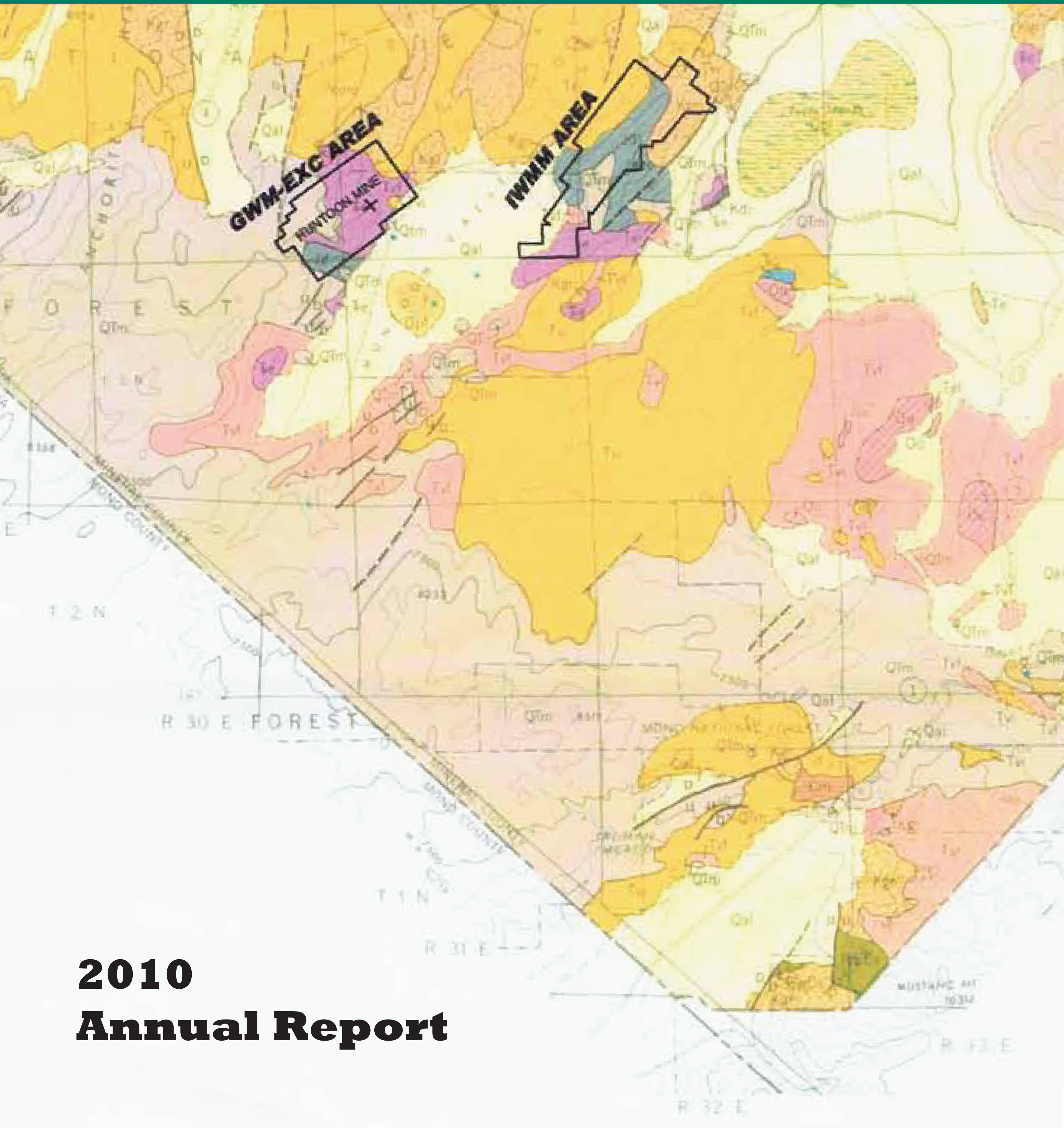
Great Western Mining Corporation Plc



2010 Annual Report

CONTENTS

DIRECTORS AND OTHER INFORMATION

Directors	Emmett O'Connell	*(Executive Chairman)*
	Melvyn Quiller	*(Chief Executive Officer)*
	Robert O'Connell	*(Operations Director)*
	Liam McGrattan	*(Non-Executive Director)* (Retired 31 May 2011)
	Nial Ring	*(Non-Executive Director)*
	Christopher Hall	*(Director)* (Appointed 27 June 2011)
Registered Office & Business Address	6 Northbrook Road, Dublin 6.	
Secretary	Emmett O'Connell	
Auditors	LHM Casey McGrath, Chartered Certified Accountants & Registered Auditors, 6 Northbrook Road, Dublin 6.	
Bankers	Bank of Ireland, Wexford Town, Ireland.	
	Country Bank, 200 42nd Street, New York, U.S.A.	
Solicitors	John O'Connor Solicitors, 168 Pembroke Road, Ballsbridge, Dublin 4.	
Geological Consultant	W.T. Cohan & Associates Incorporated, Grand Junction, Colorado, U.S.A.	
Corporate Advisors	SVS Securities Plc., 21 Wilson Street, London, EC2M 2SN, England.	
Registrar	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road, Sandyford, Dublin 18.	
Registered Number	392620, Republic of Ireland.	
Date of Incorporation	20 October 2004.	
Website	**www.greatwesternmining.com**	

CHAIRMAN'S STATEMENT AND REVIEW OF ACTIVITIES

For the past six years Great Western Mining Corporation Plc and its wholly owned Nevada subsidiary have been accumulating a database of geochemical, geological, aeromagnetic, and most recently NASA Jet Propulsion Laboratory (NASA-JPL) aerial reconnaissance work relating to the unique physical characteristics of the Huntoon Valley and the Excelsior Mountain Range in South Central Nevada, known as the Marietta Project. This work has been augmented by a multi-year program of pit work, trenching, several hundred samples and laboratory bottle leach testing.

In addition to the statistical database assembled, the Company has tapped into a database of personal knowledge, experience, and academic expertise relating to the mineral exploration and exploitation of this region going back several generations. With 85 per cent. of the surface area of the State of Nevada classified as public land, a great deal of geological information is available from public bodies, the University of Nevada McKay School of Mines, and records of past endeavours.

From the first 21 mineral claims staked in 2006 (approximately 20 acres per claim) the Company now holds 410 full or fractional claims. At present, some 485 additional mineral claims are being staked. When completed this will bring the total area under claim to approximately 70 square kilometres.

Next Stage of Development

Having secured what we believe is a strategic land position in this highly prospective area, your Management is now shifting gears. The Company commissioned a study of the project area utilising NASA JPL's ASTER program (Advanced Spaceborne Thermal Emission Reflectance Radiometer) and the resulting process of target selection is now underway. Generally, a target is chosen if it meets three of the following criteria:

1. Alteration appears to be intense, persuasive and/or concentric occurrences of multiple minerals,
2. Associates with known faults, lineaments, or circular structures, and
3. Not too huge to correspond to only large lithological units or cultural features.

A number of prospective targets have been identified and an Induced Polarisation ("IP") program has been contracted to determine core hole drilling locations for the first drill tests.

Having assembled a land position worthy, in the Director's opinion, of a company many times our present size, the Company is well situated to leverage its regional knowledge base to its advantage at a time when world metal prices are close to record highs. The demand for metals is likely to remain strong due to the demand from emerging markets, particularly India and China.

Perhaps equally blessed is to hold this strategic land position in the politically secure and resource-rich state of Nevada, U.S.A.

Application to the Alternative Investment Market

To assist in the broadening and deepening of the market in the Company's shares, and thus its ability to fund its future plans, your Management and its financial advisors have put in motion the drafting of an application to admit the Company's shares to trading on the Alternative Investment Market ("AIM") in London.

Sincerely,

Emmett O'Connell

Chairman

Date: 24 May 2011

DIRECTORS' REPORT

for the year ended 31 December 2010

The Directors present their Annual Report and audited consolidated financial statements for the year ended 31 December 2010 for Great Western Mining Corporation Plc ("the Company") and its subsidiary (collectively "the Group").

Principal Activity

The Group's main activity is the exploration and mining for copper, silver, gold and other minerals in Nevada, U.S.A. The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate at its projected level of activity for the foreseeable future.

Review of Business and Future Developments

A detailed review of activities for the year and future prospects of the Group is contained in the Chairman's Statement.

Principal Risks and Uncertainties

The Group's activities are carried out principally in North America and in the Republic of Ireland. Accordingly the principal risks and uncertainties are considered to be the following:

Exploration Risk

Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular: climatic conditions, non-existence of commercial deposits of copper, silver, gold and other minerals, unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

Commodity Price Risk

The demand for, and price of, copper, silver, gold and other minerals is dependent on global and local supply and demand, actions of governments or cartels and general global economic and political developments.

Political Risk

As a consequence of activities in different parts of the world, the Group may be subject to political, economic and other uncertainties, including but not limited to terrorism, military repression, war or unrest, changes in national laws and energy policies and exposure to less developed legal systems.

Share Price

The share price movement in the year ranged from a low of Stg £0.1175 to a high of Stg £0.185 (2009: Stg £0.10 to Stg £0.18). The share price at the year end was Stg £0.1175 (2009: Stg £0.16).

Results And Dividends

The loss for the year after providing for depreciation and taxation amounted to €327,258 (2009: €263,442).

As all exploration and development costs to date have been deferred, no transfers to distributable reserves or dividends are recommended.

Future Developments

A review of future developments of the business is included within the Chairman's Statement.

Post Balance Sheet Events

There have been no post balance sheet events other than those disclosed in Note 18 to the financial statements. Please refer to the Chairman's Statement for information on the Company's current and future developments.

Directors and Secretary and their Interests

One of the founding Directors of the Company, Liam McGrattan retired from the board on 31 May 2011 and is not offering himself for re-election. Christopher Hall was appointed non-executive Director on the 27 June 2011 and the Company is delighted with the experience and skills he brings to the table.

In accordance with the Articles of Association, Liam McGrattan retires from the Board by rotation and being eligible offers himself for re-election.

The interests (all of which are beneficial) of the Directors who held office at 1 January 2010 and 31 December 2010 and 24 May 2011 and their families in the share capital of the Company were:

	24 May 2011	31 December 2010	1 January 2010
Directors			
Emmett O'Connell	5,202,818	4,901,000	4,901,000
Emmett O'Connell (Pension Fund)	1,650,000	1,650,000	1,650,000
Melvyn Quiller	1,847,813	1,700,995	1,700,995
Liam McGrattan	850,000	850,000	850,000
Nial Ring	850,000	850,000	850,000
Robert O'Connell	5,201,365	4,900,001	4,900,001
Robert O'Connell (Pension Fund)	250,000	250,000	250,000

Transactions Involving Directors

There have been no contracts or arrangements of significance during the year in which Directors of the Company were interested other than as disclosed in Notes 16 and 17 to the financial statements.

Significant Shareholders

The Company has been informed that, in addition to the interests of the Directors, at 31 December 2010 and the date of this report, the following shareholders own 3 per cent. or more of the issued share capital of the Company:

	Percentage of Issued share capital	
	24 May 2011	31 December 2010
Pershing International Nominees Ltd	10.86	9.00
Vidacos Nominees Ltd	3.80	4.69
JM Finn Nominees Ltd	2.76	4.07
Brian McDonnell	2.42	3.21
Ashdale Investment Trust Services	4.96	1.14

The Directors are not aware of any other holding of 3 per cent. or more of the share capital of the Company.

Group Undertakings

Details of the Company's subsidiary are set out in Note 20 to the financial statements.

Political Donations

There were no political donations made during the year. (2009: €Nil).

Going Concern

The future of the Group is dependent on the successful future outcome of its exploration interests. The Directors have carried out a review of budgets and cash flows for the next twelve months after the date of this report and on the basis of that review, consider that the Group and the Company based on current exploration activity will have adequate financial resources to continue in operation for the foreseeable future. As exploration activity is expanded, further funding will be required.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Corporate Governance

The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

The Board

The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has five Directors, comprising three executive Directors and two non-executive Directors. The Board met formally on six occasions during the year ended 31 December 2010. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

Audit and Remuneration Committees

At present, as the Board of Directors is small and given the stage of development of the Company, no formal audit or remuneration committees have been established. Consideration to setting up a specific audit and remuneration committee is under continuous review.

Directors' Remuneration during the year ended 31 December 2010 was as follows:

	2010 Total €	2009 Total €
Remuneration and other emoluments – Executive Directors	120,000	75,152
Remuneration and other emoluments – Non-Executive Directors	20,000	20,000
	140,000	95,152

Nomination Committee

At present, as the Board of Directors is small, no formal nomination committee has been established. The authority to nominate new Directors for appointment vests in the Board of Directors. All Directors co-opted to the Board during any financial period are subject to election by shareholders at the first opportunity following their appointment. Consideration to setting up a nomination committee is under continuous review.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable Irish law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. As permitted by company law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU (EU IFRS) and have elected to prepare the Company financial statements in accordance with EU IFRS, as applied in accordance with the provisions of the Companies Acts, 1963 to 2009.

The Group and Company financial statements are required by law and EU IFRS to present fairly the position and performance of the Group; the Companies Acts provide, in relation to such financial statements, that references in the relevant part of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Companies Acts, 1963 to 2009, the European Communities (Companies: Group Accounts) Regulations 1992 and all regulations to be construed as one with those acts.

They are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Accounting Records

The measures taken by the Directors to ensure compliance with the requirements of Section 202, Companies Act 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Company are maintained at 6 Northbrook Road, Dublin 6.

Auditors

The auditors, LHM Casey McGrath, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Emmett O'Connell **Melvyn Quiller**

Date: 24 May 2011

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREAT WESTERN MINING CORPORATION PLC

We have audited the Group and Company financial statements (the "financial statements") of Great Western Mining Corporation Plc for the year ended 31 December 2010 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes thereon. These financial statements have been prepared under the accounting policies set out on pages 9 to 12.

This report is made solely to the Company's members as a body in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company or the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS") are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view in accordance with IFRS as adopted by the European Union and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you to whether, in our opinion; proper books of account have been kept by the Company; whether at the Statement of Financial Position date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's financial position is in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law or the listing rules of PLUS regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Statement and Review of Activities. We consider the implications for our audit report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2010 and of its loss for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2009, of the state of the Company's affairs as at 31 December 2010; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Deferred Exploration

In forming our opinion, we considered the adequacy of disclosures made in Note 9 to the financial statements in relation to the Directors' assessment of the carrying value of the Group's deferred exploration costs amounting to €797,657. The realisation of the intangible assets is dependent on the successful development or disposal of copper, silver, gold and other minerals in the Group's licence area. Such successful development is dependent on several variables including the existence of commercial deposits of copper, silver, gold and other minerals, availability of finance and the price of copper, silver, gold and other minerals. Our opinion is not qualified in this respect.

Emphasis of Matter – Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements as detailed in Note 1 on page 20 concerning the preparation of the financial statements on the going concern basis for the period under review. In view of the significance of this matter we feel that this should be brought to your attention. Our opinion is not qualified in this respect.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Statement of Financial Position is in agreement with the books of account.

In our opinion the information given in the Directors' Report on pages 4 to 7 is consistent with the financial statements.

The net assets of the Company, as at the financial position date, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2010 a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 may require the convening of an extraordinary general meeting of the Company.

Fergal McGrath

For and on behalf of LHM Casey McGrath
Chartered Certified Accountants
& Registered Auditors,
6 Northbrook Road,
Dublin 6.

Date: 24 May 2011

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 December 2010

Great Western Mining Corporation Plc ("the Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiary (together referred to as the "Group").

The Group and Company financial statements were authorised for issue by the Directors on 24 May 2011.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Statement of Compliance

As permitted by the European Union, the Group financial statements have been prepared in accordance with IFRS and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS). The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2009 which permits a company, that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company Statement of Comprehensive Income and related notes that form part of the approved Company financial statements.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 December 2010.

Standards and Amendments to Existing Standards Effective 1 January 2010

The following standards, amendments and interpretations which became effective in 2010 are of relevance to the Group:

Standard	Content	Applicable for years beginning on/after
IAS 1	Presentation of Financial Statements	1 January 2010
IAS 36	Impairment of Assets	1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement	1 January 2010
IFRS 8	Operating Segments	1 January 2010

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

Standard/ Interpretation	Content	Applicable for years beginning on/after
IFRS 9	Financial Instruments: Classification and measurement	1 January 2013
IAS 24*	Related party disclosures	1 January 2011
IAS 32*	Amendment: Classification of rights issues	1 February 2010
IAS 34*	Interim Financial Reporting	1 January 2011
IFRS 1*	Amendment: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010
IFRIC 14*	Amendment: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
IFRIC 19*	Extinguishing financial liabilities with equity instruments	1 July 2010
IFRS 7	Amendment: Disclosures – Transfer of financial assets	1 July 2011
IFRS 3*	Business Combinations	1 July 2010
IAS 27*	Consolidated and separate financial statements	1 July 2010

*Not expected to be relevant to the Group, and therefore not to have a material impact on the Group financial statements.

IFRS 9 'Financial Instruments: Classification and Measurement'

In November 2009, the IASB issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 29. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, and subsequently measures the financial assets either at amortised cost or fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013.

Improvements for IFRS (issued in April 2009 and May 2010)

The improvements project contains numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2010 or 1 January 2011 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

In 2010, the Group did not early adopt any new or amended standards and do not plan to early adopt any of the standards issued but not yet effective.

Basis of Preparation

The Group and Company financial statements are prepared on the historical cost basis. The accounting policies have been applied consistently by Group entities.

Functional and Presentation Currency

The consolidated financial statements are presented in Euro (€), which is the Company's functional currency.

Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are in the following areas:

- Measurement of the impairment of intangible assets; and
- Utilisation of tax losses.

Revenue Recognition – Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Great Western Mining Corporation Plc and its subsidiary undertaking for the year ended 31 December 2010.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements.

In the Company's own balance sheet, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

Intangible Assets (Deferred Exploration Costs)

In accordance with International Financial Reporting Standard 6 – Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licences not in production is capitalised and is carried forward in the balance sheet under intangible assets in respect of each area of interest where:

(i) the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or

(ii) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it is considered represents the residual value of the Group's interest therein.

Impairment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Taxation

Current corporation tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign Currencies

Monetary assets and liabilities denominated in a foreign currency are translated into Euro at the exchange rate ruling at the balance sheet date, unless specifically covered by foreign exchange contracts whereupon the contract rate is used. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiary Companies are translated into euro at the rates of exchange prevailing at the balance sheet date. Exchange differences arising from the restatement of the opening balance sheets of these subsidiary Companies are dealt with through reserves. The operating results of overseas subsidiary Companies are translated into the euro at the average rates applicable during the year.

Share Capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction in equity.

Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Financial Instruments

Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of Statement of Cash Flows.

Trade and Other Receivables/Payables

Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

Finance Income

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as the interest accrues (using the effective interest rate method) to the net carrying amount of the financial asset.

Segmental Information

In accordance with IFRS 8: Operating Segments, the Group has one principle reportable segment i.e. Nevada, U.S.A. which represents the exploration and development of copper, silver, gold and other minerals in Nevada, U.S.A.

Other operations 'Corporate' includes cash resources held by the Group, interest income earned and other operational expenditure incurred by the Group. These areas are not within the definition of an operating segment.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Notes	2010 €	2009 €
Continuing Operations			
Administrative expenses		(325,723)	(264,969)
Finance income	4	–	1,527
Loss for the year before tax		(325,723)	(263,442)
Corporation tax expense	7	(1,535)	–
Total Comprehensive Loss for the year		(327,258)	(263,442)
Loss attributable to:			
Equity holders of the Company		(327,258)	(263,442)
		(327,258)	(263,442)
Total Comprehensive Loss attributable to:			
Equity holders of the Company		(327,258)	(263,442)
		(327,258)	(263,442)
Earnings per share from continuing operations			
Basic and Diluted loss per share (cent)	8	(1.16)	(0.93)

The accompanying notes on pages 20 to 27 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Emmett O'Connell
Director

Melvyn Quiller
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

	Share Capital €	Share Premium €	Retained Losses €	Total €
Balance at 1 January 2009	267,520	1,399,810	(883,662)	783,668
Total comprehensive income for the year				
Loss for the year	–	–	(263,442)	(263,442)
Total comprehensive income for the year	–	–	(263,442)	(263,442)
Transactions with owners, recorded directly in equity				
Shares issued	15,016	202,424	–	217,440
Total transactions with owners	15,016	202,424	–	217,440
Balance at 31 December 2009	282,536	1,602,234	(1,147,104)	737,666
Balance at 1 January 2010	282,536	1,602,234	(1,147,104)	737,666
Total comprehensive income for the year				
Loss for the year	–	–	(327,258)	(327,258)
Total comprehensive income for the year	–	–	(327,258)	(327,258)
Balance at 31 December 2010	282,536	1,602,234	(1,474,362)	410,408

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

	Share Capital €	Share Premium €	Retained Losses €	Total €
Balance at 1 January 2009	267,520	1,399,810	(880,893)	786,437
Total comprehensive income for the year				
Loss for the year	–	–	(258,967)	(258,967)
Total comprehensive income for the year	–	–	(258,967)	(258,967)
Transactions with owners, recorded directly in equity				
Shares issued	15,016	202,424	–	217,440
Total transactions with owners	15,016	202,424	–	217,440
Balance at 31 December 2009	282,536	1,602,234	(1,139,860)	744,910
Balance at 1 January 2010	282,536	1,602,234	(1,139,860)	744,910
Total comprehensive income for the year				
Loss for the year	–	–	(327,262)	(327,262)
Total comprehensive income for the year	–	–	(327,262)	(327,262)
Balance at 31 December 2010	282,536	1,602,234	(1,467,122)	417,648

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	Notes	2010 €	2009 €
Assets			
Non-Current Assets			
Intangible assets	9	797,657	705,896
Total Non-Current Assets		797,657	705,896
Current Assets			
Trade and other receivables	11	–	5,621
Cash and cash equivalents	12	6,361	59,352
Total Current Assets		6,361	64,973
Total Assets		804,018	770,869
Equity			
Capital and Reserves			
Share capital	14	282,536	282,536
Share premium	14	1,602,234	1,602,234
Retained loss	15	(1,474,362)	(1,147,104)
Attributable to owners of the Company		410,408	737,666
Total Equity		410,408	737,666
Liabilities			
Current Liabilities			
Trade and other payables	13	393,610	33,203
Total Liabilities		393,610	33,203
Total Equity and Liabilities		804,018	770,869

The accompanying notes on pages 20 to 27 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Emmett O'Connell

Director

Melvyn Quiller

Director

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

	Notes	2010 €	2009 €
Assets			
Non-Current Assets			
Investment in Subsidiaries	10	500,000	500,000
Total Non-Current Assets		500,000	500,000
Current Assets			
Trade and other receivables	11	290,660	215,082
Cash and cash equivalents	12	3,686	52,662
Total Current Assets		294,346	267,744
Total Assets		794,346	767,744
Equity			
Capital and Reserves			
Share capital	14	282,536	282,536
Share premium	14	1,602,234	1,602,234
Retained loss	15	(1,467,122)	(1,139,860)
Equity Attributable to equity shareholders		417,648	744,910
Total Equity		417,648	744,910
Liabilities			
Current Liabilities			
Trade and other payables	13	376,698	22,834
Total Liabilities		376,698	22,834
Total Equity and Liabilities		794,346	767,744

The accompanying notes on pages 20 to 27 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Emmett O'Connell
Director

Melvyn Quiller
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

	Notes	2010 €	2009 €
Cash flows from operating activities			
Loss for the year		(327,258)	(264,969)
Adjustments for:			
Income tax expense recognised in profit and loss		1,535	–
Cash from operations before changes in working capital		(325,723)	(264,969)
Decrease in trade and other receivables		35	7,420
Increase/(Decrease) in trade and other payables		360,407	(35,696)
Cash generated from operations		34,719	(293,245)
Corporation tax received		4,051	–
Net cash from operating activities		38,770	(293,245)
Cash flows from investing activities			
Expenditure on intangible assets		(91,761)	(117,860)
Interest received		–	1,527
Net cash flow from investing activities		(91,761)	(116,333)
Cash flows from financing activities			
Proceeds from the issue of new shares		–	217,440
Net cash used in financing activities		–	217,440
Net decrease in cash and cash equivalents		(52,991)	(192,138)
Cash and cash equivalents at beginning of year	12	59,352	251,490
Cash and cash equivalents at end of year	12	6,361	59,352

The accompanying notes on pages 20 to 27 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Emmett O'Connell

Director

Melvyn Quiller

Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

	Notes	2010 €	2009 €
Cash flows from operating activities			
Loss for the year		(342,700)	(260,494)
Adjustments for:			
Income tax expense recognised in profit and loss		1,535	–
Cash from operations before changes in working capital		(341,165)	(260,494)
(Increase) in trade and other receivables		(81,164)	(94,745)
Increase/(Decrease) in trade and other payables		369,302	(46,065)
Cash generated from operations		(53,027)	(401,304)
Income tax received		4,051	–
Net cash from operating activities		(48,976)	(401,304)
Cash flows from investing activities			
Interest received		–	1,527
		–	1,527
Cash flows from financing activities			
Proceeds from the issue of new shares		–	217,440
Net cash used in financing activities		–	217,440
Net decrease in cash and cash equivalents in the year		(48,976)	(182,337)
Cash and cash equivalents at the beginning of year	12	52,662	234,999
Cash and cash equivalents at the end of year	12	3,686	52,662

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. Going Concern

The financial statements have been prepared on the going concern basis, which assumes that Great Western Mining Corporation Plc will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the following:

The Directors intend to raise additional finance during 2011 through a listing on the Alternative Investment Market to fund an expanded exploration programme. This additional funding will be used to continue the exploration programme and to fund the administrative expenses of the Company and the Group.

The financial statements do not include any adjustments that would result if the additional capital is not raised. Whilst taking into consideration the uncertainties described above, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

We draw your attention to Note 18 for details of monies raised by the Company subsequent to the year end and prior to the date of the signing of the financial statements.

2. Segment Information

In the opinion of the Directors the operations of the Group comprise one class of business being the exploration and mining for copper, silver, gold and other minerals. The Group's main operations are located within Nevada. The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment is specifically focussed on the exploration areas in Nevada. In the opinion of the Directors the Group has only one reportable segment under IFRS 8 which is exploration carried out in Nevada.

Information regarding the Group's reportable segments is presented below.

Segment Revenues and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Loss	
	2010	2009	2010	2009
	€	€	€	€
Exploration – Nevada	–	–	(325,723)	(264,969)
Total for continuing operations	–	–	(325,723)	(264,969)
Investment income			–	1,527
Loss before tax (continuing operations)			(325,723)	(263,442)
Income tax expense			(1,535)	–
Loss after tax			(327,258)	(263,442)

Segment Assets and Liabilities

	2010	2009
	€	€
Segment assets		
Exploration – Nevada	804,018	770,869
Consolidated assets	804,018	770,869
Segment Liabilities		
Exploration – Nevada	393,610	33,203
Consolidated liabilities	393,610	33,203

Other Segment Information

	Depreciation and amortisation		Additions to non-current assets	
	2010	2009	2010	2009
	€	€	€	€
Exploration – Nevada	–	–	91,761	117,860

Revenue from Major Products and Services

The Group did not receive any revenue in the year. In the prior year, the only revenue that the Group received related to bank interest, which has been allocated to Ireland.

Geographical information

The Group operates in two principal geographical areas – Republic of Ireland (country of residence of Great Western Mining Corporation PLC) and Nevada, U.S.A. (country of residence of Great Western Mining Corporation, a wholly owned subsidiary of Great Western Mining Corporation PLC).

The Group does not have revenue from external sources. Information about its non-current assets by geographical location are detailed below:

	2010	2009
	€	€
Ireland	–	–
Nevada	797,657	705,896
	797,657	705,896

3. Loss on Ordinary Activities Before Taxation

	2010	2009
	€	€
Group		
This is arrived at after charging:		
Loss on foreign currencies	–	2,453
Directors' fees	144,945	95,152
Auditors' remuneration	24,101	10,100
Auditors' remuneration from non-audit work	30,250	650
and after crediting:		
Profit on foreign currencies	11,335	–

	2010	2009
	€	€
Company		
This is arrived at after charging:		
Auditors' remuneration	20,000	10,000

As permitted by Section 148 (8) of the Companies Act 1963, the Company Statement of Comprehensive Income has not been separately disclosed in these financial statements.

4. Finance Income

	2010	2009
	€	€
Interest Income	–	1,527
	–	1,527

5. Employees

Number of Employees

The average monthly numbers of employees (including the Directors) during the year were:

	2010 Number	2009 Number
Directors	4	3
	4	3

6. Directors' Emoluments

	2010 €	2009 €
Remuneration and other emoluments	144,945	95,152
	144,945	95,152

7. Income Tax Relating to Continuing Operations

	2010 €	2009 €
Current Tax		
Current tax expense in respect of the current year	–	–
Adjustments recognised in the current year in relation to the current tax of prior years	1,535	–
Total tax expense	1,535	–

The corporation tax expense for the year can be reconciled to the accounting loss as follows:

	2010 €	2009 €
Loss before tax from continuing operations	(327,258)	(263,442)
Income tax expense calculated at 12.5% (2009: 12.5%)	(40,907)	(32,930)
Effect of unused tax losses not recognised as deferred tax assets	40,907	32,930
	–	–
Adjustments recognised in the current year in relation to the current tax of prior years	1,535	–
Income tax expense recognised	1,535	–

The tax rate used for the year end reconciliations above is the corporate rate of 12.5 per cent. payable by corporate entities in Ireland on taxable profits under tax law in the jurisdiction of Ireland.

At the balance sheet date the Group had unused tax losses of €1,436,174 (31 December 2009: €1,119,014) available for offset against future profits which equates to a deferred tax asset of €179,522 (31 December 2009: €139,877). No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unused tax losses may be carried forward indefinitely.

8. Loss Per Share

Basic Earnings Per Share

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

	2010 €	2009 €
(Loss) for the period attributable to equity holders of the parent	(327,258)	(263,442)
Number of ordinary shares in issue – start of year	28,253,628	26,752,000
Effect of shares issued during the year	–	1,501,628
Weighted average number of ordinary shares for the purposes of basic earning per share	28,253,628	28,253,628
Basic (loss) per ordinary share (cent)	(1.16)	(0.93)

Diluted Earnings Per Share

Basic and Diluted EPS are the same as there are no potential ordinary shares.

9. Intangible Assets – Group

	2010 €	2009 €
Cost	797,657	705,896
Accumulated amortisation and impairment	–	–
	797,657	705,896

	Exploration and Evaluation Assets €	Total €
Cost		
At 1 January 2010	705,896	705,896
Additions	91,761	91,761
At 31 December 2010	797,657	797,657

The Directors have considered expenditure on exploration and evaluation activities which have been capitalised at cost. No amortisation has been charged in the period. The Directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated and not impaired at 31 December 2010. The recoverability of the intangible assets is dependent on the future realisation or disposal of the copper, silver, gold and other mineral resources.

10. Financial Assets – Company

	2010 €	2009 €
Group undertakings – unlisted:		
Shares at cost	500,000	500,000

In the opinion of the Directors, the carrying value of the investment is appropriate.

At 31 December 2010 the Company had the following subsidiary undertaking:

Name	Incorporated in	Main Activity	Proportion of holding
Great Western Mining Corporation	Nevada, U.S.A.	Mineral Exploration	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves €	Loss for the year €
Great Western Mining Corporation	(67,746)	(6,015)

11. Trade and Other Receivables

	Group 2010 €	Group 2009 €	Company 2010 €	Company 2009 €
Amounts falling due within one year:				
Amounts owed by Group undertaking	–	–	290,660	209,461
Other receivables	–	5,621	–	5,621
	–	5,621	290,660	215,082

All receivables are current and there have been no impairment losses during the year (2009: Nil).

12. Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash in hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Group 2010 €	Group 2009 €	Company 2010 €	Company 2009 €
Cash at bank	6,361	59,352	3,686	52,662
	6,361	59,352	3,686	52,662

13. Trade and Other Payables

	Group 2010 €	Group 2009 €	Company 2010 €	Company 2009 €
Amounts falling due within one year:				
Trade payables	4,869	–	4,575	
Other taxes and social welfare costs	49,123	–	49,123	–
Directors' accounts	179,415	21,122	168,131	3,753
Other payables	25,903	–	25,903	–
Accruals and deferred income	134,300	12,081	128,966	19,081
	393,610	33,203	376,698	22,834

The Group has financial risk management policies in place to ensure that payables are paid within the pre-agreed credit terms.

14. Share Capital – Group and Company

	2010 €	2009 €
Authorised		
100,000,000 Ordinary shares of €0.01 each	1,000,000	1,000,000
	1,000,000	1,000,000

	2010 €	2009 €
Issued capital		
Share capital	282,536	282,536
Share premium	1,602,234	1,602,234
	1,884,770	1,884,770

Issued capital comprises:

28,253,628 fully paid Ordinary shares of €0.01 each	282,536	282,536

Fully paid ordinary shares	Number of shares €	Share Capital €	Share Premium €
Balance at 1 January 2010	28,253,628	282,536	1,602,234
Issue of shares for cash	–	–	–
Balance at 31 December 2010	28,253,628	282,536	1,602,234

Fully paid ordinary shares, which have a par value of €0.01, carry one vote per share and carry a right to dividends.

15. Retained Losses

	Group 2010 €	Group 2009 €	Company 2010 €	Company 2009 €
Loss at beginning of year	(1,147,104)	(883,662)	(1,139,860)	(880,893)
Loss for the year	(327,258)	(263,442)	(327,262)	(258,967)
Loss at end of year	(1,474,362)	(1,147,104)	(1,467,122)	(1,139,860)

In accordance with the provisions of the Companies (Amendment) Act 1986, the Company has not presented an Income Statement. A loss for the year of €327,262 (2009 – loss of €258,967) has been dealt with in the Statement of Comprehensive Income of the Company.

16. Related Party Transactions

Details of subsidiary undertakings are shown in Note 10. In accordance with International Accounting Standard 24 – Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

Melvyn Quiller, Company Director and shareholder, is a relative of Lloyd Quiller whose company LQ Accounting Solutions provided accounting services to the Company in the year. At 31 December 2009 Great Western Mining Corporation Plc owed €Nil to LQ Accounting Solutions. During the year, Great Western Mining Corporation Plc purchased services from LQ Accounting Solutions to the value of €4,000. At 31 December 2010 Great Western Mining Corporation Plc owed €4,000 to LQ Accounting Solutions.

17. Transactions with Directors

Loans from Directors

The Directors have advanced interest free loans to the Group. The movements in these loans are as follows:

Name of Director	Emmett O'Connell	Melvyn Quiller	Robert O'Connell
Rate of interest	0/3.8%	0%	0%
Repayment date on call/convertible	on call	on call	
Amount due to/owed by Director as at 1 January 2010	(16,661)	(4,461)	35
Advanced by Director in year	(157,057)	(2,050)	(431)
Repaid to Director in the year	1,210	–	–
Amount due to Director as at 31 December 2010	(172,508)	(6,511)	(396)
Maximum outstanding in the year	(173,718)	(6,511)	(396)

On 22 June 2010, Director Emmet O'Connell advanced an interest-bearing redeemable convertible loan to the Company in the amount of €100,000. The loan is convertible into the Company's ordinary shares of €0.01 each at the lowest mid-market share price between the advance date and the conversion date or repayable upon the demand of the Director. Until either conversion or repayment, interest on the loan value will accrue at 3.8 per cent. or at the variable lending rate charged by the Bank of Ireland whichever is higher.

18. Post Balance Sheet events

Subsequent to the year end the Company raised £1,015,718 (€1,147,889) by the issue of 9,233,800 new ordinary shares of €0.01 each at a price of £0.11 per share.

19. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout 2010 and 2009 the Group and Company's policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. The Board reviews and agrees policies for managing each of these risks which are summarised below.

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts where appropriate.

At the years ended 31 December 2010 and 31 December 2009, the Group had no outstanding forward exchange contracts.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated balance sheet.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity Risk Management

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 31 December 2010.

The Group and Company's financial liabilities as at 31 December 2010 and 31 December 2009 were all payable on demand, except an interest-bearing redeemable convertible loan advanced from one of the Directors of the Company in the year, which is either convertible to ordinary shares or payable on demand.

The expected maturity of the Group and Company's financial assets (excluding prepayments) as at 31 December 2010 and 31 December 2009 was less than one month.

The Group expects to meet its other obligations from operating cash flows with an appropriate mix of funds and equity instruments. The Group further mitigates liquidity risk by maintaining an insurance programme to minimise exposure to insurable losses.

The Group had no derivative financial instruments as at 31 December 2010 and 31 December 2009.

Interest Rate Risk

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company's policy as part of its disciplined management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

Fair Values

The carrying amount of the Group and Company's financial assets and financial liabilities is a reasonable approximation of the fair value.

Hedging

At the year ended 31 December 2010 and 31 December 2009, the Group had no outstanding contracts designated as hedges.

20. Subsidiary Undertakings

The Company's principal subsidiary undertaking at 31 December 2010, which is wholly owned, is as follows:

Name	Registered Office	Activity
Great Western Mining Corporation	Nevada, USA	Mineral Exploration

21. Approval of Financial Statements

The financial statements were approved by the Board on 24 May 2011.

Produced by **KW Partners Ltd** +44 (0)20 7689 5466

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