp Targets. These targets were identified in 2012 and 2013. Each target has a 15 – 20km strike length, approximate area of 80 – 120km and contains numerous prospects. With over half of Australia's gold being produced in this region, Gold Road is focused on unlocking the sites, potential though regional exploration to identify world-class gold systems and resource development of their current resource base, leading to development and production of the first mines on the belt.

The first Gold Camp target which was drilled in 2013, was the South Dorothy Hills Trend which yielded the Gruyere gold discovery. This discovery, approximately 25 kilometres north-east of the more advanced Central Bore project, exhibits two different mineralisation styles not seen before in the Yamarna Belt, and confirms the potential for the Dorothy Hills Trend to host further significant gold deposits. The Gruyere project is focused on its Maiden Mineral Resource estimate, and upon completion will undergo a detailed scoping study.

To date the site has produced exciting results, with metallurgical tests performed in 2014 indicating high recoveries.

Further, the Central Bore Trend, Atilla Trend and the Sumitomo South Yarmarna Joint Venture are all projects in which Gold Road anticipates future development. Significantly, at the South Yarmarna Joint Venture, Gold Road recently announced that its maiden RC drilling program had intersected high grade gold mineralisation in a highly prospective dolerite host unit at the Minnie Hill South Prospect.

GOING FORWARD

Gold Road is optimistic that results will continue to improve with the development of its key assets. The Gruyere site has been earmarked for significant growth with completion of concept studies expected by September 2014, followed by a comprehensive scoping study that is expected to lead to feasibility studies, construction and production by 2017. Exploration at the South Yarmarna Joint Venture site is expected to continue, with positive results from phase two drilling completed to date. Gold Road expects drilling to be completed in mid to late 2014.

Regional exploration as highlighted above will be continuously rolled out, with a number of sites earmarked for the commencement of exploration at the back end of 2014.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

AUG 13

Shallow RAB drilling identifies second gold anomaly at Dorothy Hills camp stretching 1.5km.

OCT 13

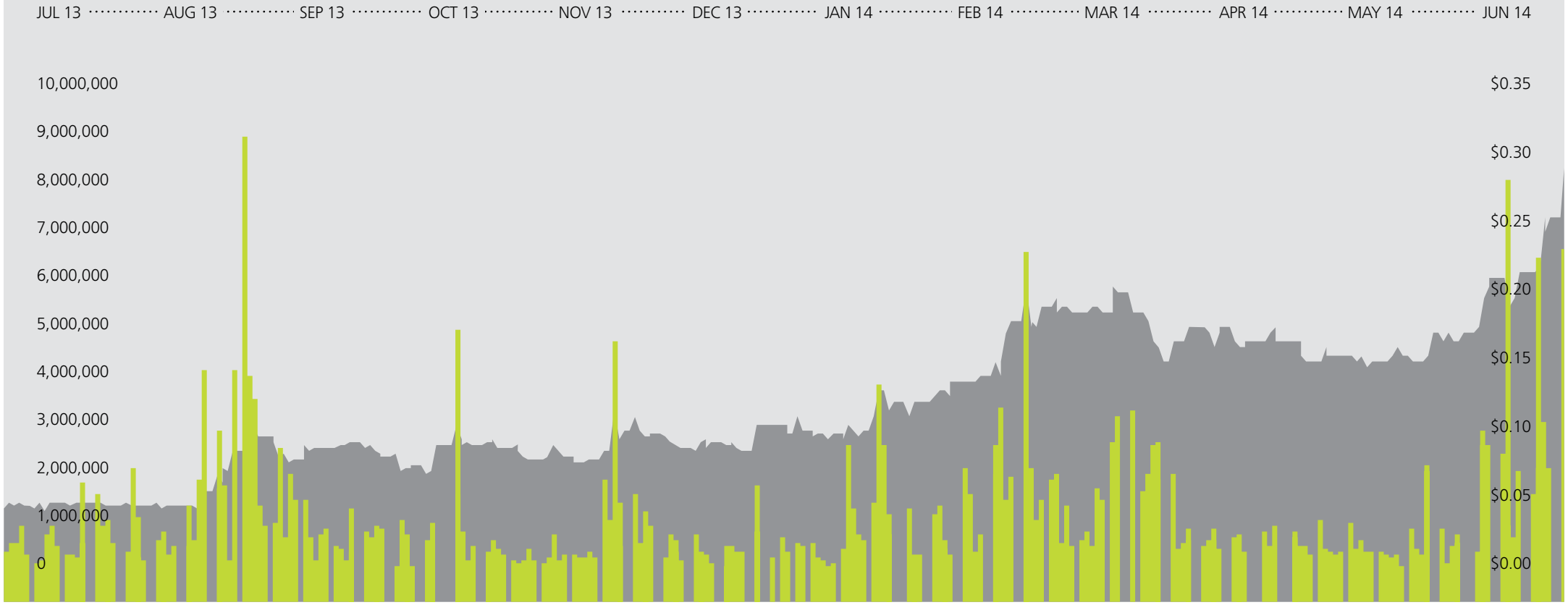
First drilling program along the Dorothy Hills trend confirm significant mineralisation at Gruyere and YAM.

FEB 14

Metallurgical tests carried out by ALS at Gruyere site indicate total gold recoveries of between 96%-98%.

JUN 14

Resource Drilling at Gruyere completed. Scoping Study planned to commence after maiden mineral estimate.



2.

GOLD MOVER AND SHAKER: SARACEN MINERAL HOLDINGS LIMITED

Saracen Mineral Holdings Limited (Saracen) increased its market capitalisation by 375%, from AU$68m to AU$325m during the year ended 30 June 2014, when it was ranked 45th in the Deloitte WA Index.

BACKGROUND

Saracen is a mid-tier gold producer that has experienced rapid growth since it was established in 2008. The company's key project is the wholly-owned Carosue Dam operation, which involves 19 deposits with mineral resources, containing 3.8m ounces of gold, and 12 deposits making up 0.9m ounces of ore reserves. This allows for a mine life of approximately eight years based on existing ore reserves.

In terms of Saracen's operations, they are located in the north eastern area of the Kalgoorlie Goldfields in Western Australia.

Saracen's market capitalisation increased significantly over the past year, as a result of gold discoveries at the Pinnacles, Whirling Dervish Deeps and the Red October high grade underground development.

REVIEW OF OPERATIONS

Saracen announced during the year ended 30 June 2014 the results from its diamond Red October mine drilling program, which confirmed the existence of three new mineralised bodies (Marlin, Smurf and Nemo), all within close proximity to the existing underground development. The Company also announced successful exploration results at its Blue Manna project, which it believes has the potential to develop into a significant resource, given the discovery of high grade intercepts at shallow depth.

Saracen overcame significant rainfall at its Whirling Dervish openpit, and lower mill throughput to produce 31,242oz from its Western Australian mines in the March quarter (Q3 FY14), up from 31,096oz the previous quarter.

Output exceeded guidance for the sixth consecutive quarter, placing Saracen within reach of the top end of its 125,000-135,000oz gold forecast for FY14.

Finally, Saracen's market capitalisation was boosted in May 2014, as the Company announced the completion of the acquisition of the Thunderbox gold operations from Norilsk Nickel Australia Pty Ltd. The acquisition means the Company now owns a second production centre and has substantially increased its mineral resources by 53% to 6.0m ounces of gold and increased its ore reserves by 85% to 1.6m ounces of gold.

GOING FORWARD

Saracen's vision for the future involves delivering at least AU$60m free cash flow by the end of the next financial year. The company plans to achieve this target by capitalising on highly encouraging results from its underground exploration program, extending mine life and via cost and margin improvement. Early results from an underground extensional program at Red October delivered high grade hits, extending known mineralisation and identifying new high grade cross structures. Further exploration at Karari has demonstrated potential for an expanded underground operation, with additional exploration drives set for the future. Lastly, the decreasing strip and improving grades at Whirling Dervish are likely to result in cost improvement and therefore margin improvement in future periods. There is also an expressed desire to continue exploration prospects and consequently drive mine life extensions throughout the Company's current project portfolio.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

APR 14

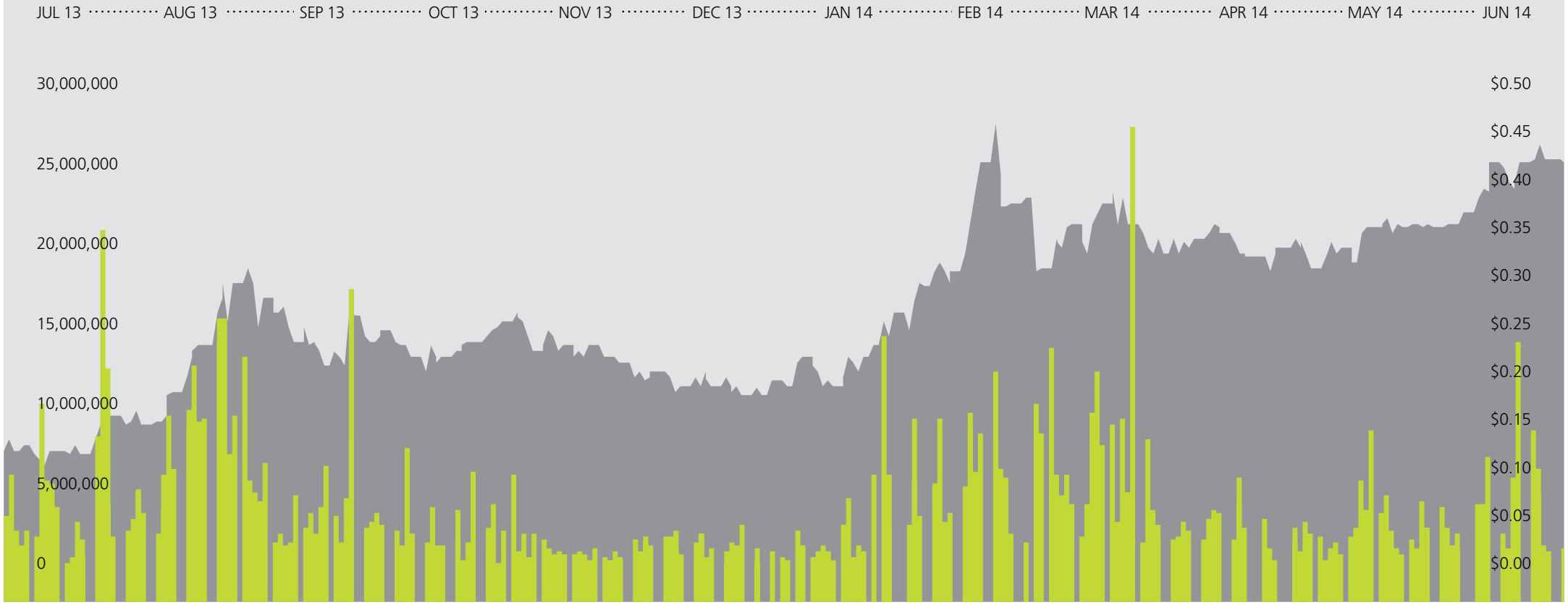
March 2014 quarterly activities report included gold production of 31,242oz, exceeding guidance for the sixth consecutive quarter.

MAY 14

Thuderbox will become Saracens second production centre. 53% increase on company's total mineral resources. 84% increase in ore reserves.

JUN 14

Exploration at Red October underground mine highlights high grade continuity at depth and discovery of the Anchor Lode.



3.

GOLD MOVER AND SHAKER: NORTHERN STAR RESOURCES LIMITED

Northern Star Resources Limited (Northern Star) increased its market capitalisation by 194% from AU$248m to AU$730m during the year ended 30 June 2014, when it was ranked 21st in the Deloitte WA Index.

BACKGROUND

Northern Star is a cost conscious Australian gold producer with operations in Western Australia. Over the last six months, Northern Star has rocketed up the chart, with a strong focus on creating value for its shareholders.

REVIEW OF OPERATIONS

Northern Star started the year with one operational gold mine, the Paulsens mine, located near Paraburdoo in the Ashburton region of Western Australia which was acquired in July 2010. It consists of two lodes, with the flagship Voyager 1 lode, producing all the gold. Northern Star also has a number of developing exploration projects located throughout Western Australia.

Over the year, Northern Star has made several exciting discoveries and acquisitions, establishing itself as the fifth largest Australian gold producer, and the second largest listed on the ASX.

In August, the Company discovered a high-grade target, 'Titan', just 100m from the existing Paulsens operations.

In December the company entered into a joint venture arrangement with Resource and Investment NL (RNI), enabling RNI to expand its Cashmans copper-gold project in the Bryah Basin utilising Northern Star's additional exploration licenses. In February 2014, Northern Star completed the purchase of the Plutonic gold mine from Barrick Gold Corporation for US$23m, funded entirely from cash reserves. March 2014 saw the completion of the acquisition of 51% of Kundana and 100% of Kanowna Belle gold mines in Kalgoorlie from Barrick for AU$75m.

Northern Star successfully raised AU$100m in a share placement to institutional investors to fund the acquisition. The Company also successfully completed a Share Purchase Plan, raising an additional AU$29m.

The result of all this activity has been very positive, with the Company announcing it had beaten its June 2014 quarter production guidance by a substantial margin on the back of strong results from all its operations.

GOING FORWARD

Northern Star looks to be in a strong position going forward. The acquisitions made during the year mean it has five operating business units with substantial infrastructure in place.

In October, the Company made a significant coal discovery, the 'Kazput' discovery, 100km from the Paulsens site. Northern Star plans to remain focused on gold but could maximise this opportunity through a joint venture or sale of operations.

Exploration drilling performed at Titan shows a high grade and continuity of mineralisation. The site shares many of the key characteristics identified at the operational Voyager site. Due to Titan's close proximity to Voyager, it should be accessible from the existing underground mines making it an exciting, cost effective proposition.

The Kundana gold operations acquired during the year include the Pegasus deposit.

Capital development to access this area and targeted drilling are showing very promising results, with the resource more than doubling following additional exploration work which was completed and announced in June 2014. The capital cost of bringing Pegasus into production is expected to be approximately $10m, with ore being accessed via an existing decline at the adjacent Rubicon mine, which forms part of the existing Kundana operations.

In May, Northern Star entered into a binding purchase agreement to acquire 100% of the Jundee gold mine, located in the Northern Yandal Belt of WA, from Newmont Mining Corporation. The deal is for AU$83m, with Northern Star already receiving a credit approval commitment letter from Investec Bank Group for an increased debt facility. The acquisition completed 1 July 2014 and solidifies Northern Star's position as one of Australia's largest gold producers.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

DEC 13

Announces agreement to acquire the Plutonic gold mine in Western Australia from Barrick Gold for $25m.

JAN 14

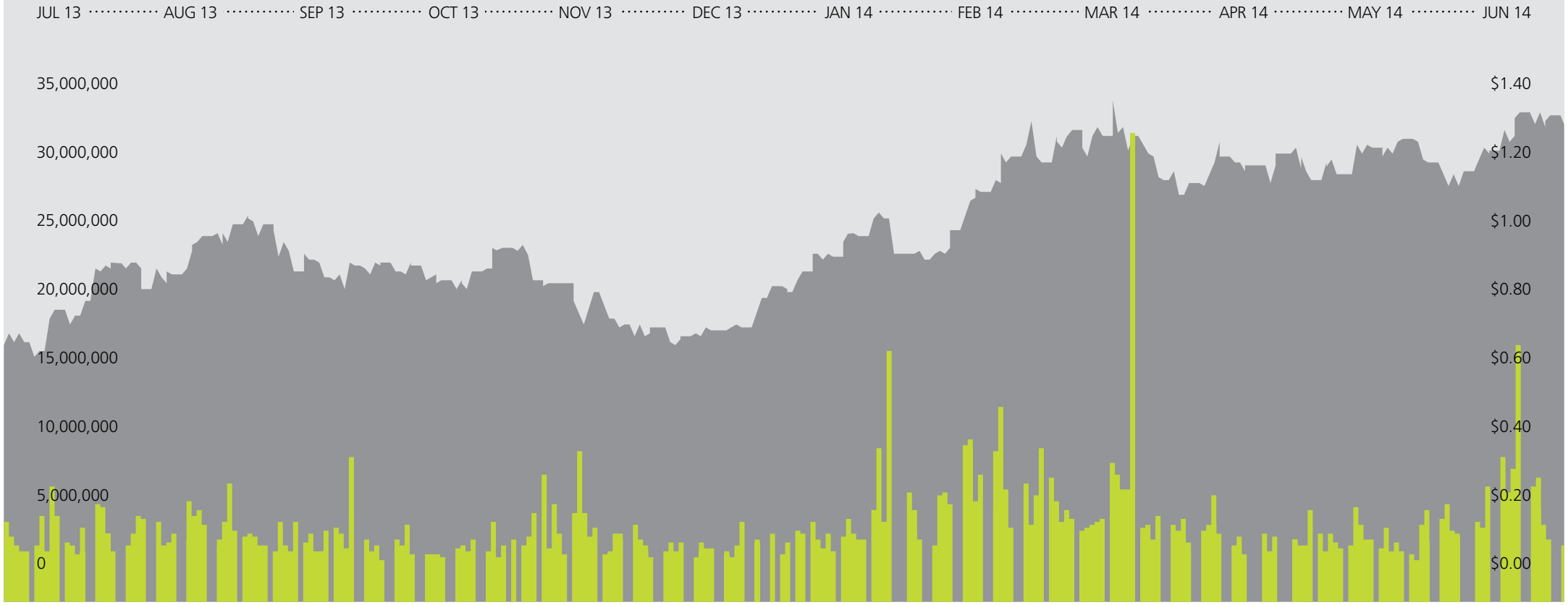
Announces agreement to acquire Barrick Gold's 51% stake in the East Kundana JV and 100% interest in Kanowna Belle for $75m which will increase gold production to 350,000oz per year.

MAY 14

Agrees to acquire Jundee mine from Newmont for AU$82.5m.

JUN 14

Issues AU$10m of shares to M.Creasy to waive a pre-emptive right to buy the Jundee Gold Mine.



4.

GOLD MOVER AND SHAKER: PAPILLON RESOURCES LIMITED

Papillon Resources Limited (Papillon) increased its market capitalisation by 194% from AU$226m to AU$665m during the year ended 30 June 2014 when it was ranked 22nd in the Deloitte WA Index.

BACKGROUND

Papillon is an emerging gold company focused on the exploration and development of gold prospects in Mali and Africa. Papillon listed on the ASX in 2007 and is currently concentrating on its flagship Fekola gold project venture, located in south-western Mali.

REVIEW OF OPERATIONS

Papillon is engaged in several joint venture arrangements associated with gold tenements in western and southern Mali. However, its key focus is on Fekola which will consist of one large open pit mine and is considered to be of national significance to Mali.

Papillon released a pre-feasibility study for the project in June 2013 highlighting strong results and confirming its viability. Papillon then released the results of its 2013 drilling campaign early in September 2013, noting a significant increase in the mineral resource estimate of 22% from the MRE released in January.

In February 2014, Papillon announced that it had been granted a mining permit by the Malian Government to develop and mine Fekola. The permit is valid for 30 years and covers an area of 75 square kilometres. This was followed by the commencement of a definitive feasibility study in March which is scheduled to be completed in the second half of 2014. Papillon also announced in May that it would be able to commence clearing plant and mining services sites early to minimise any potential delay down the track.

GOING FORWARD

The Fekola project appears well placed to transition to production, and Papillon has noted that it has several options available to extend the mine's life, including deeper digging programs and underground extensions.

Papillon is also participating in a further drilling campaign along the Fekola corridor, with the aim of identifying new open pit opportunities which are in a location capable of leveraging off the planned Fekola processing infrastructure.

Papillon recently received an exploration permit for the Menankoto Sud, located 13km north of the Fekola project. Initial drilling provided promising results and highlighted similar characteristics to the Fekola deposit.

Drilling around the Fekola project has also identified further mineralisation and it is believed that the strategically positioned project remains largely under-explored and highly prospective.

On 3 June 2014, Papillon announced it had entered into a definitive merger implementation agreement with B2Gold Corp to combine the two companies at a rate of 0.661 B2Gold common shares for each Papillon share held. This represents a purchase price of around AU$1.72 per Papillon share (premium of 42% on 20 day volume-weighted average price) and values Papillon at approximately AU$615m.

The agreement has several conditions and the scheme would not become effective until mid-September. Some analysts believe that Fekola is a valuable asset that could be sought after by a number of companies that might offer a superior bid. Papillon's Board has recommended that shareholders vote in favour of the proposed scheme in the absence of a superior proposal.

VOLUME
SHARE PRICE

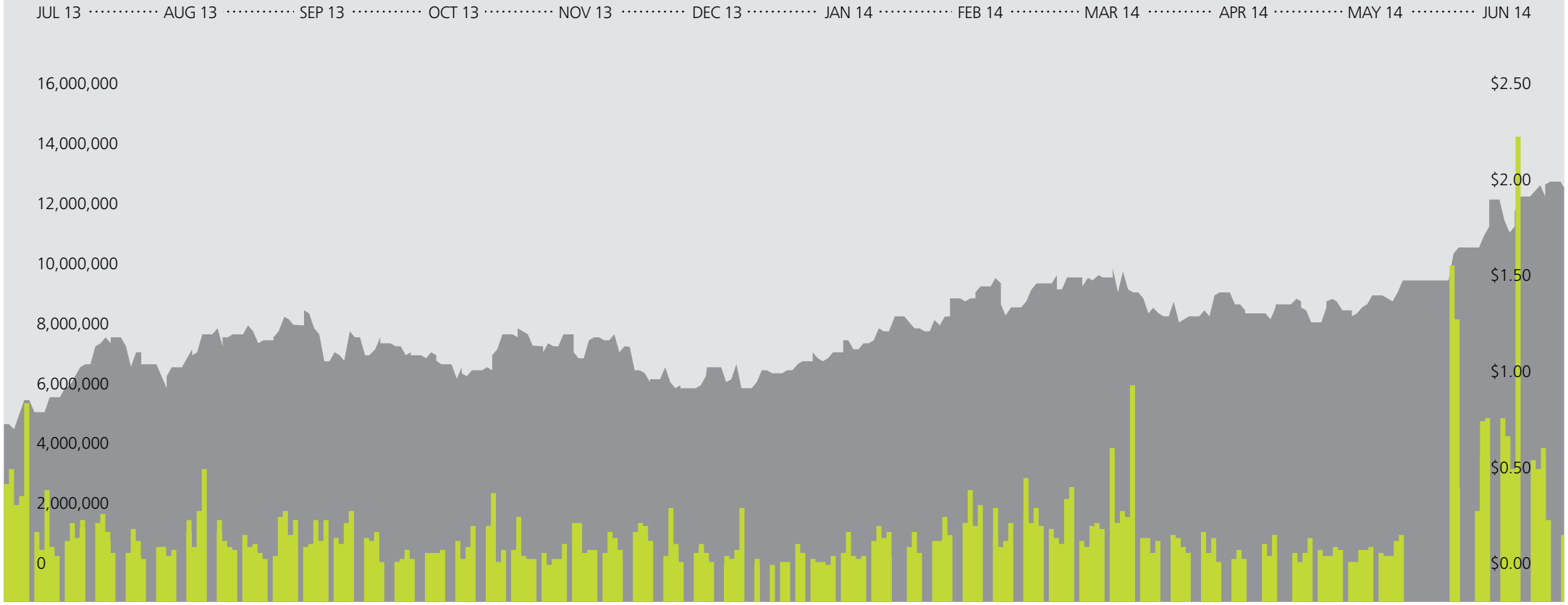
Source: Australian Securities Exchange and Capital IQ

FEB 14
30-year permit to mine the Fekola gold project granted by the Malian Government.

MAR 14
Appoints Lycopodium Minerals as lead engineer of the Fekola feasibility study.

JUN 14
Enters definitive merger implementation agreement with B2Gold Corp, valuing the company at $615m.

JUN 14
Menankoto Sud exploration yields encouraging results with anomalous gold recorded in all holes drilled to date.



5.

GOLD MOVER AND SHAKER: METALS X LIMITED

Metals X Limited (Metals X) increased its market capitalisation by 166% from AU$162m to AU$430m during the year ended 30 June 2014, when it was ranked 35th in the Deloitte WA Index.

BACKGROUND

An Australian explorer and producer of metals and minerals, Metals X operations centre around the production of gold and tin, and exploration for these commodities as well as nickel across a number of promising Australian assets.

REVIEW OF OPERATIONS

During the year, Metals X acquired all the Australian operations of Alacer Gold Corporation. All economic interests were transferred at 1 October 2013 for consideration of AU$40m plus AU$4m in working capital adjustments.

Metals X obtained two producing assets - the Higginsville and South Kalgoorlie operations. Metals X already held the Central Murchison gold project which is development ready and the Rover project which is in the pre-feasibility stage.

Metals X announced in June 2014 that it had completed a deal to enter into a binding agreement with the administrator of Reed Resources Limited's subsidiary, GMK Exploration Pty Ltd (GMKE), to acquire all the assets that make up its Meekatharra gold operations. Metals X provided consideration of approximately AU$7m cash and 24m shares of Reed Resources Limited (nominal value of around AU$600k). The acquisition will provide the infrastructure required to develop the Central Murchison gold project without needing to construct a new plant. The Meekatharra gold operations will also contribute additional gold resources to those that could be processed from the Central Murchison gold project.

Metals X has a 50% ownership interest in the Bluestone Mines Tasmania Joint Venture, making it Australia's largest tin producer. The joint venture owns the Renison Project in Tasmania, and is jointly held with Yunnan Tin Group, the largest tin producer in the world. Drilling and resource development throughout the year has increased the total mineral resource available for production.

Metals X's nickel division is centred around the Central Musgrave Division which is located on the border separating Western Australia, the Northern Territory and New South Wales. This area includes three focus points - the Wingellina project, the Claude Hills deposit and exploration around Mt Davies. In August 2013, Metals X acquired Rio Tinto's ownership interests in the Mt Davies JV for AU$500k and 870k fully paid ordinary shares. This area is now 100% owned by Metals X. The Wingellina project is one of the world's largest undeveloped nickeliferous limonite deposits and has favourable characteristics for extraction.

GOING FORWARD

Metals X continues to perform well on the back of strong performance from its gold operations. Since the acquisition, Metals X has achieved two quarters of strong production and reached payback within six months.

In addition to the search for new tin reserves, Metals X is developing the Renison expansion project. This initiative would allow Metals X to reprocess tailings deposits that have been generated at Renison over the last 46 years.

Additionally, now that Metals X owns 100% of the area around the Central Musgrave Division, Wingellina is in the process of obtaining environmental approval to enable the transition of the deposit through to production.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

AUG 13

Purchases Rio Tinto's interests in the Mt Davies joint venture in South Australia for $500k and 870,000 fully paid shares.

SEP 13

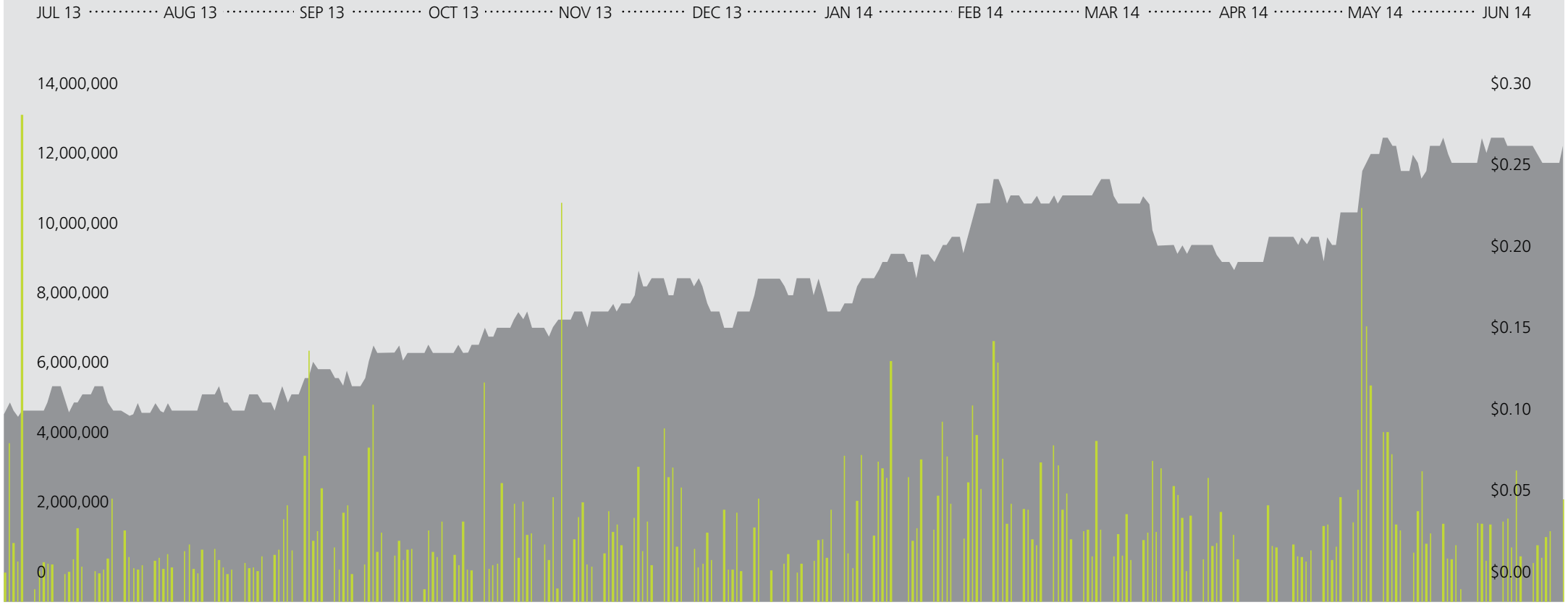
Enters into binding agreement to acquire Alacer Gold's Australian operations for $40m.

APR 14

Agreement reached with Morgan Stanley Commodities to restructure the royalty it holds over the Higginsville gold operations, from 4% to 1.75%.

MAY 14

Acquires Meekatharra Gold operations from Reed Resources subsidiary GMK Exploration Pty Ltd.



03

SURVEY SUMMARY

GOLD SURVEY RESULTS: THE PAST, PRESENT AND FUTURE

We ask what the focus has been in the past and where it will be in the future.

Gold had a turbulent year, with significant price volatility experienced over the last 12 months. The price of gold is often seen as a barometer of the overall health of the world economy and factors such as geopolitical tensions between Russia and the Ukraine, the relaxation of quantitative easing and concerns around the health of the Chinese economy impacting demand for gold over the last 12 months. The gold price increased 8.3% in the year to 30 June 2014. For gold producers, the focus now turns to what the year ahead holds.

Below we explore the thoughts and concerns of gold producers based in WA, asking what their focus has been over the past 12 months, what their main concerns are for the future, and what they believe the future holds for their businesses. The commentary reflects the overall sentiment from all companies surveyed and we explore the differing viewpoints from companies with both domestic and foreign operations.

WHAT ARE THE KEY FACTORS THAT CAN BE ATTRIBUTED TO THE SURVIVAL/SUCCESS OF YOUR COMPANY GIVEN THE TURBULENT ECONOMIC ENVIRONMENT OVER THE LAST 12 TO 18 MONTHS?

Given the turbulent nature of the gold markets over the last year, it was no surprise that asset productivity and cost control were high on the agenda for all companies. With volatile prices and the threat of longer term prices decreasing as global equity markets gain momentum, producers are working hard to ensure that their cost bases are kept to a minimum by streamlining operations and ensuring the most efficient processes are achieved with as little waste as possible.

A number of respondents had significantly reduced greenfield exploration over the last 12 months, preferring to focus on brownfield exploration around existing operations, with the aim of maintaining or increasing reserves in the most cost effective manner possible.

An additional concern for companies with operations outside Australia was the ability to achieve exploration success and to manage key relationships with local stakeholders in the markets in which they operate. Managing these relationships was repeatedly raised as a key driver of success, and was regularly seen as being a ticket to play.

Gold Survey Results...continued

WHAT ADDITIONAL FACTORS DO YOU CONSIDER TO BE CRUCIAL TO THE SUCCESS OF YOUR COMPANY GOING FORWARDS?

Not surprisingly given current debates, and as touched on elsewhere within this edition of the Deloitte WA Index, one of the key factors highlighted by most companies was the local fiscal regime, and in particular the potential impact of any change to royalty structures, both in WA and also overseas.

The sentiment among the majority of those surveyed was that any potential change to the royalty structure presented a significant risk on a go forward basis and added yet another layer of uncertainty to an already volatile market.

For companies with operations outside Australia, another key factor was the potential for new investment opportunities. Working to ensure a continual pipeline of projects that can be brought to production in a reasonable timeframe and for a reasonable cost. Hand in hand with this is access to capital to allow the timely development of these new opportunities.

Although traditionally very hard to predict, the gold price itself was also cited as a key factor. The market has come off the highs that were experienced during the global financial crisis as investors moved to gold as a safe haven. The stabilisation of equity markets going forward and its potential impact on the gold price will continue to be a key focus area.

WHAT ARE THE TOP THREE CONCERNS/FOCUS AREAS ON MANAGEMENT'S AGENDA FOR THE NEXT 12 MONTHS TO ENSURE CONTINUED ECONOMIC SUCCESS?

The top three concerns among those surveyed included.

1) **Cost control:** One of the key focus areas of the last 12 to 18 months will remain a focus area for the coming year. With price volatility, an uncertain outlook for the global economy, and political tensions arising in areas such as Ukraine and Iraq, companies are focused more on what they can control and their focus continues to be on ensuring effective cost control among operations both domestically in Australia but also overseas, with some jurisdictions experiencing significant inflation.

2) **Project pipeline:** For companies expanding their operations in new markets such as Africa, South America and Indonesia, as well as companies who are looking to maintain and expand their operations here in Australia, the identification and successful development of sustainable projects will be a key factor over the next 12 months. The ability to convert new opportunities into sustainable long term projects is essential, especially for companies with a small number of projects.

3) **Access to capital:** To maintain existing operations and also to take advantage of new opportunities, both domestically and internationally, cash generation and access to capital are a key concern for the majority of companies surveyed. Lenders and investors alike are still cautious due to commodity price volatility. An additional concern for producers outside Australia is the ability to repatriate earnings. Foreign jurisdictions can have strict laws on the movement of capital. The ability to move capital out of foreign markets is key to ensuring new projects can be developed where companies need cash flows generated by one project to fund the development of another in another country.

Gold Survey Results ...continued

WHAT STRATEGIES ARE YOU CURRENTLY PURSUING TO DRIVE LONG TERM GROWTH?

Here, not unsurprisingly, we had two different schools of thought - existing project expansion as well as mergers and acquisitions. For domestic producers, the focus was geared more towards project expansion, looking to take advantage of existing mine sites which have potential for expansion, based on existing and new reserves, at reasonable extraction rates. For oversees operators, the focus was not only maximising existing projects, but also potential mergers and acquisitions, with the favourite target being advanced exploration stage projects that can be moved to development and production in the short term.

One of the interesting points to note from this is the attitude to greenfield exploration, with most respondents highlighting that this was not a major part of their strategy. Some said they were not considering this at all due to the long lead time and capital consumed during a period of commodity price volatility.

ADVANCEMENTS IN TECHNOLOGY HAVE BEEN MADE IN LEAPS AND BOUNDS IN RECENT YEARS. TO WHAT EXTENT HAS TECHNOLOGICAL ADVANCEMENT MADE AN IMPACT ON THE PROFIT MARGINS EXPERIENCED BY YOUR COMPANY?

There was a general consensus among the majority of companies surveyed that the fundamentals of the gold mining industry have not changed dramatically over recent years and that while advances in technology may have improved office based functions, the fundamentals of the day-to-day operations at the mine have not been significantly affected. To quote one respondent 'We still only move rock and blow things up'. Respondents did note however that there have been technical advances in exploration and production activities but only the larger players in the industry are placed to take full advantage of these.

WHAT DO YOU SEE AS THE BIGGEST POTENTIAL THREATS YOUR COMPANY FACES?

There were a few common themes arising here. A significant number of respondents, covering both local and international operations, sited local fiscal regime (taxes and royalties) as a key threat facing their continued survival. With price volatility and the high cost of doing business, especially in Australia, the potential impact from any change in taxes or royalties could have a detrimental effect on gold companies.

Cash flow, or the lack of it and the ability to raise capital also played high on the perceived threats to continued success. As mentioned, access to capital at a reasonable price remains a challenge and this will remain the case until global equity markets gain more confidence and stability. The price volatility experienced by gold adds an additional level of caution to would-be investors.

Companies also noted that access to suitable assets and business development opportunities was a key threat as some of the older sites approach the end of their useful lives.

Gold Survey Results...continued

GOING FORWARD, HOW DO LOCAL PRODUCERS SEE THE BALANCE OF OPPORTUNITIES FOR EXPLORATION AND GROWTH SHIFT FROM DOMESTIC TO INTERNATIONAL OPPORTUNITIES (SUCH AS AFRICA, SOUTH AMERICA AND ASIA)?

Local producers highlighted the fact that while there were opportunities abroad and that most were looking at these, it was a big consideration that Australia is a geopolitically safe place to do business and this is an important factor for them.

Respondents mentioned that while assessing opportunities abroad, a consideration for them will be the geopolitical environment of any new opportunity and there would be an increased focus on what is perceived to be mining friendly zones with lower perceived sovereign risks. Africa was highlighted by a number of respondents as a potential hot spot, although some outlined that South America was their preference given they believe it is an easier place to do business than Africa.

DO LOCAL PRODUCERS FEEL THAT THE WA AND FEDERAL GOVERNMENTS ARE DOING ENOUGH TO ENCOURAGE FUTURE EXPLORATION WITHIN AUSTRALIA

There was a general consensus here that the WA and Federal Governments were not doing enough to encourage future exploration within Australia. As mentioned above, one of the key concerns going forward is the potential impact of a change in the local royalty regime and it is widely felt that more interaction/communication should take place with the players in the industry on the potential impacts of any change.

THE PRICE OF GOLD IS VERY SUSCEPTIBLE TO GLOBAL ECONOMIC ACTIVITY, WITH A NEGATIVE CORRELATION DUE TO GOLD BEING A 'SAFE-HAVEN' METAL. WHAT CONTINGENCIES DOES YOUR COMPANY HAVE IN PLACE TO PROTECT ITSELF/BENEFIT FROM FUTURE COMMODITY PRICE VOLATILITY?

The volatility in the price of gold came through as a key issue across all responses and across a number of questions. Most companies, both domestic and with operations oversees highlighted that they were hedging to avoid exposure to any downside. The percentage of hedging however does vary from company to company.

It was also noted that the use of hedging strategies has increasingly become a focus of lenders, and access to capital can depend on an effective hedging strategy being in place, which was less of a requirement two years ago.

IN WHAT AREAS DO YOU ENVISAGE YOUR COMPANY WILL MAKE ITS BIGGEST FINANCIAL INVESTMENTS IN FY14 AND FY15?

Most companies highlighted the continued high cost of salaries and wages in the industry and the financial investment in people that has been made and continues to be made.

All respondents also highlighted the cost of operations as an area which will require a big financial investment during FY14 and FY15 as well as equipment and materials. Not surprisingly very few respondents noted R&D or technology as major investment areas going forward.

As noted above, the majority of companies acknowledged the importance of maintaining their exploration pipeline, although some companies were focussing on brownfield opportunities only, and had reduced greenfield exploration to focus on opportunities close to existing operations, that could be brought to market quickly and in the most cost effective manner.

04

ARTICLE
WRITTEN BY
MATT JUDKINS

KILLING THE GOLDEN GOOSE

MATT JUDKINS
Partner
Deloitte Access Economics

In light of the Western Australian Government's review of the existing royalty regime, Deloitte Access Economics takes a look at the current contribution of the gold industry to the WA economy, and assesses the potentially negative impacts of a royalty increase.

THE GOLD SECTOR IS A SIGNIFICANT CONTRIBUTOR TO THE WA ECONOMY

Gold has been intrinsically linked to the development of the WA economy since the late 1800s. From the first official discovery of the golden mineral in 1892 at Fly Flat, the former name of the modern Coolgardie, the WA gold industry has grown substantially to produce close to 70 per cent of Australia's total gold output and significantly contribute to the economy and the welfare of the State.

A Deloitte Access Economics report commissioned by the Gold Royalties Response Group (GRRG) shows that in 2012-13, with more than 5.8m ounces produced, the WA gold sector not only contributed almost $9b in exports, but also provided direct employment to almost 14,000 Western Australians. Once indirect (or flow-on) impacts are taken into account, the gold sector contributes to the employment of more than 25,000 people, with value adding of almost $8b to the State economy.

Most of the benefits derived from the gold sector flow to regional economies, in particular to the Goldfields, Peel, Pilbara and Mid-West regions. Economies such as the Goldfields rely heavily on the gold sector with 36% of all workers in the region employed by the sector.

Deloitte Access Economics analysis identified a distinct heterogeneity in the operations of the sector, in both the type of operation (open pit or underground) and the scale of projects. This is borne out in the varied cost structures amongst Western Australian miners, where mining costs (as opposed to processing costs) can vary from 40% to as much as 80% of total production costs. The gold projects assessed showed a wide range of operating costs, from all- in sustaining costs as low as $820 per ounce, to other projects with costs in excess of $2,200. With the gold price retreating from its 2011 highs to now sit around $1200-1400, the industry has witnessed a period of consolidation as some mines have closed and others have taken measures to reduce costs across their operations and revise mine plans (stranding resources in the process).

Even ignoring movements in the price of gold, the trend of poorer grades and higher input costs have significantly impacted the structure of the WA gold industry in recent times – with the average cost of operations significantly higher than it was prior to the recent commodity boom.

In 2012-13, WA gold operators contributed $220m to the State Government via royalties – amounting to approximately 5% of all royalties received and 38% when iron-ore is excluded. The royalties currently paid are equal to 2.5% of the sales value of gold. Deloitte Access Economics analysis reveals this to be equal to an average of 4.2% of the mine-head value of the resource, but varies from 2.8% to 9.3% for individual mines.

In the 2012-13 State budget the State Government revealed its intention to review the prevailing royalty rate regime. In announcing this 'Mineral Royalty Rate Analysis' (MRRA), the government referenced a targeted mine-head royalty rate of 10% across the mining industry.

An increase in royalty rates may hurt not just the gold sector, but the entire State economy.

Killing the Golden Goose...continued

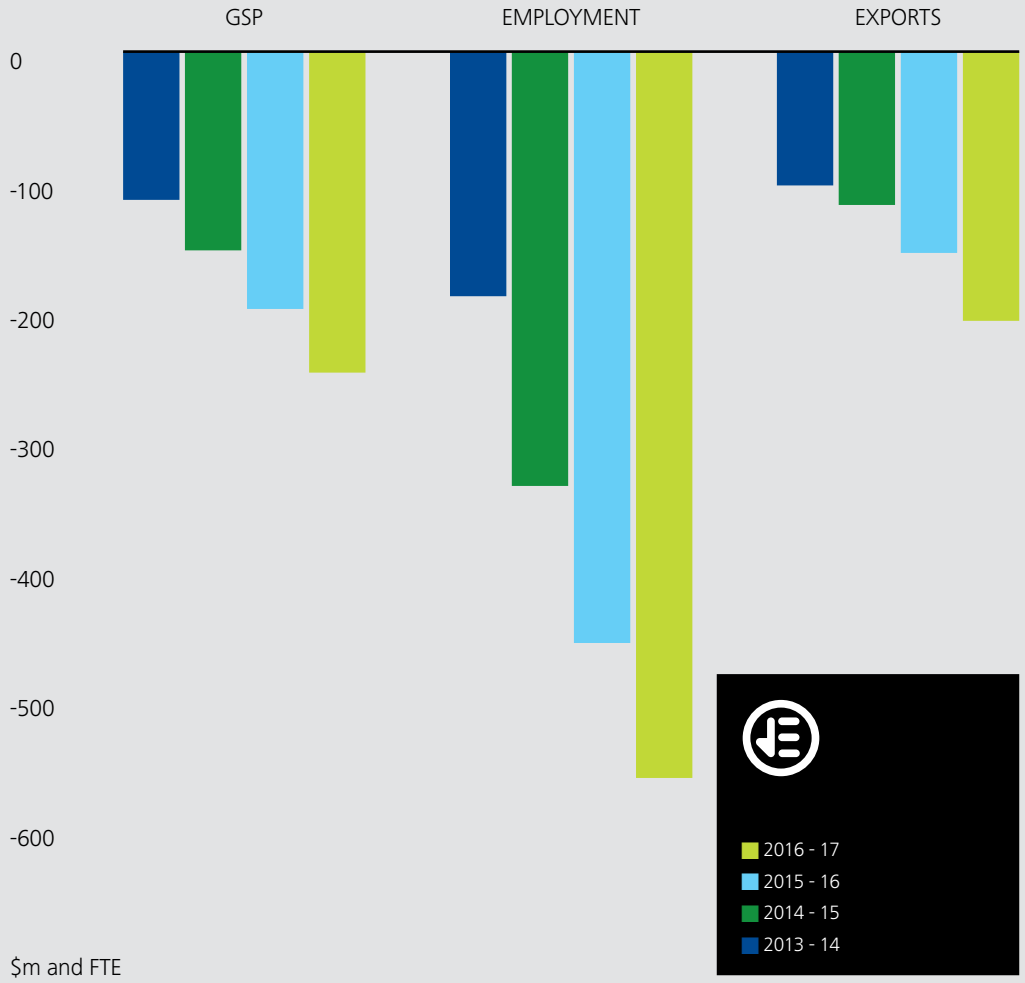
An increase in royalties to an average of 10% of mine head value in the gold industry would effectively increase costs in the industry by $300m. Given the wide range of production costs amongst gold projects, the responses to an increase in royalties would likely vary substantially. Some mines would have the capacity to absorb an increase, others are likely to reduce staff, reduce exploration, or even place mines on care and maintenance due to economic unviability.

Simulating the impacts of a change in the regime of mineral royalty rates in Western Australia, using Deloitte Access Economics Computable General Equilibrium (CGE) model, captures the impact on the State economy. A doubling in the mineral royalty rate applied to gold (from 2.5% to 5% of sales value) is projected to reduce WA's GSP by $100m, with this figure increasing to $240m by 2016-17. This equates to an immediate reduction of 185 full time-equivalent (FTE) jobs in Western Australia, worsening to 545 positions by 2016-17.

In addition to these short and medium term effects, there is the worrying possibility that royalty increases would accelerate the drop-off in exploration activity already being seen in the sector, threatening its medium to long term productive capacity.

In a world of globally mobile capital it is critical that WA's mining sector remains competitive and continues to attract capital to good projects operating in a stable and sound policy environment.

Government and industry must work together to ensure the ongoing strength of a sector that makes such a significant contribution to the Western Australian economy. The outcomes of the MRRA should reflect the current state of the industry – any royalty changes should be considered in the context that they may reduce the economic viability of gold mining projects already facing the challenge of weaker price conditions, higher costs and falling grades. It is a significant possibility that further cost impositions could result in a downscaling of operations and reduced exploration expenditure in the sector – threatening the livelihood of the significant number of Western Australians that currently rely, both directly and indirectly, on the gold sector for their employment.



05

ARTICLE
WRITTEN BY
NICKI IVORY

GOLD M&A – WHERE TO FROM HERE?

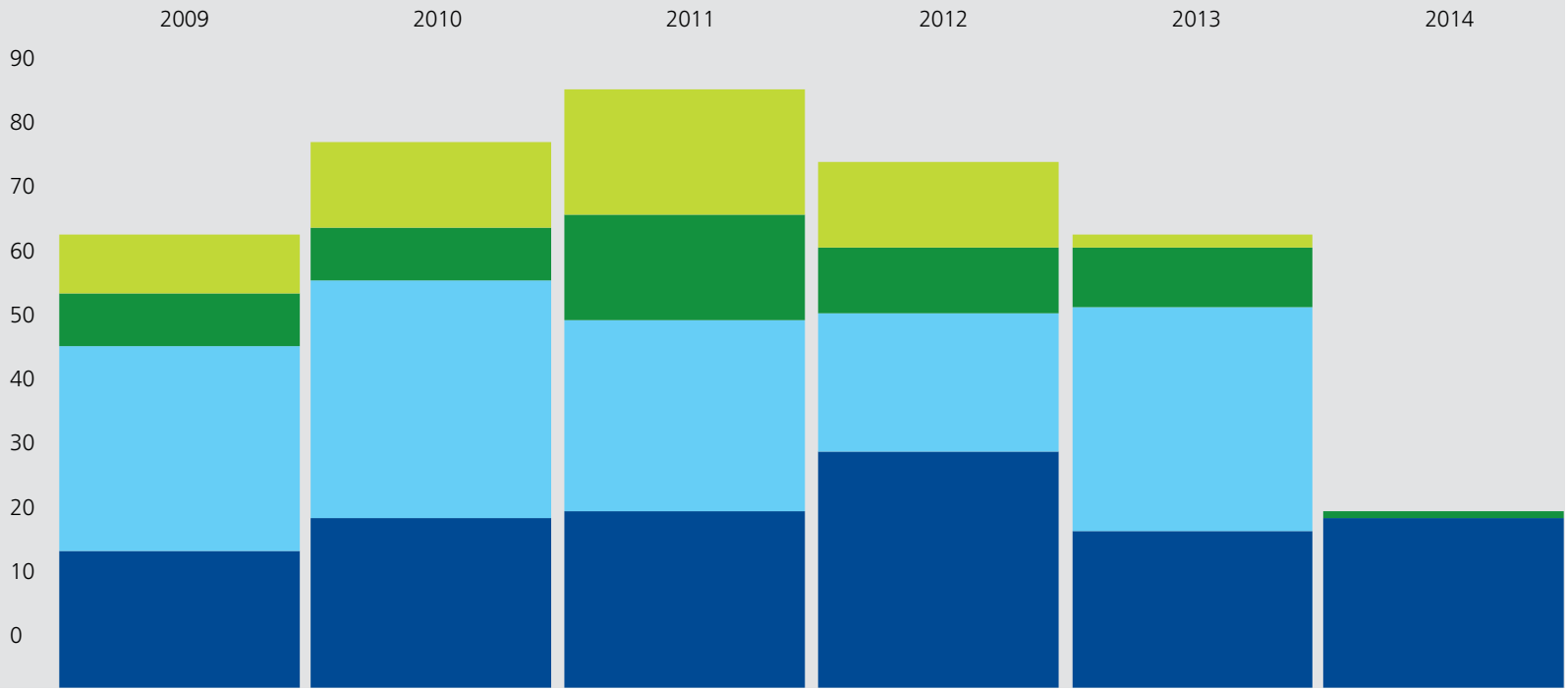
NICKI IVORY
Partner
Corporate Finance
Deloitte Mining Leader West

GOLD MARKET DYNAMICS

Management focus in the gold industry has changed fundamentally since the gold price peaked in September 2011. Gone are the days of 'production ounces at any cost' and instead there has been a greater focus on cost reduction, improving the quality of asset bases and achieving strategic synergies in transactions. This shift naturally has a direct effect on M&A activity, and in this article we look at the effect on ASX listed gold companies with operations in Australia and West Africa.

Australian and African Gold Transactions

Source: Capital IQ



Gold M&A – where to from here?...continued

The ongoing uncertainty in commodity markets makes it likely that we will continue to see more strategic plays

2013 M&A REVIEW

The decline in confidence in most commodity markets has resulted in a significant reduction in the number of overall mining M&A transactions since 2012. M&A in the gold mining industry was more resilient, although the transaction numbers also declined.

2013 was the precious metal's worst year in about three decades - at the end of 2013 the gold price sat at around US$1200 per ounce, about 30% lower than the 'boom' levels of 2011 and 2012. Volatility and price declines reduced confidence in the market, with the price peaking on 12 September 2011 at US$1921 and then dropping to a low of US$1187 on 28 June 2013. Market valuations of gold companies dropped significantly and we saw a number of opportunistic transactions unfold.

GOLD MAJORS SELLING NON-CORE ASSETS

On the back of this major price shift, the large gold mining companies conducted strategic reviews of their assets, and two of the majors – Barrick Gold and Newmont – subsequently announced plans to divest high cost, non-core assets.

By mid-July, Barrick had announced divestments totalling US$1bn, including the Kanowna Belle and Kundana mine operations in Western Australia, while Newmont had divested approximately US$800m of gold assets, including its Jundee mine in Western Australia.

Given the significant number of asset sales by the majors over the past 12 months, it is unlikely that a similar pace of divestment can be sustained over the second half of 2014. The majors still hold a number of high cost assets, but large assets such as Newmont's Boddington mine and the Barrick and Newmont's jointly-owned Superpit in Western Australia are unlikely to be sold. Any asset with significant reserves and long life of mine will attract a much higher sale price than the recent transactions, limiting the number of potential purchasers.

MID-TIER MINERS BUY AGGRESSIVELY

Depressed gold prices and willing selling by the majors allowed mid-tier miners to acquire assets relatively cheaply over the past 18 months, but the flipside is that their financial risk has grown significantly as most of the assets acquired have high operating costs. The success of these acquisitions therefore relies on prices improving or rapid cost reductions being achieved.

From today's prices, the market expects the gold price to gradually decrease over the second half of 2014, albeit remaining above US$1,200. If costs cannot be reduced rapidly, the risk of a declining price over the second half of 2014 could diminish margins and raise the prospect of asset impairments.

However, if the long awaited 'reversion to the mean' of the Australian dollar is finally realised (we expect it to average US$0.88 over this financial year), the mid-tiers may get a price boost in Australian dollar terms to back up their aggressive acquisition strategies.

Gold M&A – where to from here?...continued

STRATEGIC PURCHASES

Purchases can be further de-risked if buyers can extract more synergies than other market participants. As the emphasis has shifted to lowering costs and achieving more productivity out of current assets, this kind of strategic value has become an important feature of the M&A landscape.

It is no secret that Northern Star Resources aims to become a major Australian gold producer, and the past 12 months has seen it pursue its dream via the purchase of three producing mines. Northern Star is now Australia's second largest gold miner, its strategic value play one of scale, where buying power, fleet standardisation, resource sharing and reduction in corporate overheads all help to lower its overall cost profile. It is a strategy that has worked in the past, but it also requires a lot of hard work and is not without its risks, especially if gold prices and the Australian dollar don't play ball.

Strategic value does not just apply to scale. A good example of this is the current proposed takeover by Norton Goldfields of Bullabulling Gold. Norton Goldfields owns the Paddington Mill outside Kalgoorlie and a short drive from the Bullabulling deposit, which could provide additional feedstock in the future and reduce the estimated $300m capital expenditure required to develop the Bullabulling deposit. Norton Goldfields is therefore likely aiming to extract additional value from the transaction from the co-location of the project.

The ongoing uncertainty in commodity markets makes it likely that we will continue to see more strategic plays as gold miners look to undertake mergers of equals or enter into joint ventures or alliances to improve their portfolios and/or maximise efficiencies.

QUALITY ASSETS WILL ALWAYS BE ATTRACTIVE

In the past the majors have used M&A activities to acquire large, high quality assets. However more recently, with most focussed on divesting non-core assets to reduce their cost bases, there has been less appetite for large transactions.

The most significant recent transaction was B2Gold's proposed acquisition of Papillon in June. Papillon's Fekola project in Mali, West Africa is a highly regarded large scale development asset with a measured and indicated resource of 4.64m ounces at a grade of 2.40 grams per tonne. The quality of the resource was borne out by the transaction value of ~A$140 per contained ounce.

West African gold is increasingly attracting investment as the region is relatively unexplored (certainly compared with Australian gold regions), and carries the prospect of large, high grade, low cost deposits, despite the perceived political risks. Against the backdrop of depressed asset valuations, funding uncertainty and majors cutting capital projects, the Papillon transaction was encouraging as it perhaps signals a return of confidence in the market.

WHERE TO FROM HERE?

It is likely that the divestment strategies of the gold majors will be completed during 2014, however it is unlikely that mid-tier and junior miners have the capacity to continue to aggressively acquire assets. While the overall number of transactions in the gold industry is likely to decline, the strategic value companies can extract from transactions will continue to define sensible transactions. We also expect high quality assets and West Africa to feature more prominently going forward.

Chinese state-owned buyers have also not been as active in Australian gold transactions as previously, which is a consistent story across most commodities. The Baosteel acquisition of Aquila in the bulk commodities space may prove a catalyst for other Chinese state-owned companies to re-enter the gold space.

DIGGERS & DEALERS - DELOITTE WA INDEX TOP RESOURCE MOVERS 2014

At Diggers and Dealers 2014, we also acknowledge WA resource companies that have delivered growth far in excess of the market during the year

It has been a turbulent year for the resource sector. This year has seen a lot of talk and publicity around the end of the so called 'mining boom' where always increasing prices lead to increased profits year on year and the establishment of new projects. It has also seen a fall of over 20% in the price of iron ore to double digit figures which is having a knock on affect throughout the market.

Throughout all this however, it is highly encouraging to see resource companies that are focusing on the positives, that are leading growth and development in their respective companies and that have delivered exceptional growth over the last 12 months. Against the backdrop of a mixed year across commodities, the performance of these companies is to be truly commended.

The top movers (% increase in market capitalisation) for the 12 months ended 30 June 2014 were:

RANK	ASX	LONG COMP NAME	MKT CAP (AU$M) 30 JUN 14	MKT CAP (AU$M) 31 MAY 14	CHANGE IN YEAR (%)
1	WLF	Wolf Minerals Limited	226	44	419%
2	PAN	Panoramic Resources Limited	267	52	413%
3	TNG	TNG Limited	102	23	349%
4	IRD	Iron Road Limited	175	49	253%
5	ATU	Atrum Coal NL	278	90	209%

Source: Australian Securities Exchange and Capital IQ

1.

RESOURCE MOVER AND SHAKER: WOLF MINERALS LIMITED

Wolf Minerals Limited (Wolf) increased its market capitalisation by 419% from AU$44m to AU$226m during the year ended 30 June 2014, and was ranked 56th in the Deloitte WA Index.

BACKGROUND

Wolf is a dual listed company, listed on the ASX since 2007 and the AIM since 2011. Wolf's main focus is developing the Hemerdon tungsten and tin project situated in Devon, England. Hemerdon, the third largest tungsten deposit in the world also contains tin which will be used to produce tin concentrate which will generate additional revenue for Wolf.

The Hemerdon mine area was first developed during World War I when tungsten was in high demand for the manufacture of armaments. The mine was subsequently closed at the end of World War II. 250k tonnes of ore was intermittently mined during this 20 year period – equivalent to one month's production in modern mining terms. Wolf signed an option agreement for a 40-year lease over Hemerdon in December 2007 which was followed by a successful definitive feasibility study in 2011.

REVIEW OF OPERATIONS

Wolf was well set up for a productive year with an award winning funding package. Wolf was awarded the European Mining and Metals 2013 Deal of the Year for the AU$212m it secured in early 2013. This included AU$20m shareholder equity, US$75m bridge finance facility from major shareholder, Resource Capital Fund, and £75m senior debt to be drawn down following the payback of the bridge facility.

During the current financial year, Wolf has prepared itself for the construction and production phase of the Hemerdon project. Managing Director Humphrey Hale stepped down in October and was succeeded by Russell Clarke as part of this transition strategy.

In November, Wolf announced that it had acquired, or had contracts to acquire, all 15 properties adjacent to the mine site required under its planning permission to commence mine development.

The final permit required for development to commence, the mining waste facility environmental permit, was granted in December 2013 allowing Wolf to commence construction, and was also the first of its kind to be granted in the UK.

These milestones culminated in Wolf authorising EPC contractor, GR Engineering Services Limited, to commence construction of the Hemerton site in February 2014. In order to fund capital expenditure demanded by the project's construction phase, Wolf issued approximately 609m shares in May 2014 through a fundraising and share purchase plan, which raised AU$183m. This will mainly be used to repay the bridge finance facility, complete Hemerdon's construction, and to get the site production ready.

GOING FORWARD

Production is scheduled to commence mid-2015. Wolf already has binding off-take agreements in place with Austrian firm, Wolfram Bergbau und Hutten AG (WBH) and U.S. company, Global Tungsten & Powders Corp (GTP).

These agreements follow a five-year delivery schedule, whereby Wolf will supply 80% of the expected average annual tungsten concentrate output.

Wolf is considering a number of opportunities to extend its mine life, including the potential to mine underground and expansion within the mine's surrounding area.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

OCT 13

Names new managing director, Russell Clark, as company ramps up transition to producer.

NOV 13

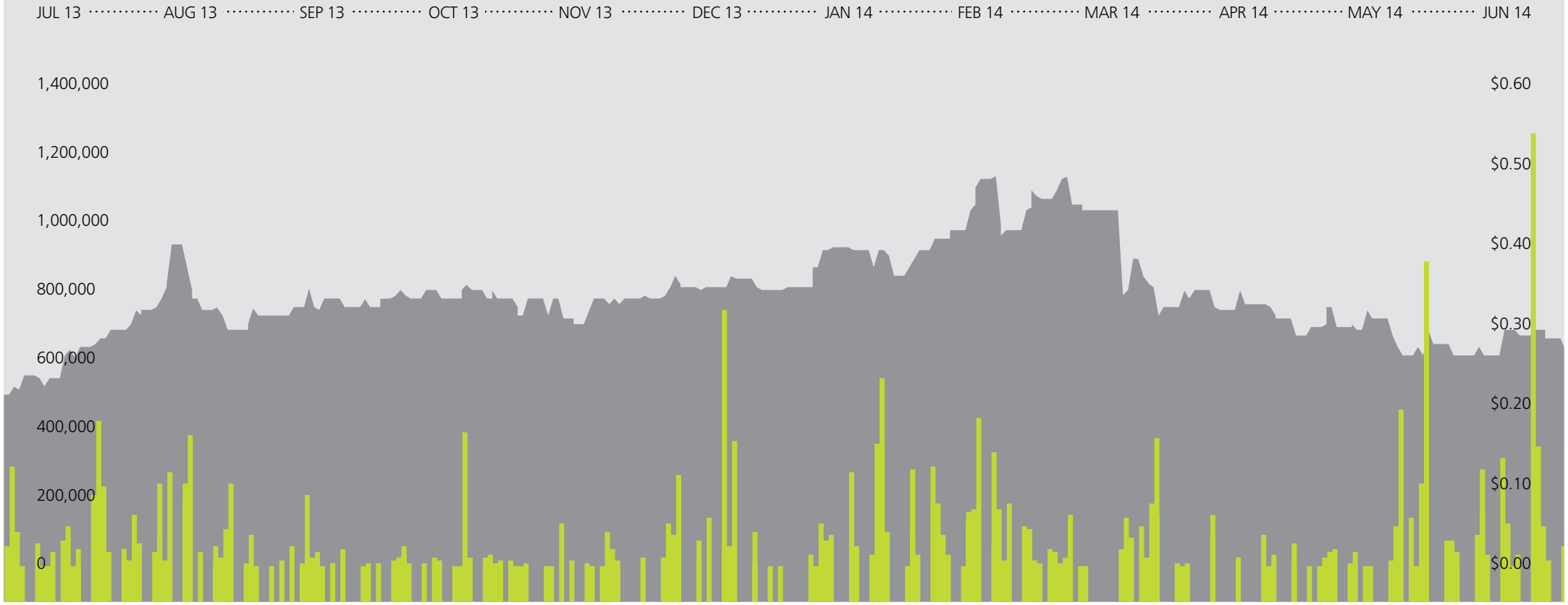
Completes the acquisition of 15 properties required for the development of its Hemerdon project.

FEB 14

GR Engineering engaged to commence construction of Hemerdon project, with the project scheduled to be complete in third quarter of 2015.

MAR 14

Capital raising of $183m completed to further develop the Hemerdon tungsten project.



2.

RESOURCE MOVER AND SHAKER: PANORAMIC RESOURCES LTD

Panoramic Resources Limited (Panoramic) increased its market capitalisation by 413% from AU$52m to AU$267m during the year ended 30 June 2014, when it was ranked 50th in the Deloitte WA Index.

BACKGROUND

Panoramic is an established Western Australian nickel producer, with a focused diversification strategy targeting gold and platinum group metal (PGM) assets. The Company has been listed on the ASX since September 2001, starting out with two nickel sulphide mines and later diversified its asset base into gold, platinum and palladium. Panoramic's diverse operations are mainly based in Western Australia, with one PGM project based internationally. The Western Australian operations include Panoramic' s nickel division, comprising of two 100% owned underground nickel sulphide mines, the Savannah project (Savannah) in the east Kimberley and the Lanfranchi project (Lanfranchi) near Kambalda, which are its only producing operations, and have been its main focus to date.

REVIEW OF OPERATIONS

Panoramics's gold division is based in Western Australian and consists of the Gidgee gold project near Wiluna and 70% owned Mt Henry gold project located south of Norseman.

The PGM division is split between the Panton project located in the Kimberley near it's Savannah project and the Thunder Bay North project, in Northern Ontario, Canada.

The Company has long term contracts in place for both the Savannah and Lanfranchi ore. The Savannah concentrate contract is scheduled for sale to China until April 2020, while the Lanfranchi ore is contracted to be provided to BHP Billiton up until February 2019. In February 2014, Panoramic announced the major discovery of Savannah North which has significantly boosted the Company's market capitalisation over the past year. Savannah North is a major new mineralised zone at Panoramic's Savannah nickel mine which could significantly extend the life of mine.

Additionally, drilling exploration commenced during FY14 on new drill targets in Lanfranchi, with record production of 3,390t Ni in ore for the December 2013 quarter. In May 2014 Panoramic moved to acquire strategic assets located close to their existing Savannah nickel project. The Company announced that it will acquire the outstanding interests in the Copernicus Nickel (21% interest) and East Kimberley (31% interest) Joint Ventures. Panoramic will provide Thundelarra Exploration Limited consideration of AU$800k for its interests and will own 100% of both assets. Copernicus was placed on care and maintenance in 2008 but contains nickel resources and reserves, and the East Kimberley asset consists of granted and pending exploration licenses. The transfer of the Copernicus interest is conditional on ministerial consent under the Mining Act.

GOING FORWARD

Panoramic's vision is to continue to broaden its production base to become a S&P/ASX100 Index listed major and diversified mining house. Panoramic intends to achieve this through continuing to reduce operating costs and streamline production so as to increase operating margins, extend mine lives, continue to reward shareholders via dividends and achieve growth through a diversified commodity strategy. The company's ten-year plan also consists of improving its safety culture, whilst optimising its metal production to allow for maximum profits. The outlook for Panoramic is positive, with its nickel sulphide mines producing solid results in the past year and forecast for continued growth. Its two gold projects are at advanced feasibility stage and the Company's two PGM projects are also at an advanced stage. Moreover opportunities exist for diversification, locally and on the international front, with copper and zinc drilling exploration expected to recommence in Norway at the Lokken and Roros Nordgruva joint ventures with Drake Resources. While exploration continues at multiple regional West Australian locations with prospective commodities including gold, nickel, copper, iron and zinc.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

NOV 13

Nickel prices expected to rise and AUD to fall with a significant positive impact on Panoramic's project economics.

FEB 14

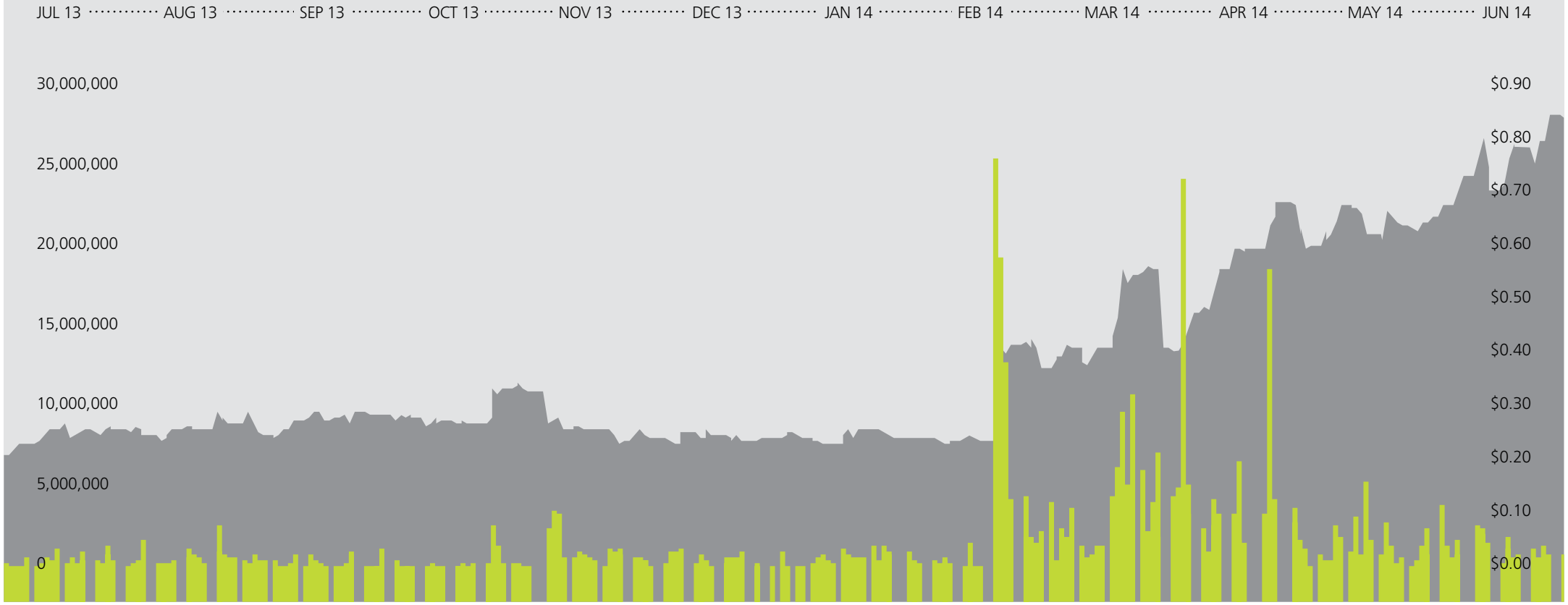
Share price soars after Panoramic announced a major nickel discovery at its Savannah North project, located in the east Kimberley.

MAY 14

Ramp up of exploration at both nickel operations and recommencement of exploration in Norway.

JUN 14

May ore delivered, prompt bullish forecast for full-year production.



3.

RESOURCE MOVER AND SHAKER: TNG LIMITED

TNG Limited (TNG) increased its market capitalisation by 349% in the 12 months from 30 June 2013 closing the current financial year with a market capitalisation of AU$102m (2013: AU$23m) when it was ranked 95 in the Deloitte WA Index.

BACKGROUND

TNG is a resource company focused on exploration, evaluation and development of its multi-commodity portfolio of titanium, vanadium, iron, gold, zinc, copper, lead and nickel in Western Australia and the Northern Territory.

REVIEW OF OPERATIONS

TNG has a multi-commodity resource portfolio with its main focus being the evaluation and development of its 100% owned Mount Peake vanadium-titanium-iron project in the Arunta geological province of the Northern Territory. Unearthed in 2008, testing at the site has yielded positive results making it one of the largest vanadium projects not only within WA but also globally.

Mapping at Mount Peake has discovered extensive new zones of outcropping magnetite-bearing gabbro with highly anomalous high grade vanadium and titanium that has supported TNG's optimistic view of the project.

The site is located 80km from Alice Springs and is strategically located close to existing infrastructure, in particular the Alice Springs-Darwin railway, Stuart Highway and LPG pipeline.

TNG also has a broad range of exploration projects in the Northern Territory ranging from advanced projects with existing resources, to greenfield projects over a range of tenements containing gold, lead, zinc and silver resources. West Australian assets include a 20% free-carried interest in the Cawse extended project with Norilsk Nickel.

GOING FORWARD

Exploration at the Mount Peake site has discovered extensive new zones of out-cropping magnetite-bearing gabbro with high grade vanadium and titanium deposits that represent significant exploration potential for the company. Further, TNG recently signed a memorandum of understanding (MoU) with global commodities trader Gunvor Group, with TNG and Gunvor Group now holding discussions on binding agreements for the off-take, marketing and distribution of the iron products and by-products from Mount Peake. The agreements will be structured to assist TNG directly and indirectly in securing future funding to complete the Mount Peake bankable feasibility study and ultimately advance the project towards development.

TNG also expects to commence drilling at two of its significant base metal targets at the McArthur River project on the back of a $70,000 grant supplied by the Northern Territory Department of Mines and Energy. Two deep drill holes are planned, for a total of 600 metres, with drilling expected to commence in August 2014.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

DEC 13

Mapping at Mount Peake site has reveals extensive new zones of outcropping magnetite-bearing gabbro with highly anomalous high grade vanadium and titanium.

JAN 14

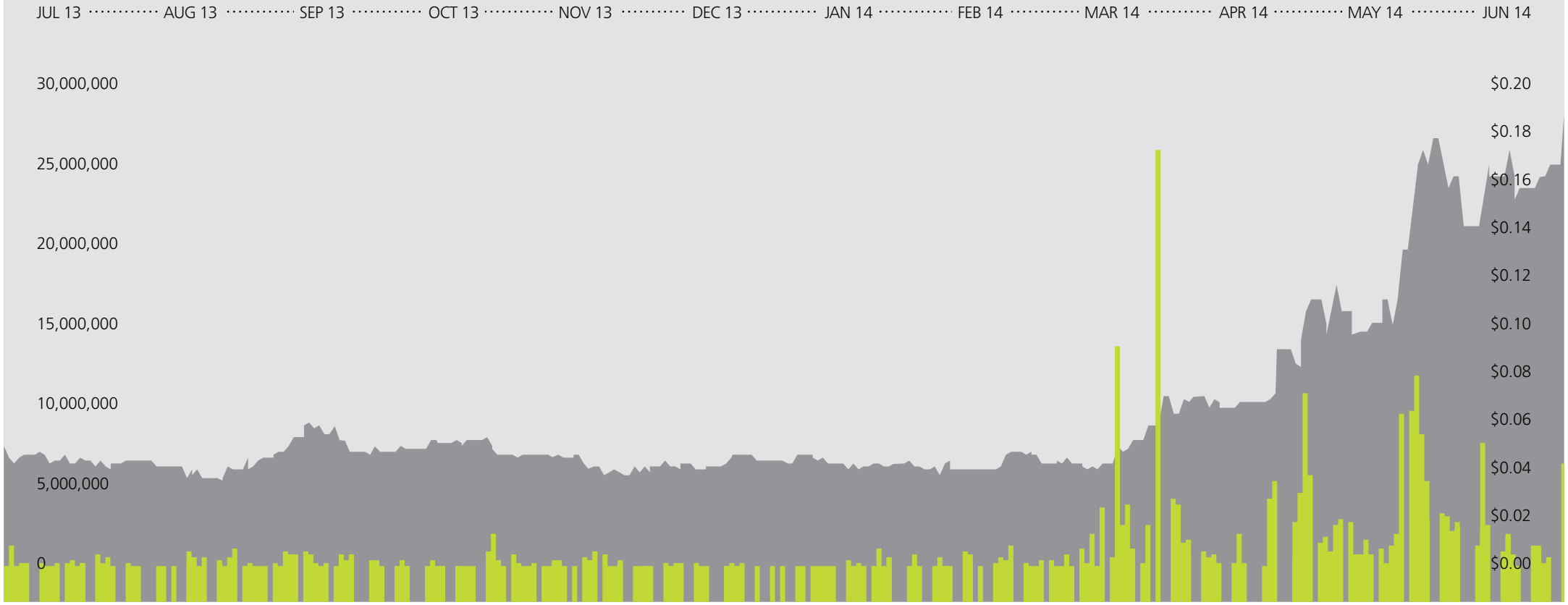
Signed agreement to drill promising Legune iron ore discovery under JV with Chinese resource company Teng Fei Mining Ltd.

JUN 14

Signed letter of intent with leading Korean ferro-vandium group Woojin,Ind. Co. Ltd for vanidium off-take from the Mount Peake vanadium-titanium-iron project.

JUN 14

Signed MoU with commodities trading house Gunvor Group to assist TNG secure financing to complete the Mount Peake BFS.



4.

RESOURCE MOVER AND SHAKER: IRON ROAD LTD

Iron Road Ltd (Iron Road) increased its market capitalisation by 253% from AU$49m to AU$175m during the year ended 30 June 2014, when it was ranked 65th in the Deloitte WA Index.

BACKGROUND

Iron Road, established in 2008, is an ASX listed iron ore explorer based in Western Australia. The company's main focus is to take advantage of the growing global demand for iron ore. The Company's main projects include the 90% owned Gawler iron project (Gawler), and its Central Eyre iron (CEIP) and Windarling Peak iron (Windarling) projects, which are both wholly owned.

REVIEW OF OPERATIONS

CEIP is the company's flagship project located on the Eyre Peninsula in South Australia. Iron Road's market capitalisation has increased significantly during the year ended 30 June 2014, boosted by the release of its definitive feasibility study (DFS) for the CEIP project. The results of the DFS marked a significant milestone for the Company, with the DFS highlighting the project as being a technically robust and profitable supplier of high quality magnetite concentrate. Following the release of the DFS, the Federal Government granted the CEIP Major Project Facilitation (MPF) status.

Having MPF status improves the timeliness and efficiency of the approval process of Iron Road's proposed mining, rail and port infrastructure developments associated with the CIEP project. Currently, the CEIP is the only project in South Australia to hold the MPF status.

CEIP is a large scale development with production forecast at 21.5 Mtpa of high quality, low impurity magnetite concentrate, making it the largest magnetite project in Australia. The CEIP has a confirmed 25-year mine life, potentially generating revenues of US$2.8bn annually.

The smaller scale Gawler project, also located in South Australia complements CEIP, with its mineralisation anticipated to support a small to medium scale magnetite iron ore mining operation. The Windarling project in Western Australia consists of three granted exploration licenses and four prospecting licences.

GOING FORWARD

Iron Road's vision is to become a reliable supplier of premium magnetite concentrates to the Asian marketplace. The Company's investment in its three projects is a part of its long term strategy of investigating advanced exploration projects in close proximity to existing infrastructure. Over the next four years, Iron Road will focus on the construction of a US$4bn integrated supply chain for its CEIP project, consisting of a mine, rail and deep water port operation.

Additionally, the company is already investigating plans for further drilling campaigns to extend the CEIP mine life estimate beyond 30 years. Iron Road also believes, longer term opportunity exists to link the proposed CEIP rail system into the Australian rail network.

Iron Road expects the CEIP concentrate to be highly sought after, as the flexibility of the concentrate at 67% FE is readily usable as a feedstock in either sintering or pellet plant operations. This makes the product more cost-effective and is thus expected to increase the attractiveness of the product to Chinese steel makers. The increase in market demand for cleaner, higher grade magnetite products, particularly as Chinese efforts to combat pollution gain momentum, is expected to benefit Iron Road going forward.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

SEP 13

Entered discussions to acquire land for its Cental Eyre Iron Project in the South Australian town of Warramboo.

FEB 14

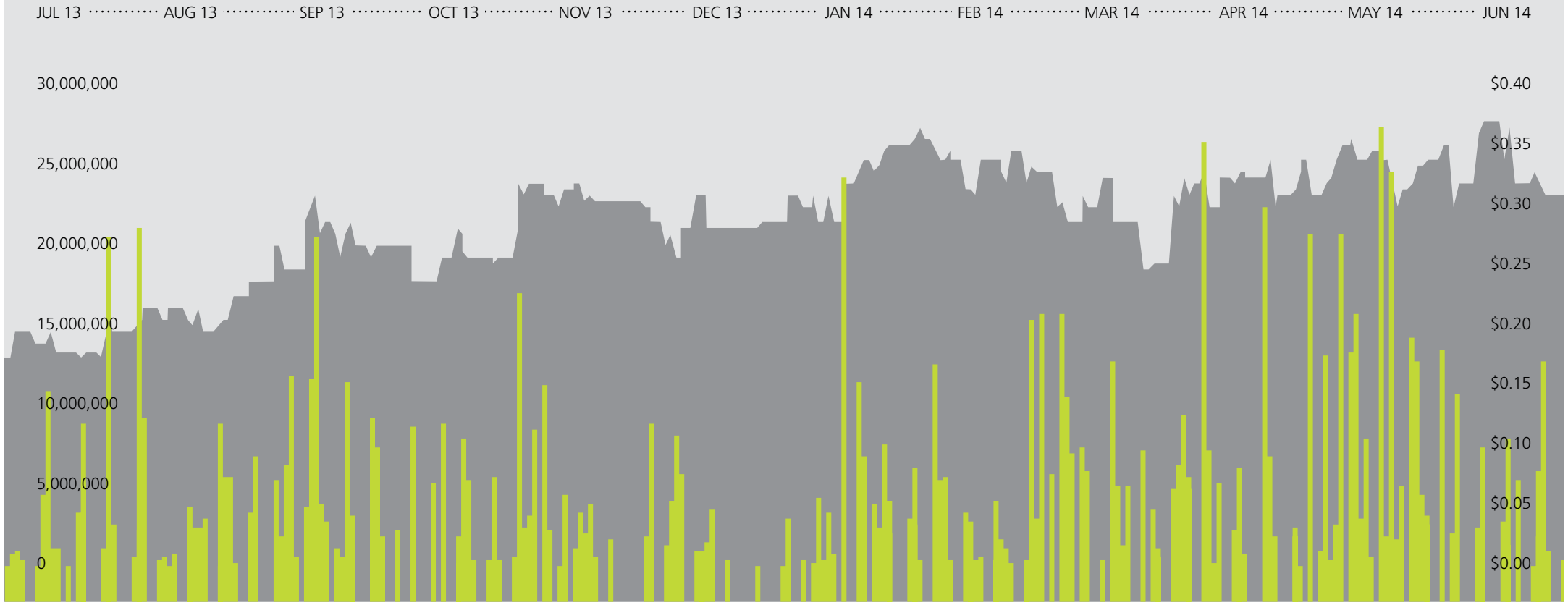
DFS of AU$4b central Eyre Iron Project indicated the site will produce a 67% iron ore concentrate, which will attract a premium over the usual price for 62% iron ore products.

APR 14

Major Project Facilitation status granted for its Central Eyre Iron Project (CEIP). The CEIP is the only project in South Australia to be granted this status.

JUN 14

Application to complete infrastructure (excluding the mine itself) submitted. Approval will be based on environmental, social and economic considerations.



5.

RESOURCE MOVER AND SHAKER: ATRUM COAL LIMITED

Atrum Coal NL (Atrum) has increased its market capitalisation by 209% in the 12 month period from AU$90m at 30 June 2013 to $AU278m at 30 June 2014, when it was ranked 49th in the Deloitte WA Index.

BACKGROUND

Atrum's mission is to be a leading producer and supplier of metallurgical coal for export to Asia. The company has an extensive land holding in British Columbia, Canada, which is strategically placed to allow Atrum to develop the world's largest high grade anthracite deposit.

OVERVIEW OF OPERATIONS

The Groundhog project is Atrum's main focus. The site represents significant potential, touted as the world's largest known undeveloped anthracite deposit at 1.57bn tonnes and at a depth of less than 300m. The project is currently undergoing reserve definition, with the results of its pre-feasibility study announced in May 2014, after the completion of 102 diamond drill holes in the final quarter of FY14. Highlights were high grade coal deposits, and very attractive indicative wash yield.

Additionally, Atrum has a number of secondary sites, namely the Peace River, Nakseena and Bowron River projects. Nakseena and Bowron River are located in British Columbia and the Peace River Project is located in the western margin of the Western Canada Sedimentary Basin.

All of the projects are all well positioned to expand the Company's coal resources and are in close proximity to established infrastructure. Additionally, the notice of works for the Nakseena project was approved in June 2014 for the 11 additional coal leases, with drill target generation underway.

GOING FORWARD

The continued development of the Groundhog project will remain Atrum's primary objective going forward. The recent grant of four additional coal licenses takes the company's lease ownership to 26 at the site, with an additional 11 applications pending. Drill target generation at these sites is underway with drilling expected to commence in the next financial year.

Further, existing drilling will continue in anticipation of the bulk sampling program with exceptional intercepts and core recovery intercepts creating optimism for future success.

Exploration and development of the company's remaining sites will continue in support of Atrum's Groundhog project, given the potential they have for generating value through resource development and their proximity to existing infrastructure.

VOLUME
SHARE PRICE

Source: Australian Securities Exchange and Capital IQ

DEC 13

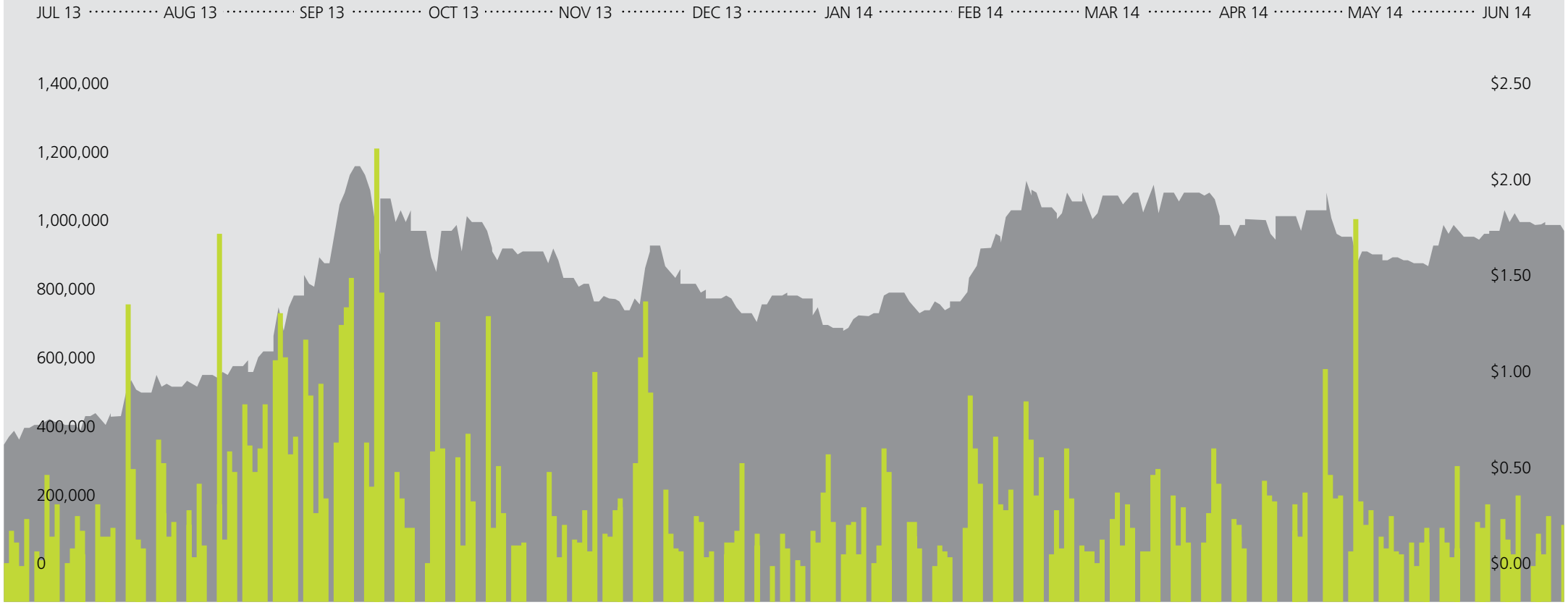
Entered Agreement to acquire 100% interest in 1,500 hectares of coal licenses in the Naskeena coalfield in British Columbia.

JAN 14

Agrees to acquire 11 strategic coal licenses totalling 15,554 hectares within the Groundhog project region.

MAY 14

PFS at Groundhog estimate NPV of A$2.1b for stage 1. Pre-production capital estimated at $10m in 2014 with ramp in 2015 requirements to $67.1m.



COMMODITY AND PRECIOUS METAL PRICES

Commodity price movements over the past year have been varied,with strong gains in base metals contrasting the heavy losses experienced within uranium, iron ore and coal

NAME	METRIC	30 JUN 2014	30 JUN 2013	MVT ($)	MVT (%)
Gold	US$/troy oz	$1,317	$1,215	$102	8.3%
Silver	US$/troy oz	$20.87	$18.86	$2.01	10.6%
Platinum	US$/troy oz	$1,480	$1,317	$163	12.4%
Palladium	US$/troy oz	$844	$643	$201	31.2%
Copper	US$/tonne	$7,041	$6,731	$670	9.9%
Nickel	US$/tonne	$18,969	$13,644	$5,325	39.0%
Aluminium	US$/tonne	$1,857	$1,730	$127	7.3%
Lead	US$/tonne	$2,144	$2,041	$103	5.0%
Zinc	US$/tonne	$2,214	$1,821	$393	21.6%
Tin	US$/tonne	$22,540	$19,618	$2,922	14.9%
Crude Oil (Brent)	US$/bbl	$113	$103	$10	9.7%
Uranium	US$/lb	$28	$40	-$12	-30.0%
Iron Ore	US$/tonne	$95	$119	-$24	-20.2%
Coal (Newcastle)	US$/tonne	$71	$83	-$12	-14.5%

Source: Thompson Reuters DataStream Professional

The main drivers of price volatility included concerns surrounding the health of the Chinese manufacturing sector, combined with supply-side effects driving up prices, rather than actual demand.

Commodity and precious metal prices...continued

Safe haven precious metals, gold and silver, experienced gains of 8.3% and 10.6% respectively for the year ended 30 June 2014. The performance comes amid geopolitical tensions in Ukraine, and unrest in Thailand increasing demand for the safe-haven metals. However, where historically safe-haven metals have done very well in times of political or economic uncertainty, the increase in gold and silver prices over the past year has been hampered due to increased global risk appetite, resulting from improving U.S. and European economic conditions, where fourth quarter GDP growth for developed economies was better than expected and recent economic growth forecasts have been revised upwards.

Both platinum and palladium, widely used in automotive manufacturing, performed strongly during the year on the back of strong automotive sales growth in North America and China. Palladium in particular has spiked to a three year high during the past year, increasing by 31.2% due to supply disruptions from South Africa, a major supplier of the metal. The country's production has been affected by labour disputes since January 2014, causing the shutdown of key mines and adding to the most protracted shortfalls in global palladium production since 2005.

Nickel prices have soared by 39.0% during the past year to their highest price in 16 months on the back of strong manufacturing data and supply concerns from Indonesia and Russia, which together supply approximately a quarter of the World's nickel. Indonesia's full implementation of its export ban on unprocessed ore shocked the market, with analysts reducing their estimate of Indonesia's 2014 Nickel mine output by 80% in 2014. Supply concerns have also been fuelled over Western sanctions against Russia as a result of the crisis in Ukraine.

Analysts believe that supply uncertainty will continue to provide upward pressure on nickel prices in the short term given that Russia and Indonesia form such a large percentage of the World's nickel supply, although price speculation by investors also continues to play a significant role.

Tin prices increased 14.9% during the year ended 30 June 2014, mainly due to supply concerns from the world's largest tin exporter, Indonesia who introduced a range of new regulations relating to tin production and exports including a minimum price mechanism for tin trading, regulations increasing content requirements for tin ingot exports and regulations to clamp down on illegal mines. Zinc prices also trended upwards, increasing by 21.6% during the year, with the zinc supply-demand profile remaining attractive as inventories have started to decline, and the global zinc market bracing itself for a sustained period of tight supply.

Other base metals experienced gains over the year on the back of positive Purchasing Managers Index (PMI) data across the major markets, indicating uplift in business confidence. The Chinese flash manufacturing PMI for June 2014 reached its highest level for six months at 51, despite remaining within its contractionary territory.

Crude oil has been trending upwards over the past year, with a drop in U.S. crude inventories and the deteriorating political situation in Ukraine and continuing volatility in Libya, being cited as the key factors pushing the price up by 9.7%. In addition Iraq, situated on one of the world's largest oil reserves, has been engulfed in an insurgency, which has contributed to concerns over supply distributions. Despite 90% of crude oil exports coming from southern ports far from the insurgency, there are still apprehensions over fighting and tensions that have added a risk premium to the crude oil price.

Uranium prices have plunged 30% over the past year, continuing a downward spiral from the previous year, due to excess supply and discretionary demand due in part to concerns about uranium's poor demand outlook. The global uranium market remains in oversupply, however analysts have suggested that prices are expected to grow once Japan's nuclear energy sources are restored.

Iron ore had a rollercoaster ride during the year ended 30 June 2014, falling by 20.2% to end the year at US$95/mt from its 2013 high of US$140/mt, and crashed to double digits for the first time in two years over weakened demand and an oversaturated supply market. China's central planning agency said the country's period of high steel demand had passed, paving the way for reduced consumption levels. Supply growth is expected to outpace demand growth as 2014 progresses with production from the major miners such as BHP Billiton and Rio Tinto expected to increase while economic indicators point to China's economy facing a secular slowdown.

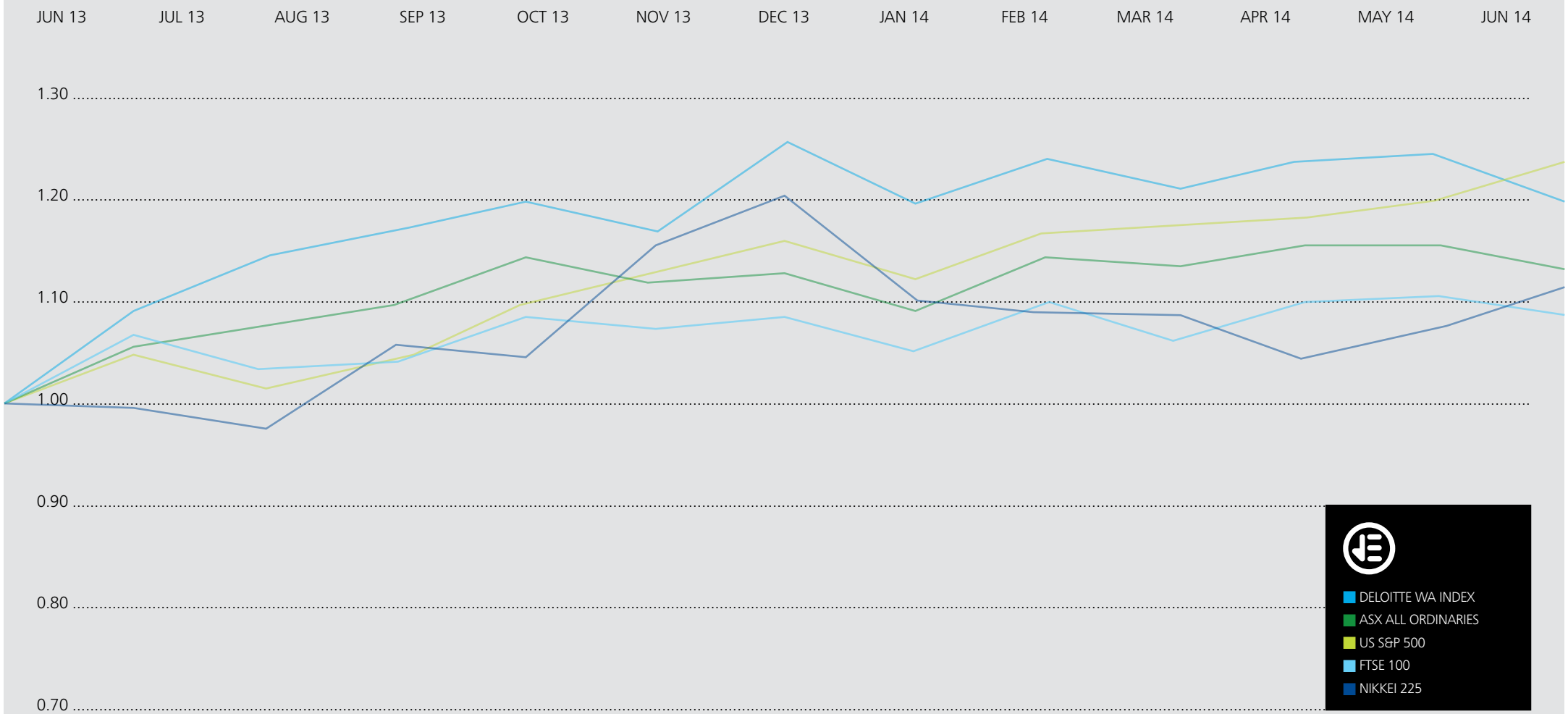
Coal prices have been trending downwards over the past year, with oversupply plaguing the industry, pulling down prices by 14.5%. Utilised as part of steel production, the fall in coking coal demand stems from slowdowns in the Chinese steel mills over the year. Adding further to the coal supply-demand mismatch has been the Australian industry's push to spread their cost burden across more tonnes which has resulted in record production and export levels, further adding to the oversupply of the market.

08

FINANCIAL MARKETS

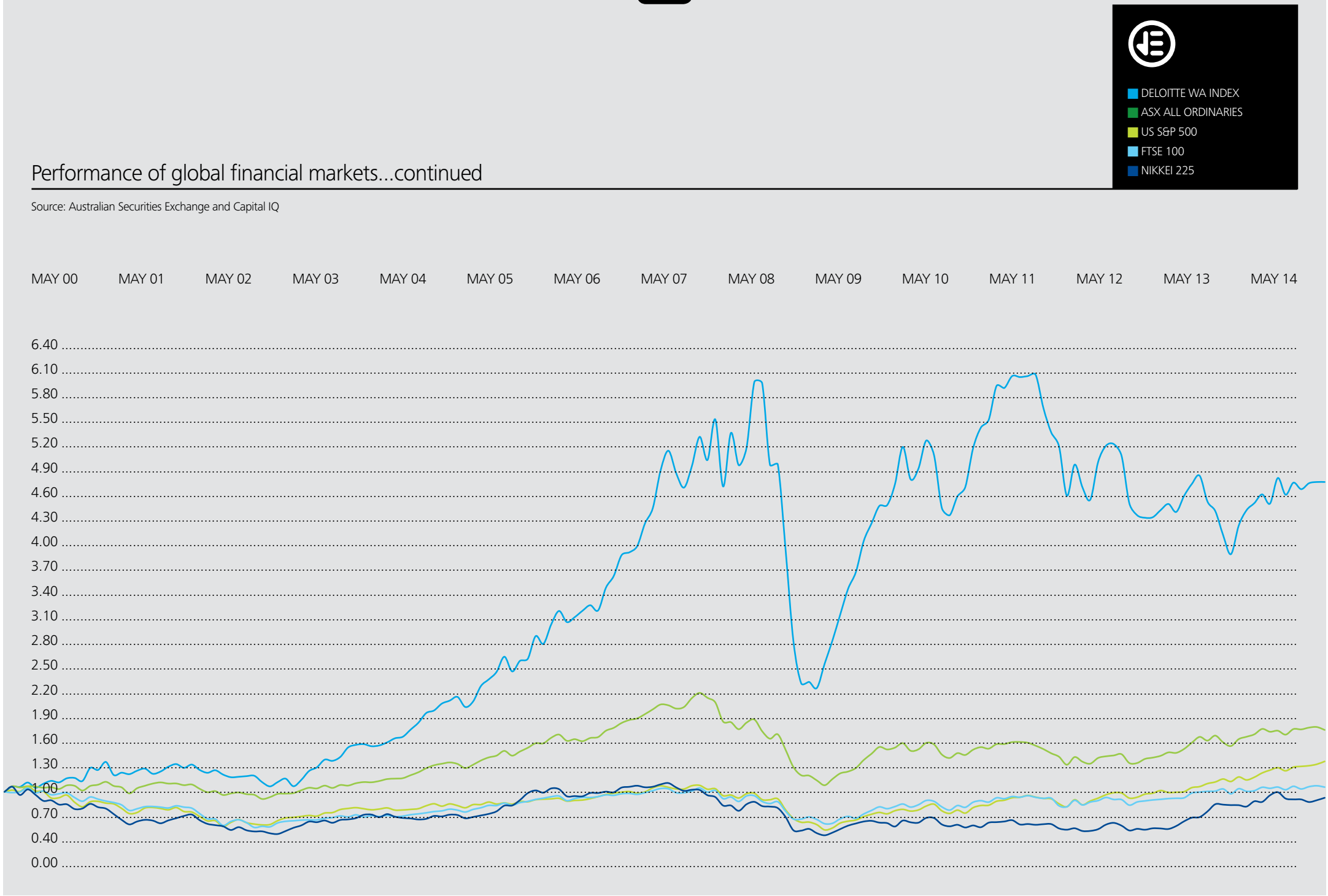
PERFORMANCE OF GLOBAL FINANCIAL MARKETS

Source: Australian Securities Exchange and Capital IQ



Performance of global financial markets...continued

Source: Australian Securities Exchange and Capital IQ



DELOITTE WA INDEX PERFORMANCE AGAINST THE ASX ALL ORDINARIES AND OVERSEAS INDICES

	30 JUN 14	30 JUN 13	MOVEMENT	MOVEMENT (%)
S&P 500	1,960	1,606	354	22.0%
FTSE	6,474	6,215	259	4.2%
NIKKEI	15,162	13,677	1,485	10.9%
ASX All Ords	5,382	4,775	607	12.7%
Deloitte WA Index ($bn)	149	126	24	18.9%

Source: Capital IQ and ASX websites

After a challenging year ended 30 June 2013, Australian markets rebounded strongly during the later months of calendar year 2013, with the Deloitte WA Index and the ASX All Ordinaries rallying through to December where they peaked at market capitalisation of AU$155.6bn and AU$5,353.1bn respectively and have remained relatively stable for the remainder of the year to June 2014.

Business and investor confidence was at an all-time high, largely due to expectations that regulatory burden would reduce following the introduction of a new federal government, coupled with a weak Australian dollar and reducing interest rates easing pressure on many sectors of the economy, including Australian exporters.

The next six months through to 30 June 2014 were not so positive for the Deloitte WA Index, with recurring concerns surrounding the health of the Chinese manufacturing sector, and commodity price volatility putting a significant amount of pressure on the market and its constituents.

The Deloitte WA Index experienced a mixed year, although persevered, closing positively, with a gain of 18.9% over the course of the year to 30 June 2014.

This positive growth was on the back of strong growth from base metal prices, as well as strong gains experienced by a number of major resource players, with Fortescue Metals Group Limited leading the mining sector with a 43.1% gain, on the back of a successful year which included the completion of the Herb Elliot port and rail expansion, and record production volumes outweighing negativity amidst falling iron ore prices.

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

The financial sector has benefited from rebounding Australian consumer sentiment following the RBA's decision to lower the cash rate to an all-time low of 3.25%

The ASX All Ordinaries rose 12.7% during the period, propelled by strong resource and financial sector performance and improved investor sentiment. The largest gains were experienced by the big four banks, which together posted a combined increase in market capitalisation of AU$55.5bn in the 12 months ended 30 June 2014.

The financial sector has benefited from rebounding Australian consumer sentiment following the RBA's decision to lower the cash rate to an all-time low of 3.25%. Key resource players such as BHP Billiton Limited and Rio Tinto Limited also performed strongly during the year as a result of a multitude of production and capacity improvements as capital expansion projects were completed.

Over the coming years, commodity exports are forecast to be a significant driver of the Australian Economy as various significant greenfield and expansion projects come online. Together with a more competitive Australian dollar, this paints a rosy picture for Australia's export driven economy.

The US S&P 500 experienced a stellar year, performing strongly throughout the period and exceeded many analysts' expectations by returning to pre-GFC levels. The index gained 22.0% in the year to 30 June 2014 despite a number of significant global events such as the conflicts in Syria and Ukraine, the U.S. government shutdown, the Cypriot financial crisis and fears of a tapering fiscal stimulus policy by the Federal Reserve. Investors found confidence in strong macroeconomic data such as the historically low unemployment rates and the continuance of near-zero interest rate.

Technology companies were amongst the stand-out performers, with the likes of Apple Inc. and Google Inc. increasing 51% and 34% respectively over strong sales data and corporate profits.

The FTSE performed modestly, experiencing a gain of 4.2% during the period. Market shocks in January and March 2014 over concerns in relation to China's Purchasing Managers' Index (PMI) which fell below investors' expectations failed to dampen overall investor sentiment. Strong performance in the healthcare and financial services sectors as fuelled by market consolidations and strong corporate earnings during the year.

Investor sentiment in the United Kingdom as further uplifted by strong economic data, citing a positive trend in the labor market where the unemployment rate was 7.2% in the three months to January 2014, near its lowest level in more than four years.

The Nikkei had a mixed performance over the financial year, with strong double digit gains being recorded in December 2013 over the Bank of Japan's aggressive economic stimulus. Slightly offsetting the gain were downward movements from January 2014 to date, closing at an overall gain of 10.86% in June 2014.

During the first half of 2014, the trend of a weakening Japanese Yen and a sales tax hike impacted Japan's factory output resulting in major exporters such as Nissan Motor Co. Ltd suffering 4% decreases in market capitalisation. However this has been outweighed by positivity coming from the telecommunications industry, where heavyweight SoftBank Corp announced a record net profit of JPY527.0bn, an increase of 41% from prior year.

AS AT 30 JUNE 2014
WA'S TOP 100 LISTED COMPANIES

RANK 30 JUN 2014	RANK 30 JUN 2013	ASX	LONG COMPANY NAME	MKT CAP (AU$M) 30 JUN 2014	MKT CAP (AU$M) 30 JUN 2013	LAST PRICE (MTH)	HIGH PRICE (YR)	LOW PRICE (YR)	EPS (POAB)
1	1	WES	Wesfarmers Limited	47,835	39,838	41.84	44.55	38.71	2.11
2	2	WPL	Woodside Petroleum Ltd	33,838	28,845	41.07	43.05	34.00	2.13
3	3	FMG	Fortescue Metals Group Limited	13,545	9,466	4.35	6.22	2.95	0.96
4	4	ILU	Iluka Resources Ltd	3,396	4,167	8.13	12.08	8.04	0.04
5	5	NVT	Navitas Limited	2,679	2,166	7.13	7.88	5.51	0.20
6	6	SWM	Seven West Media Limited	1,878	1,898	1.88	2.60	1.65	0.19
7	7	MIN	Mineral Resources Ltd	1,789	1,534	9.59	12.74	7.99	1.34
8	11	BWP	BWP Trust	1,573	1,210	2.48	2.66	2.12	0.23
9	8	MND	Monadelphous Group Limited	1,456	1,468	15.71	20.82	14.63	1.79
10	17	AQA	Aquila Resources Limited	1,391	733	3.38	3.77	1.68	0.18
11	12	IIN	iiNet Ltd	1,179	1,000	7.31	8.08	5.63	0.36
12	13	AHE	Automotive Holdings Group Limited	1,087	834	3.65	4.13	3.06	0.26
13	28	SIR	Sirius Resources NL	1,078	418	3.24	3.43	1.83	-0.11
14	26	WSA	Western Areas Limited	1,073	457	4.62	4.84	1.94	-0.47
15	21	IGO	Independence Group NL	1,015	526	4.35	4.52	2.20	0.10
16	16	SFR	Sandfire Resources NL	968	797	6.22	7.07	5.08	0.27
17	178	LNG	Liquefied Natural Gas Limited	955	32	2.14	2.59	0.13	-0.05
18	9	RRL	Regis Resources Limited	820	1,428	1.64	4.37	1.36	0.25
19	15	MRM	Mermaid Marine Australia Limited	756	803	2.06	4.20	1.95	0.23
20	22	MGX	Mount Gibson Iron Limited	753	507	0.69	1.22	0.46	0.18

Source: Australian Securities Exchange and Capital IQ

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

WA's Top 100 listed companies...continued

RANK 30 JUN 2014	RANK 30 JUN 2013	ASX	LONG COMPANY NAME	MKT CAP (AU$M) 30 JUN 2014	MKT CAP (AU$M) 30 JUN 2013	LAST PRICE (MTH)	HIGH PRICE (YR)	LOW PRICE (YR)	EPS (POAB)
21	46	NST	Northern Star Resources Limited	730	248	1.26	1.35	0.59	0.03
22	47	PIR	Papillon Resources Limited	665	226	1.89	1.92	0.68	-0.02
23	20	UOS	United Overseas Australia Ltd	618	583	0.54	0.60	0.47	0.09
24	35	AQP	Aquarius Platinum Limited	609	315	0.42	0.92	0.33	-0.27
25	24	PPC	Peet Limited	585	480	1.35	1.55	1.08	0.03
26	19	AGO	Atlas Iron Limited	577	678	0.63	1.24	0.55	0.10
27	32	CWP	Cedar Woods Properties Ltd	573	379	7.31	7.87	5.11	0.53
28	68	TFC	TFS Corporation Limited	535	143	1.65	1.96	0.43	0.19
29	23	AMM	Amcom Telecommunications Ltd	524	484	1.98	2.30	1.76	0.09
30	31	BDR	Beadell Resources Ltd	487	394	0.61	1.02	0.50	0.15
31	27	CCV	Cash Converters International Limited	463	454	1.08	1.33	0.75	0.06
32	-	BCK	Brockman Mining Limited	461	-	0.06	0.07	0.04	-0.05
33	25	TOX	Tox Free Solutions Ltd	452	457	3.38	3.76	3.00	0.12
34	44	ASB	Austal Ltd	444	261	1.28	1.32	0.66	0.12
35	63	MLX	Metals X Limited	430	162	0.26	0.27	0.10	0.00
36	30	BCI	BC Iron Limited	397	398	3.20	5.50	2.95	0.90
37	29	RSG	Resolute Mining Limited	394	399	0.62	1.15	0.41	0.02
38	39	MML	Medusa Mining Limited	383	292	1.85	2.97	1.34	0.18
39	36	RCR	RCR Tomlinson Limited	383	306	2.80	3.90	2.11	0.30
40	37	MLD	MACA Limited	376	305	1.86	2.72	1.66	0.35

Source: Australian Securities Exchange and Capital IQ

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WA's Top 100 listed companies...continued

RANK 30 JUN 2014	RANK 30 JUN 2013	ASX	LONG COMPANY NAME	MKT CAP (AU$M) 30 JUN 2014	MKT CAP (AU$M) 30 JUN 2013	LAST PRICE (MTH)	HIGH PRICE (YR)	LOW PRICE (YR)	EPS (POAB)
41	42	FRI	Finbar Group Limited	370	274	1.63	1.80	1.18	0.17
42	92	LNR	Lonestar Resources Limited	338	101	0.45	0.45	0.14	0.04
43	40	PRG	Programmed Maintenance Services Ltd	332	291	2.81	3.53	2.28	0.26
44	34	BRU	Buru Energy Limited	331	334	1.11	2.10	1.08	-0.10
45	114	SAR	Saracen Mineral Holdings Limited	325	68	0.41	0.47	0.10	-0.06
46	38	DCG	Decmil Group Limited	301	299	1.79	2.70	1.63	0.27
47	86	TGS	Tiger Resources Ltd	288	111	0.32	0.46	0.17	0.02
48	18	PDN	Paladin Energy Ltd	284	732	0.30	1.13	0.28	-0.46
49	96	ATU	Atrum Coal NL	278	90	1.71	2.10	0.63	-0.13
50	128	PAN	Panoramic Resources Limited	267	52	0.83	0.86	0.21	-0.16
51	43	ASL	Ausdrill Ltd	267	269	0.86	1.92	0.76	0.19
52	51	SDL	Sundance Resources Limited	259	212	0.08	0.14	0.07	-0.01
53	48	SLR	Silver Lake Resources Limited	257	226	0.51	1.05	0.32	-0.93
54	45	NWH	NRW Holdings Limited	257	254	0.92	1.62	0.88	0.17
55	75	SEH	Sino Gas & Energy Holdings Ltd	245	130	0.16	0.27	0.11	0.00
56	145	WLF	Wolf Minerals Limited	226	44	0.28	0.50	0.22	-0.02
57	53	PRU	Perseus Mining Limited	219	199	0.42	0.92	0.21	-0.02
58	69	TRY	Troy Resources Limited	208	140	1.07	2.01	0.75	-0.01
59	90	KRM	Kingsrose Mining Limited	201	104	0.56	0.59	0.33	-0.02
60	132	AHZ	Admedus Ltd	195	51	0.14	0.19	0.05	0.00

Source: Australian Securities Exchange and Capital IQ

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

WA's Top 100 listed companies...continued

RANK 30 JUN 2014	RANK 30 JUN 2013	ASX	LONG COMPANY NAME	MKT CAP (AU$M) 30 JUN 2014	MKT CAP (AU$M) 30 JUN 2013	LAST PRICE (MTH)	HIGH PRICE (YR)	LOW PRICE (YR)	EPS (POAB)
61	50	BSE	Base Resources Limited	191	213	0.34	0.50	0.29	-0.02
62	67	EZL	Euroz Ltd	190	144	1.30	1.38	0.95	0.06
63	56	GRR	Grange Resources Limited	185	185	0.16	0.31	0.15	0.02
64	65	PEA	Pacific Energy Ltd	178	145	0.49	0.52	0.35	0.05
65	133	IRD	Iron Road Limited	175	49	0.30	0.37	0.17	-0.01
66	116	TBR	Tribune Resources Ltd	172	65	3.43	3.53	1.27	0.31
67	70	WIC	Westoz Investment Company Limited	169	136	1.32	1.35	1.04	0.05
68	95	MCR	Mincor Resources NL	155	90	0.83	0.99	0.47	0.00
69	118	AVB	Avanco Resources Limited	150	62	0.09	0.10	0.05	0.00
70	235	GOR	Gold Road Resources Limited	149	20	0.29	0.30	0.04	-0.04
71	52	APZ	Aspen Group	145	209	1.21	1.85	1.15	-0.61
72	81	IOH	Iron Ore Holdings Limited	145	118	0.90	1.02	0.67	-0.17
73	124	DRM	Doray Minerals Limited	142	57	0.87	1.10	0.42	0.05
74	49	FWD	Fleetwood Corp. Ltd	141	218	2.33	4.82	2.10	0.19
75	80	AZZ	Antares Energy Ltd	135	120	0.53	0.58	0.36	0.09
76	74	IMD	Imdex Limited	134	130	0.63	0.99	0.45	0.09
77	88	CLX	CTI Logistics Limited	131	106	2.00	2.75	1.65	0.17
78	173	PBD	PBD Developments Limited	130	33	0.02	0.03	0.01	0.00
79	87	CGH	Calibre Group Limited	127	109	0.38	0.56	0.31	0.06
80	62	MAH	MacMahon Holdings Ltd	125	163	0.10	0.18	0.10	0.02

Source: Australian Securities Exchange and Capital IQ

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

WA's Top 100 listed companies...continued

RANK 30 JUN 2014	RANK 30 JUN 2013	ASX	LONG COMPANY NAME	MKT CAP (AU$M) 30 JUN 2014	MKT CAP (AU$M) 30 JUN 2013	LAST PRICE (MTH)	HIGH PRICE (YR)	LOW PRICE (YR)	EPS (POAB)
81	77	RRS	Range Resources Limited	125	128	0.03	0.05	0.01	-0.01
82	83	TAP	Tap Oil Ltd	124	114	0.51	0.62	0.34	-0.16
83	304	OBJ	OBJ Limited	121	12	0.08	0.12	0.01	0.00
84	140	STX	Strike Energy Limited	121	45	0.15	0.16	0.07	-0.04
85	61	EHL	Emeco Holdings Limited	117	163	0.20	0.37	0.17	-0.34
86	160	SFX	Sheffield Resources Limited	115	39	0.86	1.05	0.25	0.00
87	84	NGF	Norton Gold Fields Limited	112	112	0.12	0.17	0.10	0.03
88	108	MCE	Matrix Composites & Engineering Limited	112	74	1.18	1.60	0.60	-0.03
89	-	PNC	Pioneer Credit Limited	111	-	1.58	1.66	1.55	0.30
90	82	ALK	Alkane Resources Limited	109	114	0.27	0.48	0.25	-0.36
91	91	CYG	Coventry Group Ltd	107	102	2.80	3.00	2.54	0.00
92	100	OEL	Otto Energy Limited	106	83	0.09	0.12	0.07	-0.01
93	113	GNG	GR Engineering Services Limited	105	69	0.70	0.73	0.43	0.09
94	321	TON	Triton Minerals Limited	103	11	0.38	0.48	0.04	-0.01
95	219	TNG	TNG Limited	102	23	0.19	0.19	0.04	0.00
96	111	ASZ	ASG Group Limited	93	69	0.45	0.52	0.35	-0.09
97	78	FML	Focus Minerals Limited	91	128	0.01	0.02	0.01	-0.03
98	155	HFR	Highfield Resources Limited	87	41	0.58	0.68	0.33	-0.04
99	142	CWE	Carnegie Wave Energy Limited	86	45	0.05	0.08	0.03	0.00
100	266	RNI	Resource and Investment NL	85	16	0.20	0.20	0.05	-0.19

Source: Australian Securities Exchange and Capital IQ

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

COMPILATION OF THE DELOITTE WA INDEX

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

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

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

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

ABOUT DELOITTE PERTH

As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. We have expertise that spans industry sectors including automotive; consumer business; energy and resources; financial services; government services; life sciences and health care; manufacturing; real estate; and technology, media and telecommunications. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. Our professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Our Perth practice continues to grow with over 500 dedicated personnel including 52 partners. We provide high quality service to our clients throughout Western Australia, delivering seamless solutions and the insights that they need to address their most complex business challenges. The strong performance culture of the Perth office is attributed to Deloitte's seven Signals, representing who we are and how we do business.

DISCLAIMER OF LIABILITY

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RECENT AWARDS AND ACHIEVEMENTS

AWARDED IN 2014

Kennedy ranked Deloitte #1 in Global Consulting and Management Consulting

- Ranked #1 in Global Consulting and Management Consulting based on revenue by Kennedy in its recent report titled Global Consulting Index 2013.

Gartner names Deloitte #1 globally in Consulting

- Third year running, ranked #1 globally in Consulting in Gartner's recently released market share analysis titled Market Share: IT Services, 2013.

Kennedy names Deloitte the leader in Analytics IT Consulting 2014

- Deloitte was named the leader in Analytics IT Consulting by Kennedy in its IT Consulting: Analytics 2014 report.

Kennedy names Deloitte a leader in Benefits Consulting 2014

- Kennedy named Deloitte a leader in its recently released report titled Benefits Consulting 2014.

Forrester names Deloitte a global leader in Oracle Application Services Q1 2014

- Forrester named Deloitte a global leader in Oracle qApplication Services in its recently released report titled Forrester Wave: Oracle Application Services Providers, Q1 '14.

Tier One tax practice and Tier One transfer pricing practice for 2014 by the International Tax Review

- Deloitte's recognition as a Tier One tax and transfer pricing practice by the prestigious International Tax Review journal cements our reputation as leading tax advisers to corporate Australia. Our depth of tax and transfer pricing expertise, and the innovative tax and transfer pricing services we provide to a wide range of blue-chip clients across numerous industries, has allowed us to continue to attract some of the most eminent and accomplished Australian practitioners to enhance our growing practice.

AWARDED IN 2013

AFR CFO Awards 2013 Deloitte wins the double

- Deloitte won both the Accounting Firm of the Year and the Audit Firm of the Year in the Financial Review CFO Awards 2013. This was the first time in the awards' history that any firm had taken out both awards in the same year.

Deloitte Audit Services wins Australian International Design Award

- Recognised for commitment to applying design thinking principles to better understand client needs.

Deloitte ranked #1 Globally in Security Consulting

- The world's largest IT consulting firm, as well as the largest security consulting services firm, with the largest and most mature global delivery network compared with the four other top firms.

Deloitte ranked #1 in Global Financial Services Consulting by Kennedy

- Measured by capabilities and skills in delivering integrated offerings around restructuring and rebuilding opportunities for its financial services clients.

Deloitte ranks #1 in 2013 World's Best Outsourcing Advisors List

- Recognised Deloitte's deep experience and knowledge in finance, human capital, IT and other frequently outsourced functions, as well as its ability to help organisations throughout the outsourcing life cycle.

Deloitte ranked #1 in Global Consulting by Gartner

- Deloitte remained the top player in 2012 for consulting services, with a 6.6% market share and consulting services growth rate of 13.8%.

Kennedy named Deloitte as the global leader for Human Capital Strategy Consulting

- Recognising Deloitte's capability strengths including human capital analytics and a heavy investment in predictive analytics tools for scenario modelling, strategic workforce planning and talent management, as an aging workforce and shortage of qualified talent drove industry spend.

ANZ FastPay, developed by Deloitte Digital, won two awards

- Australia's first mobile banking app recognised for 'Innovation in Mobile Payments' at the IDC Financial Insights Innovation Awards in Singapore and a Trailblazer Award for 'Channel Excellence in Mobile Payments' for Asia.

Deloitte named a global leader in change management by Kennedy

- The evaluation was based primarily on service capabilities breadth and depth, client satisfaction, and market eminence.

ABOUT DELOITTE

OUR SIGNALS

Continuously grow and improve

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

Have fun and celebrate

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

Aim to be famous

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

Play to win

Think globally – Winning is our stated objective. It is also our state of mind.

Talk straight

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

Empower and trust

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

Recruit and retain the best

Our people are talented, enthusiastic, self-starters, team players who are bursting with potential. They are people with whom we have a lifetime association.

OUR CULTURE – OUR ESSENCE

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

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

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

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

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About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel.

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