West Peak Iron Ltd

ABN 71 142 411 390

Annual Financial Report

For the year ended 30 June 2011

CONTENTS	PAGE

CORPORATE INFORMATION

ABN 71 141 411 390

Directors	David Parker	*Executive Chairman*
	Graham Marshall	*Non-executive Director*
	John Royle	*Non-executive Director*
Company secretary	David Parker	
Registered office	Suite 9, 1200 Hay Street West Perth WA 6005 Telephone: (08) 6460 4960 Fax: (08) 9324 3045	
Principal place of business	Suite 9, 1200 Hay Street West Perth WA 6005	
Share register	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153	
Solicitors	Steinepreis Panagin Lawyers and Consultants Level 4, Next Building 16 Milligan Street Perth WA 6000	
Bankers	National Australia Bank Level 1, 1238 Hay Street West Perth WA 6005	
Auditors	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000	
Website	www.westpeakiron.com.au	

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity consisting of West Peak Iron Limited and the entities it controlled during the period for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

David Parker	Executive Chairman
Graham Marshall	Non-executive Director
John Royle	Non-executive Director

Names, qualifications, experience and special responsibilities

Mr David Parker

Executive Chairman and Company Secretary

Age: 33

Qualifications: Bachelor of Commerce from Curtin University, Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia

Mr Parker serves as Executive Chairman and Company Secretary of the Group and is based in Perth, Western Australia. Mr Parker has been involved as a Director, Corporate Advisor or Company Secretary of ASX Listed Companies with mineral resource focused projects in Western Australia, Northern Territory, North and South America, Eastern Europe, and China.

Mr Parker has had extensive experience starting, listing and managing mineral resource focused Companies on the ASX. Mr Parker has served as either Director or Company Secretary of ASX listed Companies Pacific Ore Ltd (formerly Trajan Minerals), Mongolian Resource Corporation Ltd (formerly Alamar Resources Ltd), Challenger Energy Ltd (formerly Sunset Energy Ltd), Jameson Resources Ltd and Hastings Rare Metals Ltd (formerly Augustus Minerals Ltd).

Mr Parker is currently a non-executive Director of the ASX listed company Pacific Ore Ltd and a Director of corporate consultancy and administration services provider Cicero Corporate Services Pty Ltd.

Mr Parker has completed a Bachelor of Commerce at Curtin University, is a Senior Associate of the Financial Services Institute of Australasia and holds a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia.

During the last three years Mr Parker has served as a director of the following ASX listed company:

Pacific Ore Limited (previously Trajan Minerals Limited) (appointed November 2009)

Mr Graham Marshall

Non-executive Director

Age: 55

Qualifications: Diploma of Project Management and Certified Practicing Project Director

Mr Marshall has spent over 20 years as a senior executive in the mining and engineering industries, he has held directorships and senior management positions with a number of private and public companies and has developed successful business relationships across Europe, Asia and Australasia. Mr Marshall has recently held the General Manager and Non-executive Director positions at Pacific Ore Limited and is currently employed by a leading Western Australian nickel producer as part of the corporate executive team. Mr Marshall holds a Diploma of Project Management, is a Certified Practicing Project Director and is a member of the Australian Institute of Project Management.

Mr Marshall has extensive commercial and corporate services experience, extending to business development, marketing, strategic and operational planning, and financial management.

Mr Marshall has also managed multi-million dollar development projects covering gold processing, nickel high pressure acid leaching, copper and nickel heap leaching and more recently he successfully managed the development and operation of the first BioHeap™ process pilot plant in the Peoples Republic of China.

During the last three years Mr Marshall has served as a director of the following ASX listed company:

Pacific Ore Limited (previously Trajan Minerals Limited) (appointed December 2009, resigned April 2010)

DIRECTORS' REPORT (continued)

Mr John Royle

Non-executive Director

Age: 41

Qualifications: Bachelor of Economics from The University of Western Australia

Mr Royle has over 15 years international business experience including approximately 5 years management consultancy experience at Accenture, UK. For the last 5 years, Mr Royle has worked primarily in economic development within Perth's northwest and eastern metropolitan areas supporting business development, regional development and investment attraction. Mr Royle has expertise across public, private and not-for-profit sectors, including start-ups as well as approximately 5 years prospecting experience.

During the last three years Mr Royle has not served as a director of a listed company.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Group or a related body corporate were held by the directors as at the date of this report:

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
David Parker[1]	3,000,000	2,520,001
Graham Marshall[2]	1,000,000	890,000
John Royle	1,000,000	430,000
Totals	5,000,000	3,840,001

[1] 2,500,000 Shares and options held in the name of Cobblestones Corporate Pty Ltd ATF The DRP Investment Trust, 10,000 held in the name of Cobblestone Corporate Pty Ltd ATF The DRP (2006) Super Fund (entities controlled by David Parker) and 10,001 shares held in the name of David Parker.

[2] 870,000 Shares and options held in the name of Tynebridge Holdings Pty Ltd ATF The Marshall Family Trust an entity controlled by Graham Marshall. 10,000 held in the name of Graham Marshall and 10,000 held in the name of Lynette Marshall (spouse of Graham Marshall).

No Shares or options were granted to Directors or Officers during the period or since the end of the financial period as part of their remuneration.

There were no shares issued during the financial period as a result of the exercise of an option. There were no alterations to the terms and conditions of options granted since their grant date.

At the date of this report unissued ordinary shares of the Group under option are 12,000,000 Company Options exercisable at $0.20 expiring on or before 30 June 2013 and 500,000 Company Options exercisable at $0.30 expiring on or before 30 June 2013.

DIRECTORS' REPORT (continued)

Dividends

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

Principal Activities

The principal activity of the entities within the consolidated entity during the year was the exploration for natural resources. There have been no other significant changes in the nature of those activities during the period.

Review of Operations

West Peak listed on the ASX in October 2010 with the primary aim of exploring for iron ore in its Mid West (of Western Australia) tenement package. Since listing, West Peak has increased its land holding in Western Australia as well as Liberia, West Africa continuing its focus on iron ore exploration. The Group has concentrated on building up a strong land holding in Western Australia in the emerging Mid West and Yilgarn iron provinces through direct tenement applications. The Group has also established a land holding in Liberia through direct license applications. Liberia is currently considered one of the most prospective exploration areas in the world to explore for iron ore.

Work completed to date has focused on target generation through desktop reviews and processing of open-file geophysical datasets. Follow-up rock chip sampling and field mapping have returned encouraging results so far and West Peak will continue to actively explore its land holding to build on these.

Key events during the year and since the end of the year include:

- Completion of an ASX listing and the capital raising of $2,600,000 through the issue of 13,000,000 shares at $0.20 as part of the Initial Public Offering (IPO).
- Completion of the CRC Agreement and the Legendre Agreement to purchase a suite of Mid West tenements prospective for Iron Ore and other minerals through the issue of 3,500,000 shares and 2,500,000 options exercisable at $0.20 on or before 30 June 2013 and payment of $110,000.
- The Group was granted two Exploration Licences and four Reconnaissance Licences for a total area of 1,692 km2 in the Grand Bassa, Bomi, Bong and River Cess counties, Liberia.
- The Group lodged several tenement applications in Western Australia during the year, of which several were granted.
- Field work programs completed in 2011 have resulted in the identification of iron targets for DSO and magnetite mineralisation across its Pinyalling and Dandaraga prospects and has generated an exposure to the gold and base metals sector through a joint venture with Cohiba Minerals Limited at its Santy Well Project.
- The Appointment of Shane Tomlinson as Exploration Manager.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Liberia

Liberia is located in West Africa where it borders Guinea, Sierra Leone and Côte d'Ivoire (Figure 1). West Peak has been granted two Exploration Licences and four Reconnaissance Licences for a total area of 1,692 km2 in the Grand Bassa, Bomi, Bong and River Cess counties. All licences contain iron-bearing formations and are strategically located close to port, rail and road infrastructure, both existing and currently being upgraded to meet iron ore industry requirements.

Liberia is a country with a history of iron ore mining dating back to the 1950s, when the first shipping of iron ore began and continued through the 1970s and 1980s. Mining ceased during the civil unrest which lasted for seven years ending in 2003. Liberia held its first elections in 2005 when Her Excellency Ellen Johnston Sirleaf was democratically elected to power. In the subsequent seven years, Liberia has enjoyed a period of political stability which has translated into significant foreign investment, particularly in the iron sector, from major mining houses like BHP Billiton and ArcelorMittal.

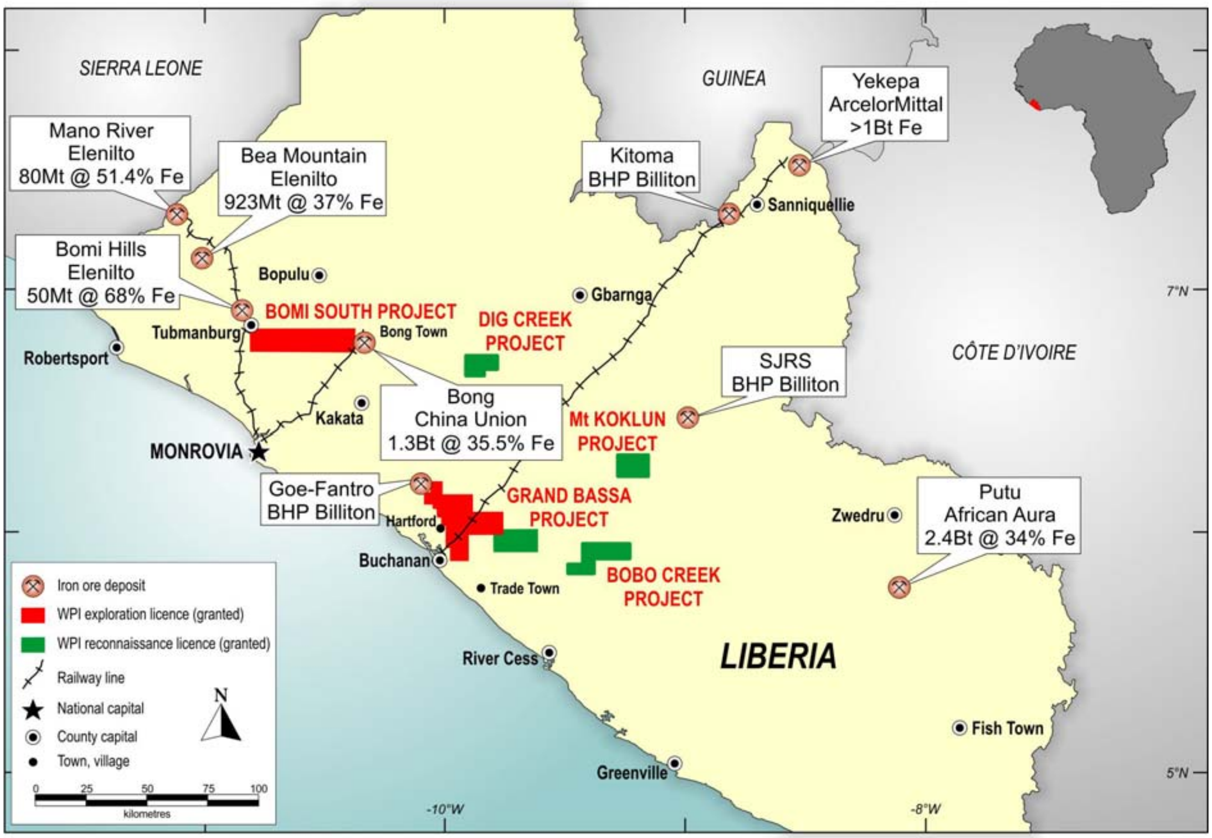

Figure 1. Regional location of the West Peak granted licences and current iron ore projects.

The geology of Liberia comprises two provinces being the Archaean Man Craton in the northwest and the Proterozoic Birimian sequence in the southeast. West Peak project locations are found exclusively in the Man Craton which is a granite-greenstone terrain that has been subjected to medium to high grade metamorphism resulting in a variety of metamorphic rocks including itabirites.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Bomi South Project

The Bomi South project is located approximately 60 km NNE of Monrovia and is accessed by sealed road to within 5 km of the western tenement boundary and a sealed road 2 km from the eastern boundary (Figure 1). The geology is predominantly comprised of a composite gneiss sequence containing generally E-W-striking itabirite units. These units outcrop intermittently over the tenement as ridges with strike lengths up to 4 km and elevations up to 100 m, but generally averaging 30-50 m. These units are considered to be the western continuation of the iron formations found in the Bong Ranges that have been historically mined at Bong Town and currently form the basis of China Union's 1.3 BT iron resource grading 35.5% Fe.

The maiden field visit to the project was carried out in July 2011 this year focussing on locating the main iron formations identified in regional maps and associated coincident aeromagnetic anomalies delineated in reprocessed historical geophysical data. Rock chip assay results returned encouraging grades ranging from 30.4% to 64.6% Fe with acceptable impurity levels which demonstrates the potential for high quality, DSO iron mineralisation. Outcrop is limited by dense vegetation and an intense weathering profile, however field observations together with the rock chip results confirm supergene hematite enrichment at surface.

This style of mineralisation is typical of West African iron ore deposits where metamorphism has resulted in recrystallisation of magnetite-rich banded iron formations (BIFs) to produce itabirites with grades usually ranging 20% to 40% Fe. Subsequent supergene processes have formed a hematite/goethite-rich cap overlying the itabirite units, where iron grades are enriched to generally greater than 50% Fe. Canga iron mineralisation has also been observed and represents enriched BIF material transported down slope where it has been re-cemented with an iron rich matrix and grades generally ranging between 40% to 60% Fe.

With the encouraging rock chip assays together with the potential infrastructure solutions that the rail and port facility upgrades offer, West Peak is very excited by this project and looks forward to advancing it through the acquisition of high resolution airborne geophysical data and further detailed field work.

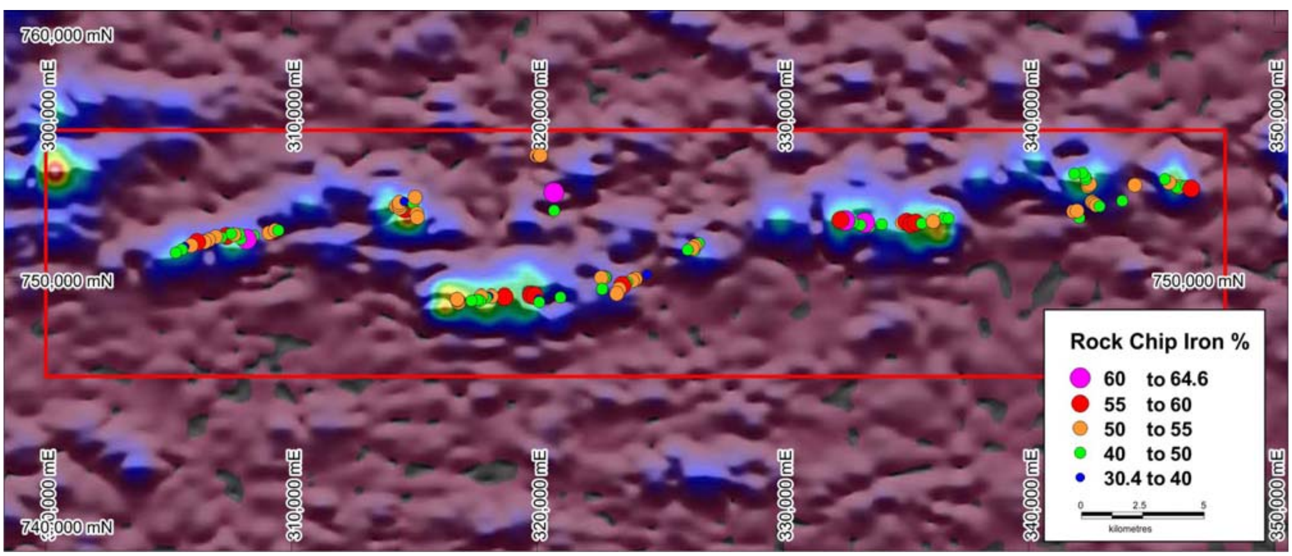

Figure 2. Rock chip sample locations coloured by iron grades overlain on the aeromagnetic image.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Grand Bassa

The Grand Bassa project consists of an exploration and reconnaissance licence and is located approximately 10 km east of the port town of Buchanan (Figure 1). The project area is accessed by an unsealed road which runs parallel to the operating railway line servicing ArcelorMittal's Yekepa iron mine to the port of Buchanan.

Assay results received from this year's field work range from 41.1% to 53.8% Fe and represent surface iron enrichment in the form of a hematite/goethite-rich cap interpreted to overlie the itabirite units. Figure 3 shows the two areas sampled where the enrichment is coincident with magnetic anomalies and occurs along elevated ridges. Access to the more prospective target in the east is very good as with the railway line located approximately 3 km away and service roads maintained by the Liberian Agricultural Company (LAC), a local rubber plantation, passing within 200 m.

West Peak intends to follow up this initial field work with a detailed aeromagnetic survey and trench sampling to identify a target for drilling.

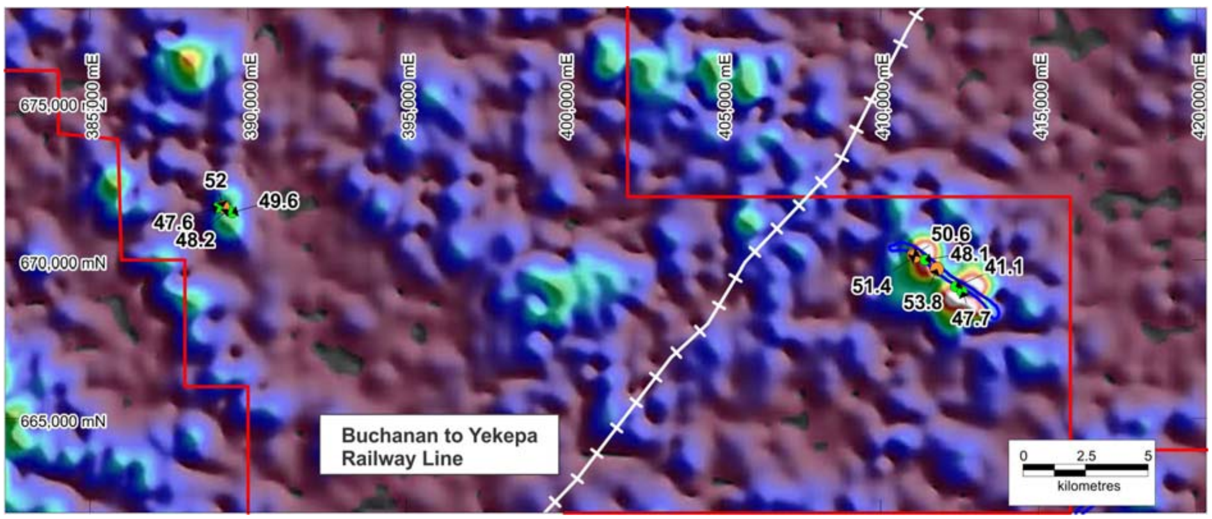

Figure 3. Rock chip sample locations coloured by iron grades overlain on the aeromagnetic image.

Bobo Creek Project

The Bobo Creek Reconnaissance Licence (BCRL) is located approximately 70 km east of the port of Buchanan and covers an area of 200 km2. The licence contains a gneiss unit and a composite unit, which includes prospective iron formations, over a strike length of approximately 20 km. Reprocessed regional aeromagnetic data have highlighted an anomaly which is coincident with the iron-bearing composite unit. Future work will include a field visit and aeromagnetic surveying.

Mount Koklun Project

The Mount Koklun Reconnaissance Licence (MKRL) is located 100 km inland from the port of Buchanan (Figure 1). The MKRL covers an area of 129 km2 and contains iron-bearing formations, including 4 km of outcropping itabirite, which are considered prospective for iron ore mineralisation. Reprocessed regional aeromagnetic data have highlighted an anomaly which is coincident with the itabirite unit. Proximal projects to MKRL include BHP Billiton's St John River South project (approximately 20 km northeast), which is one of their four mineral development agreements in Liberia that they have committed to spend US$3 billion to advance.

The group intends to carry out a rock chip sampling program and field mapping to generate potential iron targets for drilling.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Dig Creek

The Dig Creek Reconnaissance Licence (DCRL) is located approximately 90 km north of the port of Buchanan (Figure 1). The DCRL area covers 108 km2 and consists of folded and faulted gneiss and an iron-bearing formation which is considered prospective for iron ore mineralisation. West Peak plans to conduct field work consisting of rock chip sampling and mapping to assess the potential for iron mineralisation.

Western Australia

West Peak has built up a land holding in the emerging Mid West and Yilgarn iron provinces of Western Australia where major iron projects are currently being commissioned and the required infrastructure is being built. West Peak holds an exploration portfolio of 43 tenements for approximately 1,955 km2 that consists of 18 granted licences (1,012 km2) and 25 pending licences (944 km2) which are prospective for a range of commodities. Field work programs completed in 2011 have resulted in the identification of iron targets for DSO and magnetite mineralisation across its Pinyalling and Dandaraga prospects and has generated an exposure to the gold and base sector through a joint venture with Cohiba Minerals Limited at its Santy Well Project.

Pinyalling Project

The Pinyalling project is located approximately 420 km northeast of Perth, 50 km west northwest of Paynes Find, (Figure 4) covering parts of the Warriedar greenstone belt which hosts significant iron ore deposits. Work for the period consisted of data review and compilation including the reprocessing of geophysical data sets to assist with interpretation and target generation. This was followed up with field visits to the Thundelarra and Warriedar prospects.

Thundalarra Prospect

The Thundelarra prospect contains three magnetite-bearing BIFs ranging in width from 5 to 30 m which outcrop over a strike length of approximately 3 km with grades ranging 29% to 35% iron. The aeromagnetic data indicate approximately 7.5 km of potential BIF within the tenement area. Based on the field mapping results, further assessment of the geophysical data is required to delineate an iron ore target of suitable size to warrant drill testing.

Warriedar Prospect

Field work has identified direct shipping ore type mineralisation with rock chip iron grades ranging from 40.91% to 61.17% Fe with moderate impurities. Mapping shows iron enrichment generally occurs in small outcrops of goethite-rich banded iron formation over a strike length of 1.8 km with outcrop widths varying between 5 and 20 m interpreted as separate, narrow BIF units. A review of these first pass results is currently underway with a view to delineating an initial target for drill testing.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

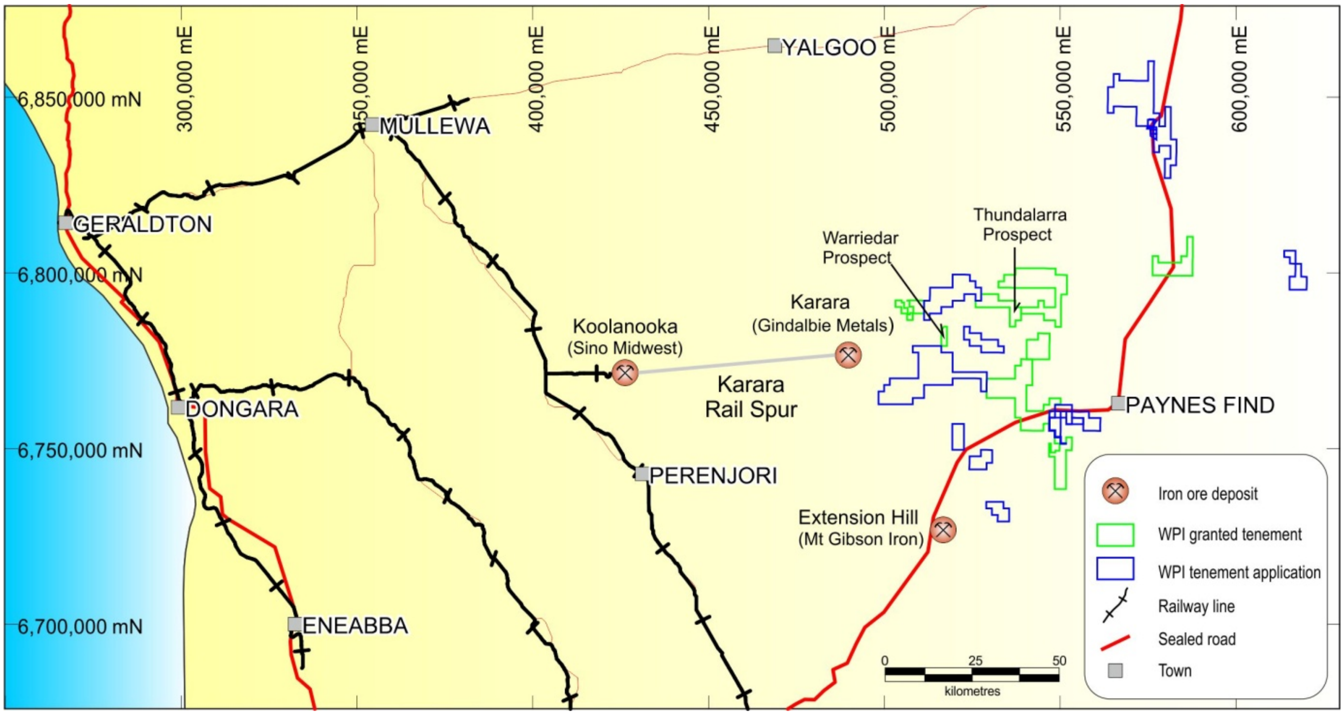

Figure 4. Pinyalling project tenement locations

Dandaraga Project

The Dandaraga Project is located approximately 35 km southeast of Sandstone (Figure 4) and covers part of the Cook Well greenstone belt. West Peak has carried out an initial field reconnaissance visit which confirmed the presence of outcropping BIF identified on published regional maps. The outcropping BIF is coincident with a strong aeromagnetic anomaly with a strike length of 7 km. This anomaly forms part of a broader magnetic feature which spans the entire length of the tenement, approximately 27 km. Rock chip assay results ranged from 32.6% to 58.3% Fe and included the following traverse samples results (Figure 5):

- 163 metres at 38.87% Fe
- 136 metres at 37.11% Fe
- 119 metres at 35.84% Fe

Following a full review of these initial results, West Peak intends to commence a second phase of work comprising detailed mapping and additional rock chip sampling with a view to delineating an initial target for drill testing.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

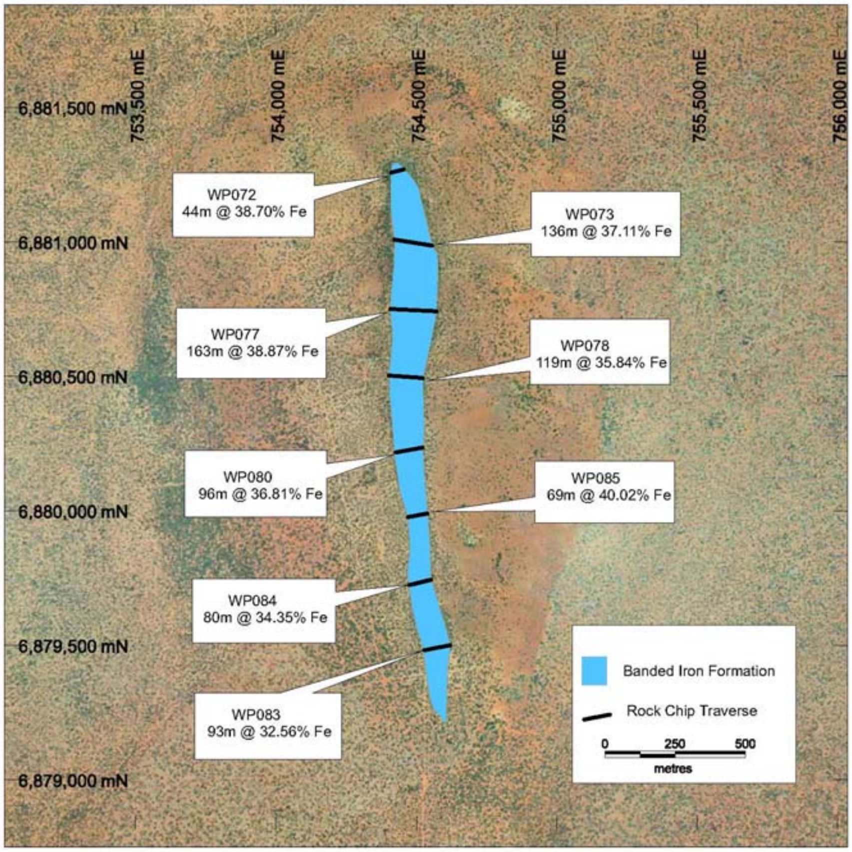

Figure 5. Outcropping BIF and rock chip traverse sampling lines.

Santy Well Project

The Santy Well Project is located 60 km north of Mullewa in the Mid West of Western Australia and consists of six tenements for approximately 279 km2, of which three are granted (224 km2) and three are under application (55 km2) (Figure 4). Exploration during the year focused on quantifying the nature and extents of iron enrichment identified during previous field work. A comprehensive field visit was carried out and observations show that although iron enrichment is sufficient in grade, the superficial nature and limited extent of mineralisation is unlikely to be a potential economic iron discovery at this time.

The Santy Well Project covers approximately 40 km of the northerly limb of the Tallering greenstone belt and is considered prospective for gold and base metals mineralisation. The historical data compiled and reviewed to date shows that exploration has been reasonably extensive and successful in defining a range of targets from surface exploration and geophysical surveys. However follow-up drilling has generally been shallow and appears to have been largely ineffective. West Peak applied and was successful for co-funding under the state government's Exploration Incentive Scheme for a drill program targeting gold and base metal mineralisation. West Peak's focus is on iron ore exploration and as such the Group entered into a Farm-in Agreement with Cohiba Minerals Ltd (Cohiba) for the non-iron mineral rights of the 100% owned Santy Well tenements (E59/1677 and E59/1678). Cohiba must spend a minimum $100,000 on exploration within the first twelve months to earn a 50% interest in the non-iron mineral rights and can earn up to 90% interest through an additional expenditure of $900,000. West Peak received $10,000 on signing of the agreement during the quarter. West Peak maintains all iron rights on the tenements. The Farm-in Agreement is conditional on Cohiba being admitted to the Official List of the ASX and all necessary third party, regulatory and shareholder approvals and consents where applicable. These conditions must be met on or before 30 November 2011.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Kirkalocka

This project is located in the Mid West of Western Australia, approximately 70 km south of Mount Magnet on the Great Northern Highway and consists of seven tenements for 272 km2 of which one is granted (61 km2) and six are under application. The project covers part of the Wydgee greenstone belt that comprises a complex sequence of volcanic rocks, banded iron formation and sediments flanked by granites. Work this year has consisted of the compilation and review of open-file data to assess the project's potential for iron ore, gold and base metal mineralisation.

COMPETENT PERSONS' STATEMENT

Scientific or technical information in this news release has been prepared under the supervision of Mr Shane Tomlinson, an employee of the Group and a Member of the Australian Institute of Geoscientists (AIG). Mr Tomlinson has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Tomlinson consents to the inclusion in this report of the Information, in the form and context in which it appears.

FORWARD LOOKING AND EXPLORATION TARGET STATEMENTS

Some statements in this announcement regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include, but are not limited to, statements concerning the Group's exploration program, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "expected", "planned", "target", "scheduled", "intends", "potential", "prospective", "seek" and similar expressions.

Significant changes in the state of affairs

The following material corporate events occurred during the financial year ended 30 June 2011:

On 6 August 2010 the Group lodged a Prospectus to raise $2,600,000 through the issue of 13,000,000 shares at $0.20 as part of the Initial Public Offering (IPO).

On 13 October 2010 the Group issued 13,000,000 shares at $0.20 to investors through the IPO Prospectus.

On 13 October 2010 the Group settled the Agreement with Corporate & Resource Consultants Pty Ltd, Bruce Legendre and T.E. Johnston Pty Ltd 'CRC Agreement' by the payment of $70,000 and the issue of 2,500,000 shares and 1,500,000 Company Options exercisable at $0.20 on or before 30 June 2013. This was for Western Australian tenements E59/1362-I, E59/1380-I, ELA59/1476, ELA59/1487 and ELA59/1620.

On the 13 October 2010 the Group settled the Agreement with Bruce Legendre and Legend Mining Pty Ltd (Legendre Agreement) by the payment of $40,000 and the issue of 1,000,000 shares and 1,000,000 Company Options exercisable at $0.20 on or before 30 June 2013. This was for Western Australian tenements E59/1276-I, ELA59/1622 and P59/1893.

On 21 October 2010 the Group was admitted to the official list of the ASX, and the securities of the Group commenced trading on 26 October 2010.

The Group appointed Shane Tomlinson as Exploration Manager of the Group during August 2010. Shane has extensive experience as an exploration and mine geologist for over 15 years and has over two years experience as a senior exploration geologist focused on exploration of iron ore in Western Australia for an emerging WA iron ore producer. As part of his remuneration package, he was issued 1,500,000 unlisted Company Options, (1,000,000 exercisable at $0.20 and 500,000 exercisable at $0.30 both expiring on or before 30 June 2013) following shareholder approval in March.

The Group entered into a Corporate Advisor Mandate with Alto Capital during January 2011. The mandate is for a period of six months and the fees payable were the issue of 4,000,000 unlisted Company Options, exercisable at $0.20 on or before 30 June 2013.

DIRECTORS' REPORT (continued)

Significant changes in the state of affairs (continued)

On 24 March 2011 the Group issued 4,500,000 Company Options exercisable at $0.20 on or before 30 June 2013) and 500,000 Company Options exercisable at $0.30 on or before 30 June 2013.

Significant Events Since the end of the period

There have been no significant events since the end of the period.

Operating results for the year

The comprehensive loss of the consolidated entity for the financial period, after providing for income tax amounted to $1,088,064 (2010: $9,927).

Review of financial conditions

The consolidated entity currently has $1,414,908 in cash assets which the Directors believe puts the Group in a sound financial position with sufficient capital to effectively explore its tenements and pursue other resource based opportunities.

Risk management

Details of the consolidated entity's Risk Management policies are contained within the Corporate Governance Statement in Directors' Report.

Corporate Governance

Details of the consolidated entity's Corporate Governance policies are contained within the Corporate Governance Statement in Directors' Report.

Likely developments and expected results

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

Environmental legislation

The consolidated entity is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities.

The directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The consolidated entity has agreed to indemnify all the directors of the consolidated entity for any liabilities to another person (other than the consolidated entity or related body corporate) that may arise from their position as directors of the consolidated entity, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the consolidated entity paid a premium in respect of a contract insuring the directors and officers of the consolidated entity against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for directors and senior management of West Peak Iron Limited (the "Company" or the "Group") for the financial period ended 30 June 2011.

Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Directors

David Parker	Executive Chairman
Graham Marshall	Non-Executive Director
John Royle	Non-Executive Director

Executives

Shane Tomlinson	Exploration Manager

Remuneration philosophy

The remuneration policy of West Peak Iron Limited has been designed to align Director's objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of West Peak Iron Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Group, as well as create aligned goals between directors and shareholders.

Independent director committee

During the financial period ended 30 June 2011, the Board has appointed Mr Marshall and Mr Royle as the sole members of the Independent Directors Committee. This Committee is responsible among other duties, for remuneration and executive appraisal and plans to meet biannually.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The Group's constitution states that an aggregate remuneration of $250,000 per period can be paid to the non-executive directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group. The current fee for non-executive directors is $30,000 per annum.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition the Group employees and directors, the Group has contracted key consultants on contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

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

The fixed remuneration component of the Key Management Personnel, is detailed in Table 1.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Variable Remuneration

No variable remuneration is paid. Long term incentives are issued in the form of Company options. To date 5,000,000 Company options have been issued to directors and 1,500,000 to key executives. These options and shares do not draw on the cash reserves of the Group and provide incentive for the directors to increase shareholder value, given that the options that have been issued are out of the money.

Employment Contracts

On 1 June 2010, the Group entered into an executive services agreement with Mr Parker (Executive Services Agreement) effective as from 1 July 2010. Under the Executive Services Agreement, Mr Parker is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Parker is to be paid an annual remuneration of $100,000 plus statutory superannuation. Mr Parker will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Executive Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with the relevant provisions of the Executive Services Agreement. The Executive Services Agreement contains standard termination provisions under which the Group can terminate the agreement as a result of misconduct or alternatively the agreement can be terminated with 6 months notice for no reason. In addition, Mr Parker is entitled to all unpaid remuneration and entitlements up to the date of termination.

On 15 August 2010, the Group entered into an executive services agreement with Mr Tomlinson (Exploration Manager). Under the Executive Services Agreement, Mr Tomlinson is engaged to provide services to the Group in the capacity of Exploration Manager, based in Perth, Western Australia. Mr Tomlinson is to be paid an annual remuneration of $175,000 plus statutory superannuation. Mr Tomlinson will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Executive Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with the relevant provisions of the Executive Services Agreement. The Executive Services Agreement contains standard termination provisions under which the Group can terminate the agreement as a result of misconduct or alternatively the agreement can be terminated with 3 months by either party by written notice. In addition, Mr Tomlinson is entitled to all unpaid remuneration and entitlements up to the date of termination.

Options

Details of Unlisted Options granted by the Company to each KMP of the Group during the financial year are as follows:

2011	Grant Date	Expiry Date	Exercise Price	Grant Date Fair Value[1]	No. Granted	No. Vested
Executive						
Shane Tomlinson	4-Mar-11	30-Jun-13	$0.20	$0.087	1,000,000	1,000,000
Shane Tomlinson	4-Mar-11	30-Jun-13	$0.30	$0.063	500,000	500,000

Notes:

[1] For details on the valuation of the Unlisted Options, including models and assumptions used, please refer to Note 21 to the financial statements.

[2] During the year, no KMP exercised Unlisted Options that were granted to them as part of their compensation.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Details of the value of Unlisted Options granted, exercised or lapsed for each KMP of the Group during the financial year are as follows:

2011	Value of Options Granted During the Year 1 $	Value of Options Exercised During the Year 2 $	Value of Options Lapsed During the Year $	Value of Options Included in Remuneration for the Year $	Remuneration for the Year that Consists of Options %
Executives					
Shane Tomlinson	118,286	-	-	118,286	43.81

Performance-based Remuneration

The Group currently has no performance-based remuneration component built into director and executive remuneration packages.

Remuneration of directors and key executives

Table 1: Directors' and key executive's remuneration for the year ended 30 June 2011								
		Short-term employee benefits			**Post-employment benefits**	**Equity**		
		Salary & Fees $	**Bonuses $**	**Non-Monetary Benefits $**	**Super-annuation $**	**Options Granted $**	**Total $**	**Performance Related %**
Directors								
David Parker [1]	2011	100,000	-	-	9,000	-	109,000	**-**
Graham Marshall	2011	30,000	-	-	2,700	-	32,700	-
John Royle[2]	2011	30,000	-	-	2,700	-	32,700	-
Executive								
Shane Tomlinson[3]	2011	138,958	-	-	12,506	118,286	269,970	43.81
Total	**2011**	**298,958**	**-**	**-**	**26,906**	**118,286**	**443,370**	26.68

[1] During the period ended 30 June 2011, Cicero Corporate Services Pty Ltd, an entity Mr Parker holds a 40% equity holding, provided corporate administration services which included rent, corporate services and reimbursement to the Group which totalled $75,222 during the year. The arrangement was on normal commercial terms and has not been included as part of executives' remuneration.

[2] During the period ended 30 June 2011, Pulse Design, an entity owned by Mr Royle's spouse, provided corporate design services which totalled $8,125.31 during the year. The arrangement was on normal commercial terms and has not been included as part of executives' remuneration.

[3] Shane Tomlinson was appointed on 15 August 2010.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Remuneration of directors and key executives

Table 2: Directors' and key executive's remuneration for the year ended 30 June 2010

		Short-term employee benefits			Post-employment benefits	Equity		
		Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Super-annuation $	Options Granted $	Total $	Performance Related %
David Parker [1]	2010	-	-	-	-	2,672	2,672	-
Graham Marshall	2010	-	-	-	-	891	891	-
John Royle	2010	-	-	-	-	891	891	-
Total		-	-	-	-	**4,454**	**4,454**	-

[1] During the period ended 30 June 2010, Cicero Corporate Services Pty Ltd, an entity Mr Parker holds a 40% equity holding, provided corporate administration services which included rent and reimbursement to the Group (nil payable as at 30 June 2010). The arrangement was on normal commercial terms and has not been included as part of executives' remuneration.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the period and the number of meetings attended by each director were as follows:

	Directors Meetings		Independent Director meetings	
Directors	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
David Parker	5	5	0	0
Graham Marshall	5	4	2	2
John Royle	5	5	2	2

In addition, there were 5 circular resolutions signed by the board.

Proceedings on behalf of the Group

There are no proceedings on behalf of the Group.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Group with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2011.

Non-Audit Services

Details of amounts paid or payable to the auditors for non-audit services provided during the year by the auditor are outlined in Note 18 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and non of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

DIRECTORS' REPORT (continued)

Signed in accordance with a resolution of the directors.

Mr David Parker
Executive Chairman
Perth, Western Australia; Dated this 29 day of September 2011

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of West Peak Iron Limited is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of West Peak Iron Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

West Peak Iron Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

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

West Peak Iron Limited's corporate governance practices were in place throughout the year ended 30 June 2011.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The principal responsibilities or functions of the Board are as follows:

- appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Group, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting; and
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

STRUCTURE THE BOARD TO ADD VALUE

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

Structure the board to add value (continued)

The directors that are considered independent are:

Graham Marshall	Non-executive Director
John Royle	Non-executive Director

Notification of Departure: ASX Best Practice Recommendation 2.2 states that the Chairman should be independent, however the Chairman, David Parker, is not considered independent.

Explanation for Departure: The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of an independent Chairman. The Group's Chairman, Mr David Parker, is considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director. However the Board believes that the Chairman is able to and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman.

Notification of Departure: ASX Best Practice Recommendation 2.3, the role of Chairman and Chief Executive Officer should be separate and distinct, however this is not the case as the Chairman is an Executive Director of the Group.

Explanation for Departure: The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the expense of a separate Executive Director. The Group has appointed the independent directors committee (that fulfils the role of the nominations committee) to seek candidates to fulfil these positions in order to comply with ASX Best Practice Recommendation 2.2 and 2.3 over the next twelve months.

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

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

Name	Term in Office
David Parker	19 months
Graham Marshall	19 months
John Royle	19 months

Performance

The performance of the Board and key executives is reviewed regularly. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of West Peak Iron Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

Nomination Committee

Notification of Departure: The Board has not established a separate Nomination Committee as per ASX Best Practice Recommendation 2.4.

Explanation for Departure: The Board considers that the Group is not of a size nor are its affairs of such complexity to justify formation of a nomination committee. The board has formed an Independent Directors Committee which among other tasks has assumed the role and responsibly of the Nomination Committee. The Board as a whole also undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors.

Independent Directors Committee

The Independent Directors Committee of the Board of Directors of the Group assumes the responsibility of the following committees:

- Nomination Committee
- Audit Committee
- Remuneration Committee, including performance review of key executives

CORPORATE GOVERNANCE STATEMENT (continued)

Structure the board to add value (continued)

An independent directors committee has been formed which consists of:

Graham Marshall	Non-executive Director
John Royle	Non-executive Director

Graham Marshall has been appointed the Chair of the Independent Directors Committee; he is not the Chairman of the Company. Both members of the Independent Directors Committee are considered Independent Directors.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board has adopted a written Board Code of Conduct which applies to the Directors of the Group. The Board has also adopted written Code of Conducts which applies to Directors, employees and key consultants of the Group and supplements the Board Code of Conduct.

The Group is dedicated to delivering outstanding performance for investors and employees. In achieving this objective, all Directors, officers and employees are expected to act with honesty, integrity and responsibility and maintain a strong sense of corporate social responsibility. In maintaining its corporate social responsibility the Group will conduct its business ethically and according to its values, consider the environment and ensure a safe, equal and supportive workplace.

Trading Policy

The Board has adopted a policy in relation to dealings in the securities of the Group which applies to all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities and Directors and employees are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. The Chairman, or in his absence, the Company Secretary, must be notified of any proposed transaction and must give clearance for the transaction to proceed.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

Notification of Departure: The Board has not established a separate Audit Committee as per ASX Best Practice Recommendation 4.1.

Explanation for Departure: The Board has not established an Audit Committee, however it has established an independent Directors Committee that assumes the role of the audit committee, which meets at least annually to deal with the Audit Committee responsibilities, and which will operate under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has assumed responsibility for establishing and maintaining a framework of internal control and ethical standards during the year.

The primary purpose of the Independent Directors Committee that fulfils the role of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

(a) the quality and integrity of the Group's financial statements, accounting policies and financial reporting and disclosure practices;

(b) compliance with all applicable laws, regulations and Group policy;

(c) the effectiveness and adequacy of internal control processes;

(d) the performance of the Group's external auditors and their appointment and removal;

(e) the independence of the external auditor and the rotation of the lead engagement partner; and

(f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

CORPORATE GOVERNANCE STATEMENT (continued)

MAKE TIMELY AND BALANCED DISCLOSURE

The Board is committed to the promotion of investor confidence by ensuring that trading in the Group's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Group has procedures in place to ensure that any price sensitive information is identified, reviewed by management and disclosed to ASX in a timely manner and that all information provided to ASX is immediately available to shareholders and the market on the Group's website.

RESPECT THE RIGHTS OF SHAREHOLDERS

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Group. Information is communicated to shareholders as follows:

- as the Group is a disclosing entity, regular announcements are made to Australian Securities Exchange and to, including half-year accounts, year end financial report;
- the Board ensures the annual report includes relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments; and
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Group's strategies and goals.

RECOGNISE AND MANAGE RISK

The identification, prioritization and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value. Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Group has identified a series of operational risks which the Group believes to be reflective of the industry and geographical locations in which the Group operates. These risk areas are provided here to assist investors to have an understanding of risks faced by the Group and the industry in which we operate and are not an exhaustive list, and include:

- fluctuations in commodity prices and exchange rates;
- success or otherwise of exploration activities;
- reliance on licenses, permits and approvals from governmental authorities which may be withheld, withdrawn or made subject to limitations;
- loss of key management;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

Risk Management Roles and Responsibilities

The Board is responsible for identifying the risks facing the Group, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. The Board will review and discuss strategic risks and opportunities as they arise and arising from changes in the Group's business environment regularly and on an as need basis. The board may delegate some of the abovementioned responsibility to management and committees of the board but maintain the overall responsibility for the process.

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board at least annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed. In 2011 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

CORPORATE GOVERNANCE STATEMENT (continued)

Recognise and manage risk (continued)

Integrity of Financial Reporting

The Board receives regular reports about the financial condition, operating results and budgets of the group. The Executive Director annually provide a formal statement to the Board that in all material respects and to the best of their knowledge and belief:

- the Group's financial reports present a true and fair view of the Group's financial condition and operational results are in accordance with relevant accounting standards; and
- the Group's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

REMUNERATE FAIRLY AND RESPONSIBLY

Notification of Departure: The Board has not established a separate Remuneration Committee as per ASX Best Practice Recommendation 8.1.

Explanation for Departure: The Board has not established a Remuneration Committee, however it has established an independent Directors Committee that assumes the role of the Remuneration committee, which meets at least annually to deal with the Remuneration Committee responsibilities, and which will operate under a charter approved by the Board.

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the independent Directors / Remuneration Committee reviews the nature and amount of executive directors' and officers' emoluments to the Group's financial and operational performance, however no performance pay is provided. Key Executives are issued with Company Options.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Group; and
- Company options allow executives to share the success of West Peak Iron Limited.

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

There is no scheme to provide retirement benefits, other than statutory superannuation to all directors.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of West Peak Iron Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of West Peak Iron Limited.

Perth, Western Australia
29 September 2011

N G NEILL
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth 6000 PO Box 8124 Perth BC 6849 Western Australia. Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated 2011 $	Consolidated 2010 $
Continuing operations			
Other income	2	69,311	7
Administration expenses		(290,128)	(7,800)
Director and executives fees		(344,887)	-
Occupancy expenses		(60,000)	-
Exploration expenditure written off		(39,684)	-
Other expenses	2	(422,676)	(2,134)
Loss before income tax expense		(1,088,064)	(9,927)
Income tax expense	3	-	-
Loss after tax from continuing operations		(1,088,064)	(9,927)
Net loss for the period		(1,088,064)	(9,927)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,088,064)	(9,927)
Basic loss per share (cents per share)	4	(5.81)	(0.23)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Assets			
Current Assets			
Cash and cash equivalents	7	1,414,908	107,795
Trade and other receivables	8	17,506	3,928
Total Current Assets		1,432,414	111,723
Non-Current Assets			
Plant and equipment	9	8,608	-
Deferred exploration expenditure	10	1,385,860	57,437
Total Non-Current Assets		1,394,468	57,437
Total Assets		2,826,882	169,160
Liabilities			
Current Liabilities			
Trade and other payables	11	98,392	15,012
Total Current Liabilities		98,392	15,012
Total Liabilities		98,392	15,012
Net Assets		2,728,490	154,148
Equity			
Issued capital	6	3,268,321	161,941
Reserves	6	558,160	2,134
Accumulated losses		(1,097,991)	(9,927)
Total Equity		2,728,490	154,148

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Issued Capital	Accumulated Losses	Option Reserves	Total Equity
	$	$	$	$
Loss for the year	-	(9,927)	-	(9,927)
Total comprehensive income/(loss) for the period	-	(9,927)	-	(9,927)
Shares issued during the year	175,001	-	-	175,001
Transaction costs on share issue	(13,060)	-	-	(13,060)
Recognition of share-based payments	-	-	2,134	2,134
Balance at 30 June 2010	161,941	(9,927)	2,134	154,148
Balance at 1 July 2010	161,941	(9,927)	2,134	154,148
Loss for the year	-	(1,088,064)	-	(1,088,064)
Total comprehensive income/(loss) for the period	-	(1,088,064)	-	(1,088,064)
Shares issued during the year	3,300,000	-	-	3,300,000
Transaction costs on share issue	(193,620)	-	-	(193,620)
Recognition of share-based payments	-	-	556,026	556,026
Balance at 30 June 2011	3,268,321	(1,097,991)	558,160	2,728,490

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(678,964)	(3,298)
Interest received		53,840	7
Net cash (used in) operating activities	7	(625,124)	(3,291)
Cash flows from investing activities			
Payments for property, plant and equipment		(12,338)	-
Payments for exploration and evaluation expenditure		(461,805)	(55,047)
Net cash (used in) investing activities		(474,143)	(55,047)
Cash flows from financing activities			
Proceeds from issue of shares		2,600,000	175,001
Payment for share issue costs		(193,620)	(8,868)
Net cash provided by financing activities		2,406,380	166,133
Net increase/(decrease) in cash held		1,307,113	107,795
Cash and cash equivalents at the beginning of the period	7	107,795	-
Cash and cash equivalents at the end of the period		1,414,908	107,795

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of West Peak Iron Limited and its subsidiary.

The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Group is a listed public company, incorporated in Australia and operating in Australia and Liberia. The entity's principal activity is exploration for natural resources.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting

(c) Statement of compliance

The financial report was authorised for issue on 29 September 2011.

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

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of West Peak Iron Limited ('company', 'group' or 'parent entity') as at 30 June 2011 and the results of all subsidiaries for the year then ended. West Peak Iron Limited and its subsidiaries are referred to in this financial report as the group or the consolidated entity.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the services provided. Where the services provided cannot be reliability estimated fair value is measure by reference to the fair value of by the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue recognition

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

Interest income

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

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(i) Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Derecognition of financial assets and financial liabilities (continued)

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Foreign currency translation

Both the functional and presentation currency of West Peak Iron Limited is Australian dollars. The functional currency is US dollars and presentation currency is Australian dollars for West Peak Iron Limited (Liberia). Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(k) Income tax

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

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

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

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

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

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

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

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

(l) Other taxes

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

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

(n) Trade and other payables

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

(o) Provisions

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-based payment transactions

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

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of West Peak Iron Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

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

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

Cash settled transactions:

The Group also provides benefits to employees in its electronics segment in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of West Peak Iron Limited.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

(q) Issued capital

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

(r) Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Earnings per share (continued)

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

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

(s) Exploration and evaluation

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

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of West Peak Iron Limited.

NOTE 2: REVENUES AND EXPENSES

	Consolidated	
	2011 $	2010 $
(a) Other income		
Interest income	53,840	7
Other	15,471	-
	69,311	7
(b) Expenses		
Administrative expenses	45,970	2,210
ASX and registry fees	46,848	980
Computer and software expenses	2,725	590
Legal and professional	136,434	2,738
Travel and promotional expenses	53,727	877
Other	4,424	405
Directors and executives fees	344,887	-
Exploration expenditure written off	39,684	-
Rent	60,000	-
Share based payments expense	422,676	-
	1,157,375	7,800

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 3: INCOME TAX

Current tax expense	Consolidated	
	2011 $	2010 $
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax-expense and pre-tax net loss		
Loss from ordinary activities	(1,088,064)	(9,927)
	(1,088,064)	(9,927)
Income tax using the Group's domestic tax rate of 30% (2010: 30%)	(326,419)	(2,978)
Share based payments	126,803	640
Other non-deductible expenses/(deductible tax adjustments)	11,401	410
Capital raising costs	(12,401)	(784)
Capitalised exploration expenditure	(334,703)	(17,231)
Current year losses for which no deferred tax asset was recognised	535,319	19,943
Income tax benefit/(expense) attributable to entity	-	-

(c) Tax losses

The tax effect of unused losses of $1,852,182 has not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realized.
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect of the Group in realising the benefit.

(d) Unrecognised temporary differences

	2011	2010
Net deferred tax assets (calculated at 30%) have not been recognised in respect of the following items:		
Capital raising costs recognised directly in equity	48,820	3,134
Income tax losses not brought to account	535,319	19,943
Unrecognised deferred tax assets relating to the above temporary differences	584,139	23,077
Deferred tax liabilities (calculated at 30%) have not been recognised in respect of the following items:		
Capitalised exploration expenditure	334,703	17,231

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 4: LOSS PER SHARE

	Consolidated	
	2011	**2010**
	Cents per share	**Cents per share**
Basic loss per share		
Continuing operations	(5.81)	(0.23)
	$	$
Earnings	(1,088,604)	(9,927)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share:	18,891,781	4,273,150

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

NOTE 5: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the investment decisions of the board and used by executive management (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the executive management team regularly.

Location of interests and nature of projects

Western Australia

West Peak has built up a land holding in the emerging Mid West and Yilgarn iron provinces of Western Australia where major iron projects are currently being commissioned and the required infrastructure is being built. West Peak holds an exploration portfolio of 43 tenements for approximately 1,955 km2 that consists of 18 granted licences (1,012 km2) and 25 pending licences (944 km2) which are prospective for a range of commodities.

Liberia

Liberia is located in West Africa where it borders Guinea, Sierra Leone and Côte d'Ivoire. West Peak has been granted two Exploration Licences and four Reconnaissance Licences for a total area of 1,692 km2 in the Grand Bassa, Bomi, Bong and River Cess counties. All licences contain iron-bearing formations and are strategically located close to port, rail and road infrastructure, both existing and currently being upgraded to meet iron ore industry requirements.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts and in the prior period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 5: SEGMENT REPORTING (continued)

Geographical segments

	Exploration Activities Australia	Exploration Activities Liberia	Unallocated	Total
	$	$	$	$
30 June 2011				
Segment revenue	-	6,380	62,931	69,311
Exploration written off	(16,684)	(43,809)	-	(60,493)
Other expenses	-	-	(1,096,882)	(1,096,882)
Segment result	(16,684)	(37,429)	(1,033,951)	(1,088,064)
Unallocated revenues and expenses				1,033,951
Results from operating activities				54,113
Segment assets	1,189,797	212,748	1,441,022	2,843,567
Segment liabilities	(29,597)	-	(68,795)	(98,392)

	Exploration Activities Australia	Unallocated	Total
	$	$	$
30 June 2010			
Segment revenue	-	7	7
Segment expenses	-	(9,934)	(9,934)
Segment result	-	(9,927)	(9,927)
Unallocated revenues and expenses			9,927
Results from operating activities			-
Segment assets	57,437	111,722	169,159
Segment liabilities	-	(15,012)	(15,012)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 6: ISSUED CAPITAL

	Consolidated 2011 $	Consolidated 2010 $
Ordinary shares		
At 1 July	161,941	-
Shares issued	3,300,000	175,001
Less share issue costs	(193,620)	(13,060)
At 30 June	3,268,321	161,941
Movements in ordinary shares on issue	No.	No.
At 1 July	7,500,001	-
Movements during the period:		
IPO shares issued	13,000,000	7,500,001
Shares issued to vendors	3,500,000	-
At 30 June	24,000,001	7,500,001

Ordinary shareholders entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	2011 $	2010 $
Company Options		
At 1 July	2,134	-
Options issued	556,026	2,134
At 30 June	558,160	2,134
Movements in Company Options on issue	No.	No.
At 1 July	5,000,000	-
Movements during the period:		
Options issued	7,500,000	5,000,000
At 30 June	12,500,000	5,000,000

Company options carry no voting rights and carry no right to dividends. Company options are unlisted. 12,000,000 Company options are exercisable at $0.20 on or before 30 June 2013 and 500,000 Company options are exercisable at $0.30 on or before 30 June 2013. See note 21 for full details of Options valuations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2011	2010
	$	$
Cash at hand and in bank	204,908	107,795
Short term deposits	1,210,000	-
	1,414,908	107,795

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

The Group did not engage in any non-cash financing activities for the year ended 30 June 2011 and was not party to any borrowing facilities for the same period.

As at balance date, the Group has provided written security in respect of 18 exploration tenements with the Department of Mines and Petroleum, to the value of $5,000 each, totalling $90,000.

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

Comprehensive (loss) for the period	(1,088,064)	(9,927)
Adjustments for:		
Depreciation on non-current assets	2,608	-
Share based payments expense	422,676	2,134
Exploration expenditure written off	39,684	-
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables and prepayments	(13,578)	(3,928)
Increase/(decrease) in trade payables and accruals	11,550	15,012
Net cash (used in) operating activities	(625,124)	3,291

NOTE 8: TRADE AND OTHER RECEIVABLES

Goods and services tax receivables	6,965	3,928
Prepayments	10,541	-
Trade and other receivables balance at 30 June	17,506	3,928

NOTE 9: PLANT AND EQUIPMENT

Plant and equipment at cost	11,216	-
Accumulated depreciation	(2,608)	-
Balance at 30 June	8,608	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: PLANT AND EQUIPMENT (continued)

Movements in the carrying amounts of plant and equipment between the beginning and the end of the current financial year:

	Consolidated	
	2011	**2010**
	$	**$**
Balance at 1 July	-	-
Additions	11,216	-
Depreciation expense	(2,608)	-
Balance at 30 June	8,608	-

NOTE 10: DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at the beginning of the year / period	57,437	-
Expenditure incurred		
Santy Well	347,158	15,177
Pinyalling (including Warriedar)	717,150	16,625
Dandaraga	13,853	14,982
Other (WA)	54,198	10,653
Liberia	235,748	-
Less: exploration expenditure written off	(39,684)	-
Total Exploration Expenditure balance at 30 June	1,385,860	57,437

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable mineral or other natural resource deposits and their successful development and commercial exploration or sale of the respective mining areas.

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)

Trade payables*	41,390	15,012
Accrued expenses	57,002	-
Balance at 30 June	98,392	15,012

* Trade payables are non-interest bearing and are normally settled on 60-day terms

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: FINANCIAL INSTRUMENTS

	Consolidated 2011 $	Consolidated 2010 $
Financial assets		
Receivables	17,506	3,928
Cash and cash equivalents	1,414,908	107,795
Balance at end of year	1,432,414	111,723
Financial liabilities		
Trade and other payables	98,392	15,012
Balance at end of year	98,392	15,012

The following table details the expected maturity/s for the Group's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $	5+ years $
2011						
Non-interest bearing	-	221,954	-	-	-	-
Variable interest rate instruments	5.5	1,210,460	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		1,432,414	-	-	-	-
2010						
Non-interest bearing	-	111,723	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		111,723	-	-	-	-

The following tables detail the Group's remaining contractual maturity/s for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $	5+ years $
2011						
Non-interest bearing	-	98,392	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		98,392	-	-	-	-
2010						
Non-interest bearing	-	15,012	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		15,012	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: FINANCIAL INSTRUMENTS (continued)

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

Financial risk management objectives and policies:

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk
- Capital risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

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

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. An example is that the Group only dealt with the NAB for Term Deposits during the year. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers and suppliers.

The Group's exposure and the credit ratings of its counter-parties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Group does not have any significant credit risk exposure to the NAB. The credit risk on liquid funds and Term Deposits is reduced because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits. The Group's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: FINANCIAL INSTRUMENTS (continued)

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based on the Group's cash and cash equivalent exposure to interest rates. A 100 basis point increase or decrease is used when reporting interest rate risk. The Group's sensitivity to interest rates may decrease during the current period depending on the use of the cash reserves of the Group.

The effect on loss and equity as a result of change in the interest rate, with all other variable remaining constant would be as follows:

	2011 $	2010 $
Change in Loss		
Increase in interest rate by 1%	538	-
Decrease in interest rate by 1%	(538)	-
Change in Equity		
Increase in interest rate by 1%	538	-
Decrease in interest rate by 1%	(538)	-

(a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group is exposed to movements in market interest rates on short term deposits. The Group does not have short or long term debt, and therefore the risk is minimal. The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

The Group may be exposed to currency risk on international investments and purchases that are denominated in a currency other than the respective currencies of the Group. As the Group has no international projects it is not currently exposed to currency risk, however may be exposed to currency risk it it acquires an international project.
There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(b) Capital Risk Management

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: COMMITMENTS AND CONTIGENCIES

Officers Remuneration Commitments

The Group entered into remuneration commitments with all the non-executive directors of the Group effective 1 July 2010, for all services rendered from this date forward. The non-executive director salaries has been set at $30,000. The Executive Chairman assumed the responsibilities of the Company Secretary for nil consideration until such time as the Group requires a separate Company Secretary. Remuneration of non-executive directors is reviewed annually.

On 1 June 2010, the Group entered into an executive services agreement with Mr Parker (Executive Services Agreement) effective as from 1 July 2010. Under the Executive Services Agreement, Mr Parker is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Parker is to be paid an annual remuneration of $100,000 plus statutory superannuation. Mr Parker will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Executive Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with the relevant provisions of the Executive Services Agreement. The Executive Services Agreement contains standard termination provisions under which the Group can terminate the agreement as a result of misconduct or alternatively the agreement can be terminated with 6 months notice for no reason. In addition, Mr Parker is entitled to all unpaid remuneration and entitlements up to the date of termination.

On 15 August 2010, the Group entered into an executive services agreement with Mr Tomlinson (Exploration Manager). Under the Executive Services Agreement, Mr Tomlinson is engaged to provide services to the Group in the capacity of Exploration Manager, based in Perth, Western Australia. Mr Tomlinson is to be paid an annual remuneration of $175,000 plus statutory superannuation. Mr Tomlinson will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Executive Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with the relevant provisions of the Executive Services Agreement. The Executive Services Agreement contains standard termination provisions under which the Group can terminate the agreement as a result of misconduct or alternatively the agreement can be terminated with 3 months by either party by written notice. In addition, Mr Tomlinson is entitled to all unpaid remuneration and entitlements up to the date of termination.

Administration Agreement

On 1 July 2010, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent and administration services to the Company for a monthly fee of $5,000 plus GST. Cicero may be requested to make available additional services at an hourly rate of $75 plus GST. The agreement can be terminated by 3 months notice by either party.

Tenement Related Commitments and Contingencies

	Consolidated	
	2011	**2010**
	$	**$**
Commitments for exploration expenditure on Western Australian Projects		
Not longer than 1 year	483,385	-
Longer than 1 year and less than 2 years	483,385	-
Longer than 2 year and less than 5 years	1,450,155	-
Commitments for exploration expenditure on Liberian Projects		
Not longer than 1 year	380,184	-
Longer than 1 year and less than 2 years	458,000	-
Longer than 2 year and less than 5 years	668,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: COMMITMENTS AND CONTIGENCIES (continued)

Tenement Related Commitments and Contingencies

Western Australia

The Group holds 18 granted tenements (6 tenements 90% ownership, 12 tenements 100% ownership). The Group also has applied for an additional 25 tenements in its own name (100% owned) however these tenements remain in application and therefore there is no exploration expenditure commitments on these tenements until these tenements have been granted. Of the 25 tenement applications, 8 are subject to Ballot. The total minimum expenditure commitment for the granted tenements is $442,500, and annual rent fees totalling $40,885. The Group has also lodged 25 tenement applications, of which eight applications are subject to a ballot.

Tenement Security

As at the balance date, the Group has provided written security in respect of 18 exploration tenements with the Department of Mines and Petroleum, to the value of $5,000 each, totalling $90,000. The Group has also provided written security in respect of 25 tenement applications, at $5,000 totals $125,000 (if these tenements are granted). This binds the Group to the provisions of the Mining Act 1978.

Western Australian - Granted Tenement schedule as at 12 September 2011

Tenement ID	% Ownership	Project Name	Area (unit)	Current Area	Expiry Date
E36/0764	100%	WEST LEINSTER	SB	12	30-Jun-16
E57/0839	100%	DANDARAGA	SB	44	18-May-16
E57/0845	100%	DANDARAGA	SB	3	30-Jun-16
E58/0395	100%	MOUNT MAGNET	SB	7	06-Sep-16
E59/1276	90%	SANTY WELL	SB	25	20-Nov-12
E59/1362	90%	PINYALLING	SB	10	30-Sep-13
E59/1380	90%	PINYALLING	SB	15	05-Aug-14
E59/1487	90%	KIRKALOCKA	SB	20	10-Mar-16
E59/1622	90%	PINYALLING	SB	14	01-Mar-16
E59/1677	100%	SANTY WELL	SB	35	18-Jan-16
E59/1678	100%	SANTY WELL	SB	14	18-Jan-16
E59/1681	100%	PAYNES FIND	SB	19	26-May-16
E59/1682	100%	PINYALLING	SB	46	26-May-16
E59/1692	100%	PAYNES FIND	SB	53	30-Jun-16
E59/1696	100%	PINYALLING	SB	3	04-Jul-16
E59/1721	100%	PAYNES FIND	SB	9	10-Aug-16
E59/1747	100%	NARNDEE	SB	3	01-Sep-16
P59/1893	90%	PINYALLING	HA	24	07-Apr-14

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: COMMITMENTS AND CONTIGENCIES (continued)

Western Australia - Tenement application schedule as at 12 September 2011

Tenement ID	Ballot / Pending	Project Name	Area (unit)	Area (unit)	Tenement ID	Ballot / Pending	Project Name	Area (unit)	Current Area
E09/1856	BALLOT	MT PHILLIP	SB	14	E59/1748	BALLOT	NARNDEE	SB	8
E21/0156	BALLOT	CUE	SB	4	E59/1765	PENDING	SANTY WELL	SB	4
E29/0804	PENDING	DANDARAGA	SB	12	E59/1766	PENDING	SANTY WELL	SB	3
E57/0854	PENDING	DANDARAGA	SB	5	E59/1767	PENDING	SANTY WELL	SB	11
E57/0869	PENDING	BLACK HILL	SB	6	E59/1803	BALLOT	PINYALLING	SB	8
E57/0878	PENDING	BULGA DOWNS	SB	8	E59/1805	BALLOT	PINYALLING	SB	8
E58/0393	BALLOT	MOUNT MAGNET	SB	8	E59/1806	BALLOT	PINYALLING	SB	11
E59/1476	PENDING	KIRKALOCKA	SB	66	P59/1940	PENDING	PAYNES FIND	HA	169
E59/1620	PENDING	PINYALLING	SB	69	P59/1945	PENDING	KIRKALOCKA	HA	145
E59/1693	PENDING	PINYALLING	SB	32	P59/1946	PENDING	KIRKALOCKA	HA	163
E59/1722	BALLOT	PAYNES FIND	SB	16	P59/1947	PENDING	KIRKALOCKA	HA	200
E59/1723	PENDING	PINYALLING	SB	13	P59/1948	PENDING	KIRKALOCKA	HA	197
E59/1730	PENDING	KIRKALOCKA	SB	1					

Liberia

West Peak holds two granted Exploration Licences and four granted Reconnaissance Licences for a total area of 1,692 km2 in the Grand Bassa, Bomi, Bong and River Cess counties. Exploration licenses run for a period of three years which can be extended by a period of two years. Reconnaissance licenses run for a period of six months which can be extended by an period of six months or an application can be made to convert the Reconnaissance license to an Exploration License. Expenditure Commitments for Exploration Licenses is $3.75 per Ha in year one, $7.50 per Ha in year two and $11.25 per Ha in year three. The annual Exploration License rent payment is based on a license fee of $5,000 plus a Surface Rental Payment of $0.50 per Ha. During September the Group lodged extensions requests for Reconnaissance licenses MRL13020; MRL13021 & MRL13022 which if granted provide a six month extension. The Group lodged a voluntary relinquishment for MRL13018 and a reduction of size of MEL12013 to 80 Km^2 during September 2011.

Liberia – Granted Tenement Schedule
Granted Tenement schedule as at 23 September 2011

License ID	% Ownership	License Type	Project Name	Area Km2	Expiry Date
MEL12012	100%	Exploration	Bomi South	480	14-Apr-14
MEL12013	100%	Exploration	Grand Bassa	573	14-Apr-14
MRL13018	100%	Reconnaissance	Grand Bassa	192	14-Oct-11
MRL13020	100%	Reconnaissance	Dig Creek	107	26-Oct-11
MRL13021	100%	Reconnaissance	Mount Koklun	128	26-Oct-11
MRL13022	100%	Reconnaissance	Bobo Creek	198	26-Oct-11

NOTE 14: EVENTS AFTER THE BALANCE DATE

There have been no significant events since the balance date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: DIRECTORS AND EXECUTIVES DISCLOSURES

(a). Details of Directors' and Executives

The following persons were directors and executives of West Peak Iron Limited during the financial year:

- David Parker — Executive Chairman and Company Secretary
- Graham Marshall — Non-executive Director
- John Royle — Non-executive Director
- Shane Tomlinson — Exploration Manager

Directors and executives remuneration has been included in the Remuneration Report section of the Directors' Report.

(b) Option holdings of Directors and Executives

30 June 2011	Balance at 30 June 2010	Granted as Remuneration[1]	Options Exercised	Net Change Other	Balance at end of Period
Directors					
David Parker	3,000,000	-	-	-	3,000,000
Graham Marshall	1,000,000	-	-	-	1,000,000
John Royle	1,000,000	-	-	-	1,000,000
Executives					
Shane Tomlinson	-	1,500,000[1]	-	-	1,500,000
Total	5,000,000	1,500,000	-	-	6,500,000

(c) Shareholdings of Directors and Executives

30 June 2011	Balance at 30 June 2010	Received as Remuneration	On Exercise of Options	Net Change Other[2]	Balance at end of Period
Directors					
David Parker	2,500,001	-	-	20,000	2,520,001[3]
Graham Marshall	870,000	-	-	20,000	890,000[4]
John Royle	430,000	-	-	-	430,000
Executives					
Shane Tomlinson	-	-	-	10,000	10,000[5]
Total	3,800,001	-	-	50,000	3,850,001

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

[1] On 24 March 2011 the Company issued 1,000,000 Company Options exercisable at $0.20 on or before 30 June 2013 and 500,000 Company Options exercisable at $0.30 on or before 30 June 2013 to Shane Tomlinson or nominee.

[2] Net Change Other: Shares were purchased as part of the initial Public Offering through the prospectus dated 6th August 2010.

[3] 2,500,000 Shares and options held in the name of Cobblestones Corporate Pty Ltd ATF The DRP Investment Trust, 10,000 held in the name of Cobblestone Corporate Pty Ltd ATF The DRP (2006) Super Fund (entities controlled by David Parker) and 10,001 shares held in the name of David Parker.

[4] 870,000 Shares and options held in the name of Tynebridge Holdings Pty Ltd ATF The Marshall Family Trust an entity controlled by Graham Marshall. 10,000 held in the name of Graham Marshall and 10,000 held in the name of Lynette Marshall (spouse of Graham Marshall).

(b) Option holdings of Directors and Executives

30 June 2010	Balance at incorporation	Granted as Remuneration[1]	Options Exercised	Net Change Other	Balance at end of Period
Directors					
David Parker	-	3,000,000[2]	-	-	3,000,000
Graham Marshall	-	1,000,000[3]	-	-	1,000,000
John Royle	-	1,000,000[4]	-	-	1,000,000
Total	-	5,000,000	-	-	5,000,000

(c) Shareholdings of Directors and Executives

30 June 2010	Balance at incorporation	Received as Remuneration	On Exercise of Options	Net Change Other	Balance at end of Year
Directors					
David Parker	1	-	-	2,500,000[2]	2,500,001
Graham Marshall	-	-	-	870,000[3]	870,000
John Royle	-	-	-	430,000[4]	430,000
Total	1	-	-	3,800,000	3,800,001

[1] Company Options were issued on 6 April 2010 for nil consideration. See Note 10 for more information.

[2] 2,500,000 shares were issued on 6 April 2010 for $0.01 as part of seed capital raising. Mr Parker holds shares and options in a controlled entity Cobblestones Corporate Pty Ltd ATF The DRP Investment (except 1 share held in the name of David R Parker).

[3] 650,000 shares were issued on 6 April 2010 for $0.01 and 220,000 were issued on 17 June 2010 as part of seed capital raisings during the period. Mr Marshall holds shares and options in a controlled entity Tynebridge Holding Pty Ltd ATF The Graham Family Trust.

[4] 350,000 shares were issued on 6 April 2010 for $0.01 and 80,000 were issued on 17 June 2010 as part of seed capital raisings during the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 16: RELATED PARTY DISCLOSURES

On 1 July 2010, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity Mr Parker holds a 40% equity stake) (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent and administration services to the Group for a monthly fee of $5,000 plus GST. Cicero may be requested to make available additional services (i.e. bookkeeping) at an hourly rate of $75 plus GST. The agreement can be terminated by three months notice by either party. Cicero Corporate Services Pty Ltd was paid fees totalling $75,222 during the period ending 30 June 2011 (Nil: 2010) pursuant to the Administration Agreement.

Pulse Design, an entity controlled by Mr Royle's spouse, was engaged under commercial terms to provide print design services, fees paid to Pulse Design during the year totalled $8,938.

NOTE 17: DIVIDENDS

The directors of the Group have not declared any dividend for the year ended 30 June 2011.

NOTE 18: AUDITOR'S REMUNERATION

The auditor of West Peak Iron Limited is HLB Mann Judd.

	2011 $	2010 $
Amounts received or due and receivable by HLB Mann Judd for:		
An Independent Accountants Report prepared for the Group's Prospectus dated	5,000	-
Audit or review of the financial statements	20,000	-
Total	25,000	-

NOTE 19: AMOUNTS OWING TO DIRECTORS AND OFFICERS

No amounts were owing to the Directors or officers at the end of the financial year.

NOTE 20: PARENT ENTITY DISCLOSURES

	2011 $	2010 $
Assets		
Current assets	1,645,161	111,723
Non-current assets	1,181,721	57,437
Total assets	2,826,882	169,160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 20: PARENT ENTITY DISCLOSURES (continued)

	2011 $	2010 $
Liabilities		
Current liabilities	98,392	15,012
Non-current liabilities	-	-
Total liabilities	98,392	15,012
Equity		
Issued capital	3,268,321	161,941
Retained earnings	(1,097,992)	(9,927)
	2,170,329	152,014
Reserves		
Option reserve	558,160	2,134
	558,160	2,134
Financial performance		
Loss for the year	1,088,064	9,927
Other comprehensive income	-	-
Total comprehensive income	1,088,064	9,927

Contingent liabilities of the parent entity

For details on commitments, see Note 13.

NOTE 21: SHARE BASED PAYMENTS

(a). Recognised Share Based Payments Expense

From time to time, the Group provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	2011 $	2010 $
Expense arising from equity-settled share-based payment transactions	556,026	2,134
Total Expense arising from equity-settled share-based payment transactions	556,026	2,134

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: SHARE BASED PAYMENTS (continued)

(b). Summary of Options Granted as Share Based Payments

During the period, the following Company Options were granted as share-based payments:

Options Series	Issuing Entity	Number	Grant Date	Expiry Date	Exercise price $	Grant Date fair Value $
Tranch B	West Peak Iron Ltd	2,500,000	13-Oct-10	30-Jun-13	$0.20	$0.038
Tranch C	West Peak Iron Ltd	3,500,000	4-Mar-11	30-Jun-13	$0.20	$0.087
Tranch D	West Peak Iron Ltd	1,000,000	4-Mar-11	30-Jun-13	$0.20	$0.087
Tranch E	West Peak Iron Ltd	500,000	4-Mar-11	30-Jun-13	$0.30	$0.063

During the period ended 30 June 2010, the following Company Options were granted as share-based payments:

Options Series	Issuing Entity	Number	Grant Date	Expiry Date	Exercise price $	Grant Date fair Value $
Tranch A	West Peak Iron Ltd	5,000,000	6-Apr-10	30-Jun-13	$0.20	$0.001

(b). Options pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the valuation model used for share options granted by the Group during the last two years:

Inputs	Tranch A	Tranch B	Tranch C	Tranch D	Tranch E
Exercise Price	$0.20	$0.20	$0.20	$0.20	$0.30
Grant date Share Price	$0.015	$0.20	$0.26	$0.26	$0.26
Volatility	50%	60%	60%	60%	60%
Risk-free interest rate	6.5%	6.5%	5.01%	5.01%	5.01%
Grant Date	6-Apr-10	13-Oct-10	4-Mar-11	4-Mar-11	4-Mar-11
Expiry Date	30-Jun-13	30-Jun-13	30-Jun-13	30-Jun-13	30-Jun-13
Discount for lack of marketability	30%	30%	30%	30%	30%
Fair Value at Grant	$0.001	$0.038	$0.087	$0.087	$0.063

DIRECTORS' DECLARATION

1. In the opinion of the directors of West Peak Iron Limited ('the Company' or the 'Group'):

   a. the financial statements and notes of the company are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

   c. The financial statements and note thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

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

Mr David Parker
Executive Chairman
Perth, Western Australia; Dated this 29 day of September 2011

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of West Peak Iron Limited

Report on the Financial Report

We have audited the accompanying financial report of West Peak Iron Limited ("the company"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the consolidated financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

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

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report and remuneration report of West Peak Iron Limited for the financial year ended 30 June 2011 included on West Peak Iron Limited's website. The company's directors are responsible for the integrity of the West Peak Iron Limited website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report identified in this report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report.

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of West Peak Iron Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of West Peak Iron Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman Glad

Perth, Western Australia
29 September 2011

N G NEILL
Partner

ADDITIONAL SHAREHOLDER INFORMATION

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Group has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. SHAREHOLDING

1. Substantial Shareholders

There was one substantial shareholder listed on the Companies register as at 26 September 2011, being David Rodney Parker, holding 2,520,001 fully paid ordinary shares, being 10.5% of the fully paid ordinary shares on issue.

2. Number of holders in each class of equity securities and the voting rights attached (as at 26 September 2011)

Ordinary Shares

There are 306 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

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

Options (unlisted)

There are 25 holders of unlisted options. There are no voting rights attached to these options.

3. Distribution schedule of the number of holders in each class of equity security as at 9 September 2010.

a) *Fully Paid Ordinary Shares*

Spread of holdings	Holders	Securities	% of issued capital
NIL holding			
1 - 1,000	2	21	.00 %
1,001 - 5,000	11	43,301	.18 %
5,001 - 10,000	113	1,119,467	4.66 %
10,001 - 100,000	136	6,267,169	26.11 %
100,001 -	39	16,570,043	69.04 %
Total on register	301	24,000,001	100.00 %
Total overseas holders	2	60,000	.25 %

b) *Unquoted securities*

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Unlisted Company Options: (exercisable at $0.20 on or before 30 June 2013): Cobblestones Corporate Pty Ltd <DRP Investment A/c>.
Unlisted Company Options: (exercisable at $0.30 on or before 30 June 2013): Anne Elizabeth Morrell <Fragaria Family A/c>.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

4. Marketable Parcel

There are three (3) shareholders with less than a marketable parcel (basis price $0.19).

5. Twenty largest holders of each class of quoted equity security.

The names of the twenty largest holders of each class of quoted equity security, the number of equity security each holds and the percentage of capital each holds (as at 28 August 2010) is as follows:

a) Ordinary shares top 20 holders and percentage held

		Holder name	Designation	Units	% of issued
1	*	COBBLESTONES COPORATE PL	DRP INV A/C	2,500,000	10.42%
2	*	LEGENDRE BRUCE ROBERT		1,500,000	6.25%
3	*	CORP & RESOURCE CONS PL		1,500,000	6.25%
4		KEVIN HUGHES INV PL		1,250,000	5.21%
5		DONGRAY RICHARD S + J	S/F A/C	1,000,000	4.17%
6	*	SYRIANA RES PL		1,000,000	4.17%
7	*	TYNEBRIDGE HLDGS PL	MARSHALL FAM A/C	870,000	3.62%
8	*	RAVEN INV HLDGS PL	RAVEN INV A/C	800,000	3.33%
9		BLACK GOLD NOM PL	DAVID BEVERLEY FAM	432,053	1.80%
10	*	ROYLE JOHN JAMES		430,000	1.79%
11	*	ROSIEWICZ MACIEJ LUKASZ	ROSIEWICZ FAM A/C	275,000	1.15%
12		SORGIOVANNI LAURIE TONY		260,000	1.08%
13	*	LEGEND RES PL		250,000	1.04%
14	*	TE JOHNSTON & ASSOC PL		250,000	1.04%
15	*	KEVIN HUGHES INV PL		250,000	1.04%
16		MCELROY BRAD		250,000	1.04%
17	*	DOZAK EDWARD MAX		250,000	1.04%
18		KONDAS VIKTOR + BEATA		250,000	1.04%
19		KONDAS VIKTOR + BEATA M	KONDAS S/F A/C	222,900	.93%
20	*	RAVEN INV HLDG PL	RAVEN S/F A/C	200,000	.83%
		*** Top 20 total ***		13,739,953	57.24%

** All holders included * - Denotes merged holder

ASX ADDITIONAL INFORMATION

1. Company Secretary

The name of the company secretary is David Parker.

2. Address and telephone details of the entity's registered administrative office and principle place of business:

Suite 9, 1200 Hay Street
WEST PERTH WA 6005

Telephone: (08) 6460 4960
Fax: (08) 9324 3045

3. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333
Fax: (08) 9315 2233

4. Stock exchange on which the Group's securities are quoted:

The Group's listed equity securities are quoted on the Australian Stock Exchange.

5. Restricted Securities

The Group has the following restricted securities:

Fully Paid Ordinary Shares
3,500,000 Escrowed until 13 October 2011
3,550,000 Escrowed until 19 October 2012

Company options (exercisable at $0.20 on or before 30 June 2013)
3,500,000 Escrowed until 19 October 2011
5,000,000 Escrowed until 19 October 2012

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Group states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects.

The Group believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 6 August 2010.

8. Schedule of Tenements

A schedule of tenements is contained in Note 13 to the Financial Statements (page 47 & 48).