

WAG LIMITED

ABN 63 008 666 233

Annual Report – 30 June 2008

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Corporate Directory

Directors	Gary Christian Steinepreis Patrick Nicolas Burke Zbynek (Ben) Zikmundovsky James Peter Allchurch
Company Secretary	Gary Christian Steinepreis
Registered Office	Level 1, 33 Ord Street West Perth WA 6005 Telephone: 08 9420 9300
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	WHK Horwath Level 6, 256 St Georges Terrace Perth WA 6000 Telephone: 08 9481 1448
Bankers	Westpac Banking Corporation 109 St Georges Terrace Perth WA 6000
Securities Exchange Listing	WAG Limited's shares are listed on the Australian Securities Exchange, the home branch being Perth. Code : WAG
Website Address	www.wagltd.com.au

Directors' Report

Your directors present their report on WAG Limited (WAG or the Company) for the year ended 30 June 2008.

Directors

The name of each person who has been a director during the year and to the date of this report are:

Gary Christian Steinepreis appointed a director on 2 November 2006 and continues in office at the date of this report.

Patrick Nicolas Burke appointed a director on 20 December 2006 and continues in office at the date of this report.

Zbynek (Ben) Zikmundovsky appointed a director on 15 February 2008 and continues in office at the date of this report.

James Peter Allchurch appointed a director on 15 February 2008 and continues in office at the date of this report.

The name of each person who was a director during the year and resigned prior to the 30 June 2008 are:

David Christian Steinepreis appointed a director on 2 November 2006 and resigned on 13 March 2008.

Company Secretary

The company secretary is Gary Steinepreis. Mr Steinepreis was appointed to the position of company secretary on 2 November 2006. As Mr Steinepreis is also a director of the Company information on him and his qualifications for the position are included under information on directors.

Principal Activities

During the year the principal continuing activities of the Company consisted of:

- 1 commercial radio broadcasting and apparatus licence;
- 2 investigating the acquisition of, or investment in, additional opportunities in the media and communications industry;
- 3 investment and management in the mineral exploration industry; and
- 4 investigating the acquisition of, or investment in, new projects / businesses in other business segments.

Operating Result

The loss from continuing operations for the financial year after providing for income tax amounted to \$1,280,148 (2007:\$320,513). There was no loss from discontinued operations for the financial year after providing for income tax (2007:\$5,841,139). Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the financial report.

Dividends

No dividends were paid or are proposed to be paid during the financial year.

Review of Operations

The Company has continued its broadcasting activities and undertaken certain investments by way of farm-in agreements in the mining exploration sector which when combined with the day to day operations of a publicly listed company resulted in a loss from continuing operations of \$1,280,148 (2007:\$320,513).

The Company continues to operate its broadcasting facility at Geraldton. During the period the Company took the decision to surrender its S40 broadcast licence as the costs associated with maintaining this licence, in particular the local content requirements, did not merit its continued operation. The Company continues to have the capacity to broadcast under its narrowband licence. The Company has reviewed a number of potential opportunities in the broadcasting area complimentary to its broadcasting facility in Geraldton and licence. None of these opportunities have met suitable investment criteria. However, the Company considers that its facility and licences provide a foundation upon which a viable regional broadcasting business can be built and intends to continue to pursue opportunities in this regard.

During the financial year the Company retained its investment in Pleiades Resources Pty Ltd (Pleiades). Whilst the Company retains its 25% interest in Pleiades it has no further commitments to Pleiades.

The Contact Resources Limited and WAG Limited farm-in Agreement pursuant to which WAG had the right to earn a 90% interest in any tenement granted pursuant to ELA 45/2725 (Mount Cotton Project) by expending \$300,000 over three years was terminated on 6 July 2007 via a deed of termination entered into by the parties to the agreement.

On 13 December 2007 the Company contracted Resource Ventures Pty Ltd to assist in the review of the strategic direction of the Company. In consideration for the services being supplied by Resource Ventures the Company granted 35,000,000 ordinary shares and 70,000,000 options to Resource Ventures. An additional 35,000,000 options were issued to Resource Ventures Pty Ltd on the same date. These 35,000,000 options will be granted on the completion of any transaction entered into by WAG Ltd which has resulted from the introduction, negotiation and involvement of Resource Ventures Pty Ltd and which has been approved by shareholders of WAG Ltd.

Representatives of Resource Ventures, James Allchurch and Ben Zikmundovsky, were appointed to the board of the Company on 15 February 2008.

On 5 June 2008 the Company announced the signing of a farm-in agreement with AIM listed company Beowulf Mining plc. The agreement covers the Ruotevare Iron Ore Project in Sweden.

Financial Position

During the year the Company raised sufficient funds to meet its commitments and has plans in place to raise further funding sufficient to meet its commitments in the coming year.

Significant Changes in the State of Affairs

Farm-In Agreement – Ruotevare Iron Ore Project In Sweden

The Company has entered into a conditional farm-in agreement with AIM listed Beowulf Mining plc (Beowulf).

The Company has agreed to spend not less than AUD\$1,000,000 over a 22 month period to earn a 50% interest in Beowulf's Ruotevare Project (Ruotevare Project). The funds will be used to complete a 3,000-5,000 meter resource delineation drilling program and metallurgical test-work program and to prepare a proposal for scoping and feasibility studies.

The Ruotevare Project consists of one Exploration Claim covering a total area of 850 hectares located in Northern Sweden.

The Geological Survey of Sweden (SGU), a Swedish government agency, carried out ground geophysics, metallurgical test-work and detailed shallow diamond drilling of the Ruotevare Project in the early 1970s. This work was reviewed and verified by Snowden Mining Consultants Limited (Snowden) in 2006.

After 30 June 2008 but prior to the date of this report the Company announced the completion of a maiden mineral resource of a 140 Mt Inferred JORC Mineral Resource at 39.1% iron, 5.7% titanium and 0.2% vanadium.

A conceptual study on the Ruotevare Project carried out on behalf of Beowulf in late 2006 concluded that the Ruotevare Project could be economically developed on the basis of a 10Mt per year operation over an eight year period.

The Company considers this project to be a significant development opportunity in a well established mining region.

Background to the Ruotevare Project

The Ruotevare Project is located in northern Sweden in the county of Norrbotten, approximately 13km north-west of the small village of Kvikkjokk and proximate to the Sareks National Park. Kvikkjokk has a good road connection of approximately 120km to the larger community centre at Jokkmokk.

The project area is in a mountain range and the altitude varies between 420-610 metres above sea level. The road distance between Kvikkjokk and the Gulf of Bothnia sea port at Lulea is 290km. At Lulea, the iron ore mining company LKAB is annually shipping approximately 4 Mt of magnetite concentrates and pellets to steel plants in Finland and Sweden. The railway used by LKAB for its transports to Lulea is 180km by road from Kvikkjokk.

Significant Changes in the State of Affairs (continued)

Farm-In Agreement – Ruotevare Iron Ore Project In Sweden (continued)

Geological Summary and Forward Exploration Plan

The magnetite-ilmenite deposit at Ruotevare was discovered in the 18th century, with the first drill holes conducted at the end of the 19th century. The resulting core, along with the core generated by the SGU work conducted in the 1970s, is understood to be currently stored at the SGU core storage facility in Mala. No mining of the deposit has ever occurred. Metallurgical laboratory scale test work carried by LKAB (Swedish government owned iron ore company) and Rautaruuki (Finnish iron ore company) in 1973 using magnetic separation to produce a magnetite concentrate and flotation to produce an ilmenite concentrate, gave encouraging results broadly comparable to producing mines in Scandinavia.

The magnetite-ilmenite mineralisation outcrops and occurs as several gently dipping tabular to elongate features within a large anorthosite body. The mineralisation has been drilled over an area approximately 1500m long and 200m to 300m wide. Nickel (pentlandite) and copper (chalcopyrite) sulphides were noted by SGU but no assays were conducted. In 1975, prior to the introduction of the JORC Code guidelines for the reporting of identified mineral resources and ore reserves, SGU carried out ground geophysics, metallurgical test-work and a detailed shallow diamond drilling program generating an estimate of iron mineralisation based on 32 cored diamond drill holes totalling 6,233m. A subsequent review of the SGU resource estimate by Snowden in 2006 confirmed the order of magnitude of the tonnages and grades reported.

After 30 June 2008 but prior to the date of this report the Company announced the completion of a maiden mineral resource of a 140 Mt Inferred JORC Mineral Resource at 39.1% iron, 5.7% titanium and 0.2% vanadium. The Company intends to implement a work program aimed at significantly increasing resources and upgrading the existing and subsequently identified resource into JORC Code Indicated and Measured categories. The work program will include:

- Re-sampling and density measurements of retained core material (SGU) in order to verify assay and density data;
- Compilation of structural and outcrop mapping along with potential re-logging of retained core;
- Reinterpretation of previous geophysical data and determination of further necessity for geophysical data;
- Assessment and three dimensional modelling of the geology in order to determine drilling priorities; and
- A drilling program aimed at verifying and potentially increasing the existing SGU estimate.

A conceptual study on Ruotevare Project carried out on behalf of Beowulf in late 2006 concluded that the Ruotevare Project could be economically developed on the basis of a 10Mt per year operation over an eight year period.

Significant Changes in the State of Affairs (continued)

Farm-In Agreement – Ruotevare Iron Ore Project In Sweden (continued)

Transaction Details

The Farm-In Agreement sets out the terms under which it is proposed that WAG and Beowulf will explore and evaluate the Ruotevare Project. The Agreement was conditional upon a 30 day due diligence period. The Company completed its due diligence after 30 June 2008 but prior to the date of this report and has elected to proceed however the transaction remains subject to shareholder approval.

Under the Agreement:

Beowulf has granted WAG, during a 22 month evaluation phase, the following exclusive rights:

- access to all data and other information held by Beowulf that pertains to the Ruotevare Project; and
- the right to explore and evaluate the Ruotevare Project for its mineral bearing potential.

During the Evaluation Phase:

- WAG shall have sole responsibility for funding and completing a 3,000-5,000 metre resource delineation drilling program and a program of metallurgical test-work to evaluate mineral processing options, with a minimum expenditure commitment of AUD\$1 million.
- WAG will use its best endeavours to ensure that the results from the Drilling program will enable the estimation of a JORC Compliant Resource.
- On completion of the Drilling and Metallurgical program, WAG will produce a proposed work program and budget for a Scoping Study and follow-up Definitive Feasibility Study to evaluate the economic development of the Ruotevare Project.

Upon completion of the Drilling program, Metallurgical program and delivery of the Study Proposal within the Evaluation Phase, the Company shall become vested with a 50% economic interest in the Ruotevare Project. The Company may withdraw from this Agreement at any time during the Evaluation Phase. After 30 June 2008 but prior to the date of this report the parties entered into a formal agreement with respect to the above.

Mining in Sweden

Sweden has a very rich mining history which has been of great economic importance to the country.

Sweden is by far the largest iron ore (mostly magnetite) producer in the EU, and it is also among the leading producers of base and precious metals.

Significant Changes in the State of Affairs (continued)

Farm-In Agreement – Ruotevare Iron Ore Project In Sweden (continued)

Mining in Sweden (continued)

Today, exploration is carried out by large and small Swedish and foreign exploration companies.

The many benefits of operating in Sweden include well developed infrastructure, a highly skilled mining and exploration workforce, extremely low sovereign risk and a very strong mining culture built up over many decades.

Placement

The Company intends to seek shareholder approval to issue up to 50,000,000 shares to sophisticated investors.

The Shares issued will be at least 80% of the average market price for the Company's shares on ASX over the last 5 trading days on which sales in the shares are recorded preceding the date on which the issue is made.

It is intended that part of these funds will be used to fund the Company's commitments under the Ruotevare Project with the balance to be applied to working capital.

After Balance Date Events

Second Farm-In Agreement Swedish Iron Ore Project

The Company has entered into a second farm-in agreement with Beowulf Mining Plc pursuant to which, subject to shareholder approval and certain other conditions, the Company has agreed to complete drilling, metallurgical test-work and a magnetic survey programme by April 2010 to earn a 50% interest in Beowulf's Kallak Project.

- The Kallak Project consists of one Exploration Permit covering 500 hectares located in Northern Sweden, approximately 70km south east of Beowulf's Ruotevare Project.
- The Kallak Iron deposit was discovered by the Geological Survey of Sweden (SGU) in 1947-48. Based on exploration by SGU consisting of limited drilling and geophysical surveys, SGU estimated that Kallak has target iron mineralization ranging from 88Mt to 92Mt at a grade range of 35% – 42% Fe.
- Based upon the work carried out by SGU, the Company's combined exploration target for the Ruotevare and Kallak Projects is 208 – 215 Mt of mineralization with average grades of 35 – 42% Fe. The potential quantity and grades for both Ruotevare and Kallak are conceptual in nature. There has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

After Balance Date Events (continued)

Second Farm-In Agreement Swedish Iron Ore Project (continued)

- The two iron ore projects potentially represent an excellent opportunity to generate a commercially attractive iron ore resource proximate to the EU market.

Background to the Kallak Project

The Kallak Project is located in northern Sweden in the County of Norrbotten, approximately 35km north-west of the town of Jokkmokk. The Kallak Project is located approximately 70km south east of the Ruotevare Project. The road distance between Jokkmokk and the Gulf of Bothnia sea port at Lulea is 170km. At Lulea, the iron ore mining company LKAB is annually shipping approximately 4 Mt of magnetite concentrates and pellets to steel plants in Finland and Sweden.

Geological Summary and Forward Exploration Plan

The Kallak Iron deposit was discovered by the Geological Survey of Sweden (SGU) in 1947-48. From 1968 – 1970 geophysical measurements (magnetic, gravimetric and electromagnetic) were carried out in the area.

Based on exploration by SGU consisting of limited drilling and geophysical surveys, SGU estimated that Kallak has target iron mineralization of 88 – 92Mt at 35 – 42% iron. The tonnage estimate has been determined through the analysis of geophysical data. The potential quantity and grades for Kallak are conceptual in nature. There has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The Company intends to seek to establish a JORC Code compliant Mineral Resource Estimate as soon as possible through the revision of existing data and additional drilling. The work program will include:

- A magnetic survey to define the extent of mineralisation and assist in developing a three dimensional model of the ore body.
- Sampling and density measurements of retained core material (SGU) in order to verify assay and density data
- A drilling program aimed at verifying the lateral and vertical extent of mineralisation as well as providing sufficient information for which to generate a resource estimate.
- A programme of metallurgical test-work to assess the metallurgical response of the mineralisation.

The close proximity of the Ruotevare and Kallak Projects will provide WAG with the opportunity of efficiently investigating the projects concurrently. It is anticipated that drilling programmes will be coordinated between the two projects using the same drilling crew and logistical facilities.

After Balance Date Events (continued)

Second Farm-In Agreement Swedish Iron Ore Project (continued)

Transaction Details

The Farm-In Agreement sets out the terms under which it is proposed that WAG and Beowulf will explore and evaluate the Kallak Project. The Agreement was conditional upon a 30 day due diligence period. The Company completed its due diligence after 30 June 2008 but prior to the date of this report and has elected to proceed however the transaction remains subject to shareholder approval.

Under the Agreement:

- Beowulf has granted WAG, during an 22 month evaluation phase, the following exclusive rights:
 - access to all data and other information held by Beowulf that pertains to the Kallak Project; and
 - the right to explore and evaluate the Kallak Project for its mineral bearing potential.
- During the Evaluation Phase WAG shall have sole responsibility for funding and completing a drilling programme comprising up to 25 holes of not less than 100 metres each in depth, provided that WAG may revise the drilling based upon results during the Evaluation Phase, a magnetic survey and a programme of metallurgical testwork.
- Upon completion of the drilling programme, magnetic survey and metallurgical testwork within the Evaluation Phase, the Company shall become vested with a 50% economic interest in the Kallak Project.
- The Company may withdraw from this Agreement at any time during the Evaluation Phase.
- The Parties will enter into a formal agreement within 60 days.

Since 30 June 2008 there has been no matter or circumstance, other than that mentioned above, that has arisen that has significantly affected, or may significantly affect:

1. the Company's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Company's state of affairs in future financial years.

Future Developments, Prospects and Business Strategies

The Company's business strategies and prospects for growth in future financial years have not been included in this report, as the inclusion of this information is likely to result in an unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Information on Directors

Gary Christian Steinepreis (Executive director, age 42)

Experience and Expertise

Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

Other Current Directorships

Executive Director, Southern Pacific Petroleum NL (director since 11 October 2007);
Non-Executive Director, RMG Limited (director since 31 January 2006);
Executive Director, Black Fire Energy Ltd (director since 29 November 2006);
Non- Executive Director, Avalon Minerals Ltd (director since 20 December 2006);
Executive Director, Croesus Mining NL (director since 12 July 2007); and
Non-Executive Director, Signature Metals Ltd (director since 1 June 2006)

Former Directorships in the Last Three Years

Toodyay Resources Limited 22 December 2005 to 23 October 2007;
Gawler Resources Limited 17 May 2006 to 27 November 2007
Deep Yellow Limited 20 August 2004 to 10 October 2005;
GB Energy Limited 13 March 2006 to 29 August 2007;
Western Metals Limited 3 October 2005 to 26 June 2006;
Monitor Holdings Limited 16 April 2004 to 18 January 2007; and
Karmelsonix Limited 18 August 2003 to 21 November 2006.

Special Responsibilities

Company Secretary

Interests in Shares and Options

44,875,000 ordinary shares in WAG Limited; and
11,250,000 unlisted options over ordinary shares in WAG Limited.

Patrick Burke (Executive director, age 39)

Experience and Expertise

Patrick Burke holds a Bachelor of Laws degree from the University of Western Australia. He has approximately fifteen years experience working in law firms and companies in Australia and Ireland. His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. He contributes general corporate and legal skills along with a strong knowledge of the Australian Stock Exchange requirements.

Other Current Directorships

Executive Director, Croesus Mining NL (director since 12 July 2007); and
Executive Director Southern Pacific Petroleum NL (director since 11 October 2007).

Information on Directors (continued)

Patrick Burke (Executive director, age 39) (continued)

Former Directorships in the Last Three Years

Signature Brands Limited 1 June 2006 to 20 February 2007.

Special Responsibilities

None

Interests in Shares and Options

8,375,000 ordinary shares in WAG Limited.

James Allchurch (Executive director, age 31)

Experience and Expertise

Mr Allchurch is a geologist with over eight years' experience in mineral exploration, geotechnical assessment and groundwater investigation. He is currently responsible for the identification and evaluation of resource projects both in Australia and abroad on behalf of Resource Ventures Pty Ltd.

Other Current Directorships and Former Directorships in the Last Three Years

Mr Allchurch is not currently a director of any other publicly listed company and has not held directorships in any other publicly listed companies in the last three years.

Special Responsibilities

None

Interests in Shares and Options

19,687,500 ordinary shares in WAG Limited.

59,062,500 unlisted options over ordinary shares in WAG Limited.

Ben Zikmundovsky (Non-executive director, age 58)

Experience and Expertise

Mr Zikmundovsky is an engineer with over 30 years' experience in managing the development of companies, operations and projects in the mining, mineral processing, construction and equipment industries. He is heavily involved in the international market with projects throughout Africa, South America, the former Soviet Union Countries, Middle East and Europe. Mr Zikmundovsky is currently the managing director of GRD Minproc (Africa) and is currently responsible for developing GRD Minproc's African activities.

Special Responsibilities

None

Interests in Shares and Options

19,687,500 ordinary shares in WAG Limited.

59,062,500 unlisted options over ordinary shares in WAG Limited.

Information on Directors (continued)

The interests in shares and options of James Allchurch and Ben Zikmundovsky are a result of the issue of 35,000,000 shares and 105,000,000 options to Resource Ventures.

Subsequent to the issue of the shares and options, Resource Ventures distributed 50% of the shares and options received to its shareholders. As shareholders in Resource Ventures, Mr Allchurch and Mr Zikmundovsky received 2,187,500 shares and 6,562,500 options each.

After the distribution to shareholders Resource Ventures holdings were 17,500,000 shares and 52,500,000 options both Mr Allchurch and Mr Zikmundovsky have and interest in this holding due to their shareholding in Resource Ventures.

Of the 105,000,000 options issued 35,000,000 whilst issued have not been granted as at the date of this report as the grant of these options requires shareholder approval and the completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Resources Ventures.

The interest of both directors is summarised in the table below.

Resource Ventures	Shares	Options
Issued to Resource Ventures	35,000,000	105,000,000
Distributed to the shareholders of Resource Ventures	17,500,000	52,500,000
Resource Ventures holding at the date of this report	17,500,000	52,500,000
James Allchurch		
Direct holdings via distribution from Resource Ventures	2,187,500	6,562,500
Holdings due to interest in Resource Ventures	17,500,000	52,500,000
	19,687,500	59,062,500
Ben Zikmundovsky		
Direct holdings via distribution from Resource Ventures	2,187,500	6,562,500
Holdings due to interest in Resource Ventures	17,500,000	52,500,000
	19,687,500	59,062,500

Information on Former Directors

David Christian Steinepreis (former chairman resigned 13 March 2008)

Experience and Expertise

Mr Steinepreis is a Chartered Accountant and former partner of an international accounting firm where he specialised in strategic corporate advice and taxation for listed companies. He entered commerce as a director, adviser and major shareholder of a number of listed companies in the gold, diamonds, oil and new mining technology sectors.

Meetings of Directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2008, and the numbers of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings - B
David Steinepreis	1	1
Gary Steinepreis	1	1
Patrick Burke	1	1
James Allchurch	0	0
Ben Zikmundovsky	0	0

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year

Remuneration Report

The remuneration report is set out under the following main headings:

- (1) Principles used to determine the nature and amount of remuneration
- (2) Details of remuneration
- (3) Service agreements
- (4) Share-based compensation
- (5) Additional information

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in section 5 are additional disclosures required by the *Corporations Act 2001* and the *Corporations Regulations 2001* which have not been audited.

1 Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

Remuneration Report

1 Principles used to determine the nature and amount of remuneration

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- (i) focuses on sustained growth in shareholder wealth; and
- (ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

- (i) rewards capability and experience; and
- (ii) provides a clear structure for earning rewards.

Executive directors

Fees and payments to executive directors reflect the demands which are made on, and the responsibilities of, the directors. Executive directors' fees and payments are reviewed annually by the Board. The Board also ensures that executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined together with those of the executive directors. Executive directors do not receive share based payments as part of their compensation package.

Retirement allowances and benefits for directors

There are no retirement allowances or other benefits paid to directors.

2 Details of Remuneration

The amount of remuneration of the directors of WAG Limited (as defined in AASB 124 Related Party Disclosures) is set out in the following table. During the financial year there were no key management personnel other than the directors. There was no remuneration of any type paid, to the directors, other than as reported below.

2008	Fees Paid To Directors \$	Fees director related entity \$	Super - annuation \$	Share based payment \$	Total \$
Executive directors					
David Steinepreis	-	45,000	-	-	45,000
Gary Steinepreis	-	54,000	-	-	54,000
Patrick Burke	54,000	-	-	-	54,000
James Allchurch	-	45,000	-	-	45,000
Ben Zikmundovsky	-	13,500	-	-	13,500
Totals	54,000	157,500	-	-	211,500

Remuneration Report (continued)

2 Details of Remuneration (continued)

2007 Name of director	Fees Paid To Directors \$	Fees director related entity \$	Super - annuation \$	Share based payment \$	Total \$
Executive directors					
David Steinepreis	-	49,500	-	-	49,500
Gary Steinepreis	-	49,500	-	-	49,500
Patrick Burke	48,950	-	-	-	48,950
Totals	48,950	99,000	-	-	147,950

The fees paid to directors and / or director related entities were for the work undertaken in the provision of management services for the ongoing operations of the Company, of the particular director, to the Company, as follows:

- (a) Ord Street Services, an entity associated with David Steinepreis was paid \$45,000 exclusive of GST;
- (b) Leisurewest Consulting Pty Ltd, as trustee for the Leisurewest Trust, an entity associated with Gary Steinepreis, was paid \$54,000 exclusive of GST;
- (c) Patrick Burke was paid fees in the amount of \$54,000 exclusive of GST.
- (d) Resource Ventures Pty Ltd, a company associated with both James Allchurch and Ben Zikmundovsky was paid fees in the amount of \$58,500, exclusive of GST. Mr Allchurch was paid \$45,000 and Mr Zikmundovsky was paid \$13,500.

3 Employment Contracts of Directors and Senior Executives

As at the date of this report there are no executives or key management personnel, other than the directors, engaged by the Company. Executive directors serve on a month to month basis and there are no termination payments payable.

The Company has entered into an agreement with Resource Ventures whereby Resource Ventures provides the services of James Allchurch on a month to month basis for a fee of \$10,000 per month, exclusive of GST.

4 Performance-based Remuneration

There was no performance-based remuneration paid to directors during the financial year.

Indemnifying of Officers or Auditor

The Company does not currently have directors and / or officers or auditor insurance. No insurance to cover the prospective liability of directors and / or officers or auditors was paid during the financial year.

Options

2008	Number	Status
Options expiring 31 Dec 2009 exercise price 1 cent	50,000,000	Granted
Options expiring 31 Dec 2009 exercise price 0.01 cents	35,000,000	Subject to grant
Options expiring 31 Dec 2010 exercise price 2 cents	35,000,000	Granted
Options expiring 31 Dec 2010 exercise price 4 cents	35,000,000	Granted
	155,000,000	
	Number	Status
2007		
Options expiring 31 Dec 2009 exercise price 1 cent	50,000,000	Granted
	50,000,000	

The Options subject to grant will be granted upon completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Resource Ventures and has been approved by the Shareholders of the WAG Ltd.

The terms and conditions of options on issue are detailed in note 13 of the financial report.

Proceedings on Behalf of the Company

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Auditor

WHK Horwath continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-Audit Services

There were no non-audit services provided by the auditors during the financial year, however the Company may in the future decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company are important.

Audit Services

During the financial year \$21,000 (2007: \$25,750) was paid or is payable for audit services provided by the auditors.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20 of the Annual Report.

Corporate Governance

The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. A review of the Company's corporate governance practices was undertaken during the year. Please refer to the corporate governance statement included with this report.

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



Gary Steinepreis
Director
27 August 2008

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WAG Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

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

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA

Dated this 27th day of August 2008

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The financial report is presented in Australian currency.

The financial report covers WAG Limited as an individual entity only. WAG Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

WAG Limited
Level 1, 33 Ord Street
West Perth
Western Australia WA 6005

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the directors' report on pages 3 to 9. The directors' report does not form part of this financial report.

The financial report was authorised for issue by the directors on 27 August 2008. The Company has the power to amend and reissue the financial report.

The Company has ensured and continues to ensure that its corporate reporting is timely, complete and available.

WAG Limited
Income Statement
For the year ended 30 June 2008

		12 Months Company 2008	24 Months Company 2007
	Note	\$	\$
Other income	5	54,655	13,846
Expenses	7	(431,803)	(334,359)
Share based payments	17	(903,000)	-
Loss before income tax		(1,280,148)	(320,513)
Income tax expense	8	-	-
Loss		(1,280,148)	(320,513)
Loss from discontinued operations	6	-	(5,841,139)
Loss for the year		(1,280,148)	(6,161,652)
Loss attributable to the members of WAG Limited		(1,280,148)	(6,161,652)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share	24	(0.33)	(0.21)
Diluted loss per share	24	(0.33)	(0.21)
Loss per share for loss from discontinued operations attributable to the ordinary equity holders of the Company:			
Basic loss per share		-	(3.84)
Diluted loss per share		-	(3.84)
Loss per share for loss from overall operations attributable to the ordinary equity holders of the Company:			
Basic loss per share	24	(0.33)	(4.05)
Diluted loss per share	24	(0.33)	(4.05)

The above income statement should be read in conjunction with the accompanying notes.

WAG Limited
Balance Sheet
As at 30 June 2008

	Note	Company 2008 \$	Company 2007 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,635,367	845,122
Trade and other receivables	10	10,890	20,844
Total current assets		<u>1,646,257</u>	<u>865,966</u>
Non-current assets			
Financial asset	11	250,000	250,000
Total non-current assets		<u>250,000</u>	<u>250,000</u>
Total assets		<u>1,896,257</u>	<u>1,115,966</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	30,482	92,121
Total current liabilities		<u>30,482</u>	<u>92,121</u>
Total liabilities		<u>30,482</u>	<u>92,121</u>
Net assets		<u>1,865,775</u>	<u>1,023,845</u>
EQUITY			
Issued capital	13(a)	59,043,532	57,264,454
Option premium reserve	13(b)	344,000	1,000
Accumulated losses		(57,521,757)	(56,241,609)
Total equity		<u>1,865,775</u>	<u>1,023,845</u>

The above balance sheet should be read in conjunction with the accompanying notes.

WAG Limited
Statement of Changes in Equity
For the year ended 30 June 2008

	Ordinary shares	Option premium reserve	Accumulated losses	Total
2007	\$	\$	\$	\$
Balance 1 July 2006	55,196,096	-	(50,079,957)	5,116,139
Shares issued	2,150,000	-	-	2,150,000
Options issued	-	1,000	-	1,000
Transaction costs	(81,642)	-	-	(81,642)
Loss for the year	-	-	(6,161,652)	(6,161,652)
Balance 30 June 2007	<u>57,264,454</u>	<u>1,000</u>	<u>(56,241,609)</u>	<u>1,023,845</u>
2008				
Balance 1 July 2007	57,264,454	1,000	(56,241,609)	1,023,845
Shares issued for cash	1,275,000	-	-	1,275,000
Shares issued other than for cash	560,000	-	-	560,000
Options issued	-	343,000	-	343,000
Transaction costs	(55,922)	-	-	(55,922)
Loss for the year	-	-	(1,280,148)	(1,280,148)
Balance 30 June 2008	<u>59,043,532</u>	<u>344,000</u>	<u>(57,521,757)</u>	<u>1,865,775</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

WAG Limited
Cash Flow Statement
For the year ended 30 June 2008

	Note	12 Months Company 2008 \$	24 Months Company 2007 \$
Cash flows from operating activities			
Receipts from customers		-	-
BAS refund received		51,307	-
Payments to suppliers and employees		(534,795)	(263,082)
Net cash outflow from operating activities	22	(483,488)	(263,082)
Cash flows from investing activities			
Payment for investments		-	(250,000)
Payment made to settle deed of company arrangement		-	(675,000)
Interest received		54,655	13,846
Net cash inflow / (outflow) from investing activities		54,655	(911,154)
Cash flows from financing activities			
Proceeds from the issue of shares and other equity securities		1,275,000	2,101,000
Share and other equity securities issue transaction costs		(55,922)	(81,642)
Net cash inflow from financing activities		1,219,078	2,019,358
Net increase in cash and cash equivalents		790,245	845,122
Cash and cash equivalents at the beginning of the financial year		845,122	-
Cash and cash equivalents at the end of the financial year	9	1,635,367	845,122

The above cash flow statement should be read in conjunction with the accompanying notes.

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1 Statement of significant accounting policies

This financial report includes the financial statements and notes of WAG Limited a Listed Public Limited entity.

(a) Basis of Preparation

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

With regard to AASB 101: *Presentation of Financial Statements* the income statement and cash flow statement from the previous year's financial accounts have been prepared for the period 1 July 2005 to 30 June 2007 as a result of the Company being under external administration since 21 March 2006. The presentation of the loss and cash flows for the 18 month period to 31 December 2006 have been shown as a 'net' position as it has not been possible to determine the exact nature of revenue and expenditure or cash flow splits into statutory discrete reporting periods.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Where there are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in note 3.

(b) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

1 Statement of significant accounting policies (continued)

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Impairment of Assets

At each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable non-current assets are reviewed for impairment.

1 Statement of significant accounting policies (continued)

(e) Impairment of Assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(h) Financial Assets

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: *Recognition and Measurement of Financial Instruments*.

1 Statement of significant accounting policies (continued)

(h) Financial Assets (continued)

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

Impairment

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

(i) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Contributed Equity

Ordinary shares are classified as equity. Incremental costs (inclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the income statement and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1 Statement of significant accounting policies (continued)

(k) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are presented in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(m) Australian Accounting Interpretations

Certain Australian Accounting Interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The company has assessed and determined that these new standards and interpretations do not currently apply.

2 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, available for sale investments and accounts receivable and payable.

(i) Overall Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Board of directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides written principles for overall risk management.

(ii) Financial Risk Exposure and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

2 Financial Risk Management (continued)

Financial Instruments Maturity Analysis

As the Company has no significant interest-bearing assets other than cash at bank, the Company's income and operating cash flows are not materially exposed to changes in market interest rates. The company does not rely on the generation of interest to provide working capital.

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non- interest bearing	Total	Weighted average effective interest rate
2008	\$	\$	\$	\$	%
<i>(i) Financial assets</i>					
Cash assets	1,635,367	-	-	1,635,367	6.85
Other financial assets	-	-	250,000	250,000	
Trade and other receivables	-	-	10,890	10,890	
Total financial assets	1,635,367	-	260,890	1,896,257	
<i>(ii) Financial liabilities</i>					
Trade and other payables	-	-	30,482	30,482	
Total financial liabilities	-	-	30,482	30,482	

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non- interest bearing	Total	Weighted average effective interest rate
2007	\$	\$	\$	\$	%
<i>(i) Financial assets</i>					
Cash assets	845,122	-	-	845,122	3.50
Other financial assets	-	-	250,000	250,000	
Trade and other receivables	-	-	20,844	20,844	
Total financial assets	845,122	-	270,844	1,115,966	
<i>(ii) Financial liabilities</i>					
Trade and other payables	-	-	92,121	92,121	
Total financial liabilities	-	-	92,121	92,121	

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

2 Financial Risk Management (continued)

Credit risk (continued)

The credit risk on trade and other receivables is limited as it comprise of GST recoverable from ATO. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Price Risk

The company's exposure to equity securities price risk is minimal. Equity securities price risk arises from investments in equity securities. The company is not exposed to price risk as it only has an investment in an unlisted entity which is carried at cost.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company's financial liabilities include trade and payables which are paid on a 30 day period.

3 Critical Accounting Estimates, Judgements and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment

In line with stated policy the directors have reviewed the carrying value of financial assets to determine if any impairment has arisen during the financial year. In the directors opinion no impairment has occurred during the financial year ended 30 June 2008 to the financial assets.

4 Segment Information

Business Segment

The Company operates in the broadcasting, media, radio and television business segment and has made certain investments by way of farm-in agreements in the mineral exploration industry.

The Company has reviewed a number of potential opportunities in the broadcasting area complimentary to its broadcasting facility in Geraldton and the licence held. None of these opportunities have met suitable investment criteria. However, the Company considers that its facility and licences provide a foundation upon which a viable regional broadcasting business can be built and intends to continue to pursue opportunities in this regard.

4 Segment Information (continued)

Business Segment (continued)

Whilst the Company has committed funding to mineral exploration projects it is continuing its broadcasting business and has not made a decision to change the nature of its existing business and that decision will only be made if the Board considers this to be in the interests of all shareholders. At that time shareholders will be asked to consider and, if thought fit, ratify any such proposal.

2008	Media	Exploration	Total
	\$	\$	\$
Corporate management costs	(78,750)	(132,750)	(211,500)
Corporate compliance costs	(47,763)	-	(47,763)
Occupancy costs	(83,110)	-	(83,110)
Audit expenses	(21,000)	-	(21,000)
General administration expenses	(46,514)	(21,916)	(68,430)
	<u>(277,137)</u>	<u>(154,666)</u>	<u>(431,803)</u>
Share based payments	-	(903,000)	(903,000)
Interest received	54,655	-	54,655
Loss for the year attributable to the members of WAG limited	<u>(222,482)</u>	<u>(1,057,666)</u>	<u>(1,280,148)</u>

2007	Media	Exploration	Total
	\$	\$	\$
Corporate management costs	(97,500)	-	(97,500)
Corporate compliance costs	(31,334)	-	(31,334)
Occupancy costs	(25,615)	-	(25,615)
Audit expenses	(25,750)	-	(25,750)
Project consultants fees	(90,000)	-	(90,000)
General administration expenses	(64,160)	-	(64,160)
	<u>(334,359)</u>	<u>-</u>	<u>(334,359)</u>
Loss from discontinued operations	(5,841,139)	-	(5,841,139)
Interest received	13,846	-	13,846
Loss for the year attributable to the members of WAG limited	<u>(6,161,652)</u>	<u>-</u>	<u>(6,161,652)</u>

Geographical Segment

The Company is domiciled in Australia and during the financial year ended 30 June 2008 operated within Australia.

WAG Limited
Notes to the Financial Statements
30 June 2008
Continued

5 Other Income	Company 2008	Company 2007
	\$	\$
Interest received	54,655	13,846
	<u>54,655</u>	<u>13,846</u>
6 Discontinued Operations	Company 2008	Company 2007
	\$	\$
Net liabilities defeased pursuant to a deed of company arrangement – Loss of capital	-	(5,116,139)
Issue of shares pursuant to a deed of company arrangement	-	(50,000)
Payment pursuant to a deed of company arrangement	-	(675,000)
Net loss on defeasance of liabilities pursuant to a deed of company arrangement	<u>-</u>	<u>(5,841,139)</u>

The transfer of assets and liabilities to the creditors trust did not create any tax liability or benefit to the Company.

The transaction also had no cash flow impact on the Company. The carrying amount of assets and liabilities transferred to the creditors trust on 20 December 2006 were as follows:

	Company 2008	Company 2007
	\$	\$
Current assets		
Cash assets	-	4,987,795
Receivables	-	33,482
Property plant & equipment	-	8,581
Other financial assets	-	1,803,408
Total assets	<u>-</u>	<u>6,833,266</u>
Current liabilities		
Loss of capital	-	5,116,139
Payables	-	389,413
Interest bearing liabilities	-	1,192,500
Provisions	-	57,618
Other non-current liabilities	-	62,080
Other liabilities	-	15,516
Total liabilities	<u>-</u>	<u>6,833,266</u>
Net assets / (liabilities)	<u>-</u>	<u>-</u>

WAG Limited
Notes to the Financial Statements
30 June 2008
Continued

7 Expenses	Company	Company
Loss before income tax includes the following specific expenses:	2008	2007
	\$	\$
Corporate management costs	211,500	97,500
Corporate compliance costs	47,763	31,334
Occupancy costs	83,110	25,615
Project consultants fees	-	90,000
Audit expenses	21,000	25,750
General administration expenses	68,430	64,160
	431,803	334,359
Share based payments:		
Options issued	343,000	-
Shares issued	560,000	-
	903,000	-
8 Income Tax Expense	Company	Company
(a) The components of tax expense comprise:	2008	2007
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from continuing activities before income tax at 30% (2007: 30%)	(384,044)	(96,154)
Prima facie tax benefit on loss from discontinued activities before income tax at 30% (2007: 30%)	-	(1,752,342)
	(384,044)	(1,848,496)
Add the tax effect of:		
Share based payments	270,900	-
Revenue losses not recognised	111,301	-
Revenue losses written off	-	78,689
Foreign revenue losses not recognised	15,807	-
Loss on deed of company arrangement	-	1,752,342
Other deferred tax balances not recognised	-	17,341
Other non allowable items	75	124
	14,039	-
Less tax effect of:		
Other deferred tax balances not recognised	(14,039)	-
	-	-
The applicable weighted average effective tax rates are:	0%	0%

WAG Limited
Notes to the Financial Statements
30 June 2007
Continued

8 Income Tax Expense (continued)	Company	Company
(c) The following deferred tax balances have not been recognised:	2008	2007
	\$	\$
Deferred tax assets at 30%:		
Carry forward revenue losses	111,301	-
Carry forward foreign losses	15,807	-
Capital raising costs	41,422	37,334
Provisions and accruals	3,150	4,500
	<u>171,680</u>	<u>41,834</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the company in utilising the benefits.

9 Current Assets – Cash and Cash Equivalents	Company	Company
	2008	2007
	\$	\$
Cash at bank and in hand is interest bearing with a floating interest rate of 6.85% (2007: 3.5%) per year	<u>1,635,367</u>	<u>845,122</u>

10 Current Assets – Trade and Other Receivables	Company	Company
	2008	2007
	\$	\$
Other receivables	<u>10,890</u>	<u>20,844</u>

11 Financial Assets	Company	Company
	2008	2007
	\$	\$
Available for sale financial assets comprises unlisted investments at cost	\$	\$
Shares in other entities	<u>250,000</u>	<u>250,000</u>

The available for sale financial asset is comprised of the investment in the ordinary issued capital of Pleiades Resources Pty Ltd. There are no fixed returns or fixed maturity date attached to this investment. The fair value of unlisted available for sale financial assets cannot be reliably measured. As a result all unlisted investments are reflected at cost. In the opinion of the directors the investment in the unlisted entity is worth at least the amount at which it is stated.

12 Current Liabilities – Trade and Other Payables	Company	Company
	2008	2007
	\$	\$
Other payables	<u>30,482</u>	<u>92,121</u>

WAG Limited
Notes to the Financial Statements
30 June 2008
Continued

13 Issued Capital	Company 2008	Company 2007	Company 2008	Company 2007
(a) Share Capital	Shares	Shares	\$	\$
Ordinary shares fully paid	462,635,706	342,635,706	59,043,532	57,264,454
(b) Other Equity Securities	Company 2008 Options	Company 2007 Options	Company 2008 \$	Company 2007 \$
Options exercisable at 1 cent expiring on 31 December 2009	50,000,000	50,000,000	1,000	1,000
Options exercisable at 2 cents expiring on 31 December 2010	35,000,000	-	224,000	-
Options exercisable at 4 cents expiring on 31 December 2010	35,000,000	-	119,000	-
	120,000,000	50,000,000	344,000	1,000

On 12 March 2008 a further 35,000,000 options, (exercisable at 0.01 cents and expiring on 31 December 2009), were issued but are not yet granted as the grant of the options is subject to shareholder approval.

(c) Movement in Ordinary Share Capital

2008		Number of	Issue	Amount
Date	Details	shares	price	\$
1/7/2007	Opening balance	342,635,706		57,264,454
28/12/2007	Placement	51,250,000	1.5 cents	768,750
12/3/2008	Placement	33,750,000	1.5 cents	506,250
12/3/2008	Issue for other than cash	35,000,000	1.6 cents	560,000
	Cost of share issues	-		(55,922)
30/6/2008	Balance	462,635,706		59,043,532
2007		Number of	Issue	Amount
Date	Details	shares	price	\$
1/7/2006	Opening balance	244,680,416		55,196,096
20/12/2006	Consolidation on a 2 for 13 basis	(207,044,710)		-
		37,635,706		55,196,096
13/2/2007	Issue of Shares	120,000,000	.25 cents	300,000
13/2/2007	Issue of Shares	180,000,000	1 cent	1,800,000
13/2/2007	Issue of Shares	5,000,000	1 cent	50,000
13/2/2007	Cost of share issues	-		(81,642)
30/6/2007	Balance	342,635,706		57,264,454

13 Issued Capital (continued)

(c) Movement in Ordinary Share Capital (continued)

Ordinary shares 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 by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Movement in Options

2008		Number of	Issue price	Amount
Date	Details	options		\$
1/7/2007	Opening balance	50,000,000		1,000
12/3/2008	Issue of options	35,000,000	0.64 cents	224,000
12/3/2008	Issue of options	35,000,000	0.34 cents	119,000
30/6/2008	Balance	120,000,000		344,000

2007		Number of	Issue price	Amount
Date	Details	options		\$
1/7/2006	Opening balance	-		-
13/2/2007	Premium received on issue of options	50,000,000	0.002 cents	1,000
30/6/2007	Balance	50,000,000		1,000

On 12 March 2008 a further 35,000,000 options, (exercisable at 0.01 cents and expiring on 31 December 2009), were issued but are not yet granted as the grant of the options is subject to shareholder approval.

(e) Terms and Conditions of Options

1. The material terms and conditions of the 50 million options issued on 13 February 2007 are as follows:

- (i) each option entitles the holder, when exercised, to one (1) share;
- (ii) the options are exercisable at any time on or before 31 December 2009;
- (iii) the exercise price of the options is 1 cent each (on a post-consolidation basis);
- (iv) subject to the *Corporations Act 2001*, the Constitution and the ASX Listing Rules, the options are fully transferable;
- (v) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;

13 Issued Capital (continued)

(e) Terms and Conditions of Options (continued)

The material terms and conditions of the 50 million options issued on 13 February 2007 are as follows: (continued)

- (vi) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The options will be unlisted however the Company reserves the right to apply for quotation at a later date;
- (vii) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (viii) if at any time the issued capital of the Company is reorganised, the rights of an option holder are to be changed to the extent necessary to comply with the *Listing Rules* applying to a reorganisation of capital at the time of the reorganisation; and
- (ix) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in *ASX Listing Rule 6.22.2*.

The material terms and conditions of the 105 million options issued to Resource Ventures Pty Ltd on 12 March 2008 are as follows:

Options	Number	Status
Exercisable at 0.01 cents on or before 31 December 2009	35,000,000	Subject to grant
Exercisable at 2 cents on or before 31 December 2010	35,000,000	Granted
Exercisable at 4 cents on or before 31 December 2010	35,000,000	Granted

The 35,000,000 options issued but subject to grant will be granted upon completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Resource Ventures and has been approved by the Shareholders.

13 Issued Capital (continued)

(e) Terms and Conditions of Options (continued)

The material terms and conditions of the 105 million options issued to Resource Ventures Pty Ltd on 12 March 2008 are as follows: (continued)

In addition to the terms and conditions set out above, the following terms and conditions also apply:

- (a) each Option entitles the holder, when exercised, to one (1) Share;
- (b) subject to the Corporations Act, the Constitution and the ASX Listing Rules, the Options are fully transferable;
- (c) the Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining;
- (d) all Shares issued upon exercise of the Options will rank *pari passu* in all respects with the Company's then issued Shares. The Options will be unlisted however the Company reserves the right to apply for quotation at a later date;
- (e) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, Option holders will be notified of the proposed issue at least seven (7) Business Days before the record date of any proposed issue. This will give Option holders the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue;
- (f) if at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
- (g) in the event the Company makes a pro rata issue of securities, the exercise price of the Options will change in accordance with the formula set out in ASX Listing Rule 6.22.2.

14 Nature and Purpose of Reserves

Share option reserve was used to record the funds received on the issue of options and to record the value of options issued other than for cash.

15 Dividends

There were no dividends recommended or paid during the financial year.

16 Key Management Personnel Disclosures

(a) Directors

The following persons were directors during the financial year:

(i) Chairman - Executive

David Christian Steinepreis (appointed 2 November 2006 resigned 13 March 2008)

(ii) Executive Directors

James Peter Allchurch (from 15 February 2008 and continues in office at the date of this report).

Patrick Nicolas Burke (from 20 December 2006 and continues in office at the date of this report)

(iii) Non-executive directors

Zbynek (Ben) Zikmundovsky (from 15 February 2008 and continues in office at the date of this report)

Gary Christian Steinepreis (from 2 November 2006 and continues in office at the date of this report)

(b) Key management personnel compensation	Company 2008	Company 2007
	\$	\$
Fees paid to directors and / or entities associated with directors	211,500	147,950
	211,500	147,950

The Company has taken advantage of the relief provided by Corporations Regulation CRM2.6.04 and has transferred the detailed remuneration disclosures to the directors' report.

(c) Equity Instrument Disclosures Relating to Key Management Personnel

(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of WAG Limited, including their personally related parties, are set out below:

16 Key Management Personnel Disclosures (continued)

(c) **Equity Instrument Disclosures Relating to Key Management Personnel**
(continued)

(i) *Option holdings* (continued)

2008					
Name	Balance at	Issued	Exercised	Balance at	Vested and
Directors	the start	during the	during	the end of	exercisable
	of the year	year	the year	the year	at the end
					of the year
Gary Steinepreis	11,250,000	-	-	11,250,000	11,250,000
Patrick Burke	-	-	-	-	-
Ben Zikmundovsky	-	59,062,500	-	59,062,500	39,375,000
James Allchurch	-	59,062,500	-	59,062,500	39,375,000
	11,250,000	118,125,000	-	129,375,000	90,000,000

2007					
Name	Balance at	Issued	Exercised	Balance at	Vested and
Directors	the start of	during the	during	the end of	exercisable
	the year	year	the year	the year	at the end
					of the year
David Steinepreis	-	11,250,000	-	11,250,000	11,250,000
Gary Steinepreis	-	11,250,000	-	11,250,000	11,250,000
Patrick Burke	-	-	-	-	-
	-	22,500,000	-	22,500,000	22,500,000

(ii) *Share holdings*

The numbers of shares in the Company held during the financial year by each director of WAG Limited, including their personally related parties, are set out below:

2008				
Name	Balance at	Received during	Other	Balance at
Directors	the start of	the year on the	changes	the end of
	the year	exercise of options	during the	the year
			year	
Gary Steinepreis	41,500,000	-	3,375,000	44,875,000
Patrick Burke	5,000,000	-	3,375,000	8,375,000
Ben Zikmundovsky	-	-	19,687,500	19,687,500
James Allchurch	-	-	19,687,500	19,687,500
	46,500,000	-	46,125,000	92,625,000

16 Key Management Personnel Disclosures (continued)
(c) Equity Instrument Disclosures Relating to Key Management Personnel
(continued)
(ii) Share holdings (continued)

2007 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors				
David Steinepreis	-	-	28,000,000	28,000,000
Gary Steinepreis	-	-	41,500,000	41,500,000
Patrick Burke	-	-	5,000,000	5,000,000
	-	-	74,500,000	74,500,000

The interests in shares and options of James Allchurch and Ben Zikmundovsky are a result of the issue of 35,000,000 shares and 105,000,000 options to Resource Ventures. Subsequent to the issue of the shares and options, Resource Ventures distributed 50% of the shares and options received to its shareholders. As shareholders in Resource Ventures, Mr Allchurch and Mr Zikmundovsky received 2,187,500 shares and 6,562,500 options each.

After the distribution to shareholders Resource Ventures holdings were 17,500,000 shares and 52,500,000 options both Mr Allchurch and Mr Zikmundovsky have and interest in this holding due to their shareholding in Resource Ventures.

Of the 105,000,000 options issued 35,000,000 whilst issued have not been granted as at the date of this report as the grant of these options requires shareholder approval and the completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Resources Ventures.

The interest of both directors is summarised in the table below.

Resource Ventures	Shares	Options
Issued to Resource Ventures	35,000,000	105,000,000
Distributed to the shareholders of Resource Ventures	17,500,000	52,500,000
Resource Ventures holding at the date of this report	17,500,000	52,500,000
James Allchurch		
Direct holdings via distribution from Resource Ventures	2,187,500	6,562,500
Holdings due to interest in Resource Ventures	17,500,000	52,500,000
	19,687,500	59,062,500
Ben Zikmundovsky		
Direct holdings via distribution from Resource Ventures	2,187,500	6,562,500
Holdings due to interest in Resource Ventures	17,500,000	52,500,000
	19,687,500	59,062,500

16 Key Management Personnel Disclosures (continued)

(d) Transactions with Key Management Personnel

The fees paid to directors and / or director related entities were for the work undertaken in the provision of management services for the ongoing operations of the Company:

- (a) Ord Street Services, an entity associated with David Steinepreis was paid \$45,000 exclusive of GST.
- (b) Leisurewest Consulting Pty Ltd, as trustee for the Leisurewest Trust, an entity associated with Gary Steinepreis, was paid \$54,000 exclusive of GST.
- (c) Resource Ventures Pty Ltd, a company associated with both James Allchurch and Ben Zikmundovsky was paid fees in the amount of \$58,500, exclusive of GST. Mr Allchurch was paid \$45,000 and Mr Zikmundovsky was paid \$13,500.
- (d) Patrick Burke was paid fees in the amount of \$54,000 exclusive of GST.
- (e) A former director, Mr David Steinepreis is associated with the entity Ord Street Services. Ord Street Services provided office accommodation and serviced office facilities during the time Mr Steinepreis was a director, for WAG Limited, based on normal commercial terms and conditions in the amount of \$33,250 (exclusive of GST). The services are provided on a month to month basis and there is no formal contract in place.

Aggregate amounts of each of the above types of other transactions with key management personnel of WAG Limited.

	Company 2008	Company 2007
Amounts recognised as expense and / or cost of capital:	\$	\$
Fees for services rendered	54,000	55,000
Fees paid to directors or director related entities	157,500	92,950
Occupancy costs	33,250	25,615
	244,750	173,565

17 Share Based Payments

The following share-based payments occurred during the financial year ended 30 June 2008 and were made pursuant to a contract entered into by the Company on 13 December 2007 for the work to be undertaken by Resource Ventures Pty Ltd in assisting with the development of future strategic plans for the Company and for the introduction of suitable projects in line with those plans.

In consideration for the services being supplied by Resource Ventures the Company granted 35,000,000 ordinary shares and 70,000,000 options to Resource Ventures. An additional 35,000,000 options were issued to Resource Ventures Pty Ltd on the same date. These 35,000,000 options will be granted on the completion of any transaction entered into by WAG Ltd which has resulted from the introduction, negotiation and involvement of Resource Ventures Pty Ltd and which has been approved by shareholders of WAG Ltd.

17 Share Based Payments (continued)

The options granted (70,000,000) have been valued using the Black and Scholes method and expensed to the profit and loss account during the year. The value attributed to the options granted is \$343,000.

The options hold no voting or dividend rights. At balance date, no share option has been exercised. The terms and conditions of the options are included in note 13 of this financial report.

The shares issued were valued on the date of issue at the then price of the shares as quoted on ASX (1.6 cents). The resulting value of \$560,000 was expensed to the profit and loss account during the year.

Shares		Number of	Share price	Calculated
2008	Details	shares	on day of	Value
Date			issue	\$
12/3/2008	Grant of shares	35,000,000	\$0.016	560,000
30/6/2008		35,000,000		560,000

Shares		Number of	Share price	Calculated
2007	Details	shares	on day of	Value
Date			issue	\$
30/6/2007		-		-

Options		Number of	Weighted	Calculated
2008	Details	options	average	Value
Date			exercise	\$
			price	
12/3/2008	Grant of options	35,000,000	\$0.0064	224,000
12/3/2008	Grant of options	35,000,000	\$0.0034	119,000
30/6/2008		70,000,000		343,000

Options		Number of	Weighted	Calculated
2007	Details	options	average	Value
Date			exercise	\$
			price	
30/6/2007		-		-

The valuation was calculated using the Black Scholes option pricing model applying the following inputs to those options issued and vested as at the date of this report:

Number of	Expiry	Exercise	Underlying	Expected	Risk free
options	Date	price	share price	volatility	interest rate
35,000,000	31/12/2010	\$0.02	\$0.016	64%	6.75%
35,000,000	31/12/2010	\$0.04	\$0.016	64%	6.75%

18 Remuneration of Auditors

During the year fees were paid or payable for services provided by the auditor of the Company:	Company 2008	Company 2007
(a) Assurance Services	\$	\$
<i>Audit services - WHK Horwath</i>		
Financial reports under the Corporations Act 2001	21,000	15,000
<i>Audit services - Grant Thornton</i>		
Financial reports under the Corporations Act 2001	-	10,750
Total remuneration for audit services	<u>21,000</u>	<u>25,750</u>

It is the Company's policy to employ WHK Horwath on assignments additional to their statutory audit duties where WHK Horwath's expertise and experience with the Company are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where WHK Horwath are awarded assignments on a competitive basis. It is the Company's policy to seek competitive tenders for all major material consulting projects.

19 Commitments

There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability.

Subsequent to the end of the financial year the Company entered into a conditional farm-in agreement with AIM listed Beowulf Mining plc (Beowulf). The Company has agreed to spend not less than AUD\$1,000,000 over a 22 month period to earn a 50% interest in Beowulf's Ruotevare Project.

The funds will be used to complete a 3,000-5,000 metre resource delineation drilling program and metallurgical test-work program and to prepare a proposal for scoping and feasibility studies.

The proposed expenditure has not been recognised as a liability as the farm-in agreement is subject to shareholder approval at a meeting of shareholders to be held in early September 2008.

Also for approval at the meeting in September is shareholder authority to place 50,000,000 shares at a price that will be at least 80% of the average market price for the Company's shares on ASX over the last 5 trading days on which sales in the shares are recorded preceding the date on which the issue is made.

20 Related Party Transactions

Disclosures relating to key management personnel are set out in note 16 and in the Directors' Report. There were no outstanding balances at the reporting date in relation to transactions with related parties.

20 Related Party Transactions (continued)

Payments for supplies and services rendered	Company 2008	Company 2007
	\$	\$
Office rent and outgoings paid to Ord Street Services an entity associated with David Steinepreis	33,250	25,615
Fees for the provision of management services	211,500	85,115
Reconstruction fees paid to Ascent Capital Holdings	-	51,250
Total related party transactions	244,750	161,980

21 Events Occurring After the Balance Sheet Date

Second Farm-In Agreement Swedish Iron Ore Project

The Company has entered into a second farm-in agreement with Beowulf Mining Plc pursuant to which, subject to shareholder approval and certain other conditions, the Company has agreed to complete drilling, metallurgical test-work and a magnetic survey programme by April 2010 to earn a 50% interest in Beowulf's Kallak Project.

Since 30 June 2008 there has been no matter or circumstance, other than that mentioned above, that has arisen that has significantly affected, or may significantly affect:

1. the Company's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Company's state of affairs in future financial years.

22 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities	Company 2008	Company 2007
	\$	\$
Loss for the year	(1,280,148)	(6,161,652)
Interest income	(54,655)	(13,846)
Net loss of capital on assets and liabilities defeased pursuant to the deed of Company arrangement	-	5,116,139
Payment pursuant to a deed of company arrangement	-	675,000
Issue of shares pursuant to a deed of company arrangement	-	50,000
Share based payments	903,000	-
Changes in operating assets and liabilities:		
Increase / (decrease) in trade and other payables	(61,640)	92,121
(Increase) / decrease in trade and other receivables	9,955	(20,844)
Net cash outflow from operating activities	(483,488)	(263,082)

23 Non-Cash Investing and Financing Activities

On 13 December 2007 the Company contracted Resource Ventures Pty Ltd to assist in the review of the strategic direction of the Company.

In consideration for the services being supplied by Resource Ventures the Company granted 35,000,000 ordinary shares and 70,000,000 options to Resource Ventures.

An additional 35,000,000 options were issued to Resource Ventures Pty Ltd on the same date. These 35,000,000 options will be granted on the completion of any transaction entered into by WAG Ltd which has resulted from the introduction, negotiation and involvement of Resource Ventures Pty Ltd and which has been approved by shareholders of WAG Ltd.

Representatives of Resource Ventures, James Allchurch and Ben Zikmundovsky, were appointed to the Board of the Company on 15 February 2008.

The options granted (70,000,000) have been valued using the Black and Scholes method and expensed to the profit and loss account during the year. The value attributed to the options issued is \$343,000.

The shares issued (35,000,000) were valued on the date of issue at the then price of the shares as quoted on ASX (1.6 cents). The resulting value of \$560,000 was expensed to the profit and loss account during the year.

24 Loss Per Share	Company 2008	Company 2007
(a) Basic and Diluted Loss Per Share	Cents	Cents
Loss from continuing operations attributable to the ordinary equity holders of the Company	(0.33)	(0.21)
Loss from discontinued operations	-	(3.84)
Loss attributable to the ordinary equity holders of the Company	<u>(0.33)</u>	<u>(4.05)</u>

24 Loss Per Share (continued)

(b) Reconciliation of Loss used in Calculating Loss Per Share	Company 2008	Company 2007
<i>Basic and diluted loss per share</i>	\$	\$
Loss from continuing operations attributable to the ordinary equity holders of the Company	(1,280,148)	(320,513)
Loss from discontinued operations	-	(5,841,139)
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	<u>(1,280,148)</u>	<u>(6,161,652)</u>
(c) Weighted Average Number of Shares Used as the Denominator	Company 2008 Number	Company 2007 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	<u>389,519,268</u>	<u>152,115,158</u>

(d) Information Concerning the Classification of Securities

Options

Options are considered to be potential ordinary shares. The options have not been included in the determination of basic earnings per share or diluted earnings per share as the Company is in a position of loss.

25 Company Details

The registered office and principal place of business of the Company is:

Level 1, 33 Ord Street
West Perth 6005
Western Australia

26 Statement of Compliance

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board. The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

26 Statement of Compliance (continued)

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group		
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report	1.1.2009	1.7.2009	
	AASB 6	Exploration for and Evaluation of Mineral				
	AASB 102	Inventories				
	AASB 107	Cash Flow Statements				
	AASB 119	Employee Benefits				
	AASB 127	Consolidated and Separate Financial Statements				
	AASB 134	Interim Financial Reporting				
	AASB 136	Impairment of Assets				
	AASB 1023	General Insurance Contracts				
AASB 8 Operating Segments	AASB 1038	Life Insurance Contracts	As above	1.1.2009	1.7.2009	
	AASB 114	Segment Reporting				
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009	
		AASB 101				Presentation of Financial Statements
		AASB 107				Cash Flow Statements
		AASB 111				Construction Contracts
		AASB 116				Property, Plant and Equipment
		AASB 138				Intangible Assets

26 Statement of Compliance (continued)

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group	
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above	1.1.2009	1.7.2009
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above	1.1.2009	1.7.2009

WAG Limited
Directors' Declaration
30 June 2008

The directors' of the Company declare that:

- 1 the financial statements and notes as set out on pages 20 to 50 are in accordance with the *Corporations Act 2001*, and
 - (i) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) give a true and fair view of the financial position of the Company as at 30 June 2008 and of its performance for the year ended on that date.

- 2 the directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have declared that:
 - (i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (ii) the financial statements and notes for the financial year comply with the accounting standards except *AASB 101: Presentation of Financial Statements*, with regard to the presentation of comparative information. (prior period comparatives being for 24 months); and
 - (iii) the financial statements and notes for the financial year give a true and fair view.

- 3 in the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Gary Steinepreis
Director
Perth
27 August 2008

Corporate Governance Statement

WAG Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. Where the Company has not adhered to the policies set out in its Board Charter for corporate governance it has stated that fact below. The Board Charter can be viewed on the Company website at www.wagltd.com.au.

The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board.

Corporate Governance Compliance

During the year the Company has complied with the ASX Corporate Governance Principles and the corresponding Best Practice Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.

Principle 1 – Lay solid foundations for management and oversight

1.1 There is no delineation of functions between the Board and senior executives.

All functions, roles and responsibilities are undertaken by the Board as there are no executives other than directors as at the date of this report.

Principle 2 – Structure the Board to add value

The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.

2.1 The Company does not have a majority of independent directors.

Consistent with the size of the Company and its activities, the Board is comprised of four (4) directors, 3 of whom are considered executive directors.

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does not currently conform to its policy. It is the Board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Principle 2 – Structure the Board to add value (continued)

2.2 The chairman is not an independent director.

The Company does not currently have a chairman. The Board's policy is that the chairman shall be independent and non-executive at a time when the size of the Company and its activities warrants such a position.

2.4 A nomination committee has not been established.

The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Principle 4 – Safeguard integrity in financial reporting

4.1 The Company does not have an audit committee.

4.2 Given 4.1 the structure of the audit committee does not comply with the structure set out in the Board Charter adopted by the Company

The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board. The Board's Charter calls for the establishment of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The current size of the Company and the scale of its activities allows all directors to participate fully in all decision making.

Principle 7 – Recognise and manage risk

All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the Board as a whole as there are no executives other than directors as at the date of this report.

The role of the Risk Management Committee has been assumed by the full Board operating under the Risk Management Committee Charter adopted by the Board.

The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

8.1 The Company does not have a Remuneration Committee.

The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board. The current size of the Company and the scale of its activities allows all directors to participate fully in all decision making and the Directors consider this to be appropriate given the size and nature of operations of the Company.

INDEPENDENT AUDIT REPORT TO MEMBERS OF WAG LIMITED

We have audited the accompanying financial report of WAG Limited (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Basis of Qualified Opinion

- 1) As discussed in Note 1 to the financial statements, comparative information for the incomes statement, cashflow statements and statement of changes in equity have been presented for a 24 month period from 1 July 2005 to 30 June 2007 and is not in accordance with AASB 101: *Presentation of Financial Statements*:
- 2) The income statement and cashflow statement have been prepared for the 24 month period ended 30 June 2007. As discussed in Note 1 to the financial statements the Company was under external administration from 21 March 2006 to 20 December 2006 and as such has been unable to separate the loss as disclosed in the income statement and the movements in the cash balances, as disclosed in the cashflow statement into two discrete 12 monthly reporting periods as required by Section 323 D of the Corporations Act 2001. As a result of this, the income statement and cashflow statement do not disclose the full details for the 24 month period as required under AASB 101: *Presentation of Financial Statements*.

Qualified Audit Opinion

In our opinion, except for the effects and adjustments, if any, as might have been determined to be necessary, had we been able to satisfy ourselves with regard to the comparatives, the separation of the income statement, cashflow statement and associated notes into two discrete 12 month accounting periods, and full disclosures of the nature or function of expenses incurred by the Company, the financial report of WAG Limited is in accordance with the Corporations Act 2001 including:

- a) i. giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the 12 month period ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 13 to 15 of the directors' report for the year ended 30 June 2008. 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 WAG Limited for the year ended 30 June 2008 complies with section 300A of the Corporations Act 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA

Dated this 27th day of August 2008



The shareholder information set out below was applicable as at the dates specified.

1 Distribution of Equity Securities (Current as at 22 August 2008)

Analysis of numbers of equity security holders by size of holding:

Class of Security – **Ordinary Shares**

			Number of Shareholders
1	-	1,000	370
1,001	-	5,000	331
5,001	-	10,000	92
10,001	-	100,000	276
100,001	and over		318
			1,387

There were 926 holders of less than a marketable parcel of ordinary shares

2 Unquoted Equity Securities – Options (Current as at 22 August 2008)

	Number on issue	Number of holders
(i)		
Options expiring 31 December 2009 at an exercise price of 1 cent per option	50,000,000	11
Option holders, holding 20% or more:	Number Held	%
David Christian Steinepreis	11,250,000	22.5
(ii)		
Options expiring 31 December 2010 at an exercise price of 4 cents per option	35,000,000	9
Option holders, holding 20% or more:	Number Held	%
Resource Ventures Pty Ltd	17,500,000	50

2 Unquoted Equity Securities – Options (Current as at 22 August 2008)
(continued)

(iii)	Number on issue	Number of holders
Options expiring 31 December 2010 at an exercise price of 2 cents per option	35,000,000	9
Option-holders, holding 20% or more:	Number Held	%
Resource Ventures Pty Ltd	17,500,000	50

(iv)	Number on issue	Number of holders
Options expiring 31 December 2009 at an exercise price of .01 cents per option	35,000,000	9
Option-holders, holding 20% or more:	Number Held	%
Resource Ventures Pty Ltd	17,500,000	50

The options in point (iv) above have not vested as at the date of this report. In order to vest condition 1 (refer following) must be met.

Condition 1 - the Options will vest upon completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Resource Ventures and has been approved by the Shareholders.

The terms and conditions of options on issue are detailed in note 13 of the financial report.

3 Substantial Holders (Current as at 22 August 2008)

Substantial holders of equity securities in the Company are set out below:

Ordinary Shares		Percentage of issued shares
Name	Number held	
Ascent Capital Holdings Pty Ltd and its directors David Steinepreis and Gary Steinepreis and their associated entities and related parties	70,270,144	15.19
Helmet Nominees Pty Ltd and its director Tim Weir	32,154,167	6.95

4 Equity Security Holders (Current as at 22 August 2008)

The names of the twenty largest holders of quoted equity securities are listed below:

Ordinary Shares

Rank	Name	Number of Shares	% of Issued Capital
1	Oakhurst Enterprises Pty Ltd	23,375,000	5.05
2	Helmet Nominees Pty Ltd Tim Weir Family Fund a/c	21,404,167	4.63
3	Mr David Christian Steinepreis	19,375,000	4.19
4	Resource Ventures Pty Ltd	17,500,000	3.78
5	Mr John Derek Lewins Mrs Concetta Maria Maria Nicoletti Lewins Anjel Super Fund a/c	16,187,500	3.50
6	Haifa Pty Ltd	12,000,000	2.59
7	Leisurewest Consulting Pty Ltd	11,500,000	2.49
8	Mr Timonthy Leonard Weir Ms Vanya Marian Kelleher Tim Weir Super Fund a/c	10,750,000	2.32
9	Ascent Capital Holdings Pty Ltd	10,000,000	2.16
10	Megatop Nominees Pty Ltd Morris Super Fund No 2 a/c	9,500,000	2.05
11	Mr Marcello Cardaci M D Cardaci Family a/c	9,204,918	1.99
12	Rowan Hall Pty Ltd Rowan Hall Investment a/c	8,375,000	1.81
13	Hazardous Investments Pty Ltd	7,650,000	1.65
14	Grangefield Pty Ltd	7,230,000	1.56
15	Residuum Nominees Pty Ltd Carbrakine S/F a/c	6,230,000	1.35
16	Gecko Resources Pty Ltd	5,600,000	1.21
17	Mr Vincenzo Brizzi Mrs Rita Lucia Brizzi Brizzi Family S/F a/c	5,500,000	1.19
18	Horseshoe Investments Pty Ltd Rod Russell Family Fund a/c	5,150,000	1.11
19	Westessa Holdings Pty Ltd	4,998,000	1.08
20	Mr David Christian Steinepreis	4,020,144	0.87
		215,549,729	46.58

5 Voting Rights

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options
These securities have no voting rights.

6 On-Market Buy-Back

There is no current on-market buy-back.