# ROBUST RESOURCES LIMITED

**ABN 79 122 238 813**

Annual Report

for the year ended 30 June 2008

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# Corporate Information

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# Chairman's Letter

Dear Fellow Shareholders,

This year has seen a deterioration in capital market conditions around the world which, despite the highly positive fundamentals flowing from major commodity demands from China, India and elsewhere in Asia, has impacted adversely (and irrationally) on commodity markets in Australia. This, in turn, has seen a large number of junior (and larger) resource companies witness their share prices decline to 12 month lows and, in some cases, cause severe financial distress. I am therefore proud to report that your Company has not only been able to weather this storm by its prudent financial management but also, in the process, position itself for a strong and exciting future.

In February of this year The Company announced that it was to enter into an agreement with PT Gemala Borneo Utama (PT GBU) to acquire a 75% interest in five mineral titles totaling 25,000 hectares covering the entire area of Romang Island in the famed magmatic Banda arc of Indonesia. The island exhibits wide zones of gold-zinc-silver-lead-copper mineralization, previously identified by Billiton and Ashton (1990s). Independent consultants appointed by Robust reported, among many other strong positives that "…. ***the size potential of Romang for breccia-style mineralisation is simply enormous."***

Subsequently, your Company has successfully negotiated a capital injection of $1.4 Million (subject to shareholder approval) from Trafford Resources Limited, a well established and experienced exploration company which shares the enthusiasm for the world class potential of the Romang project. At the time of writing the financing by Trafford will be at a 17.6% premium to market prices – further attesting to the astuteness of your management team headed by Managing Director Gary Lewis.

Despite the acquisition of this potential world-class project and the injection of working capital for its future exploration, the tight capital structure of the Company remains the envy of many other companies throughout the industry. The Company has already purchased two new diamond drilling rigs – both of which are already being commissioned on Romang island. Strong, fully staffed exploration programs are in place.

Your Company is clearly extraordinarily well positioned to make a significant impact in the coming year. I for one am looking forward to it with immense anticipation.

Ian Finch

**<u>Chairman</u>**

Sydney, dated this 29th day of September 2008.

# Managing Director's Review of Operations

## Corporate

The past year has seen further and significant progress in the development of Robust Resources Limited. On 22 February 2008, Robust announced a major diversification through the strategic acquisition of 'Romang Island', an advanced gold-base metal exploration project with large-scale mineralisation potential.

Under a Mining Cooperation Agreement with PT Gemala Borneo Utama ('GBU'), the present owner of the mining titles, Robust purchased an option to acquire up to a 75% interest in Romang for five million shares plus $150,000 cash. In a two-stage acquisition, the Company is required to spend $1.5m in the ground to earn a 51% interest in five mineral titles totalling 25,000 hectares covering the entire Romang Island. Robust then has an option to earn a further 24 per cent (taking equity to 75 per cent) by expenditure of a further $3 million.

The above transaction was approved at a General Meeting of the Company held on 11 April 2008. A detailed report on the Romang Island project is contained within this report.

On 25 June 2008, Trafford Resources Limited offered to acquire an interest in Robust Resources (to boost the Romang Island exploration) through a placement of 7.2 million fully paid shares at 20c ($1.4million) with a one for two attached option (3.6 million options) exercisable at 30c within one year of issue. If exercised the latter would provide a further $1.08m.

While the principal focus of the Company for the 2009 financial year and beyond will switch to Romang Island, during the current year Robust continued its evaluation and exploration of existing mineral exploration interests in the Lachlan Fold Belt, New South Wales. All tenements are 100% owned by Robust Operations Pty Limited, a wholly owned subsidiary of Robust. While discussions are ongoing with several companies seeking farm-in or joint venture deals in respect of the Robust NSW tenements, the company will continue to undertake work to progress exploration and meet its NSW Department of Primary Industry (DPI) commitments.

A tenement update on the Company's NSW assets is contained in this report.

## Exploration Project Review

### Romang Island, Indonesia (ROL earning 75%)

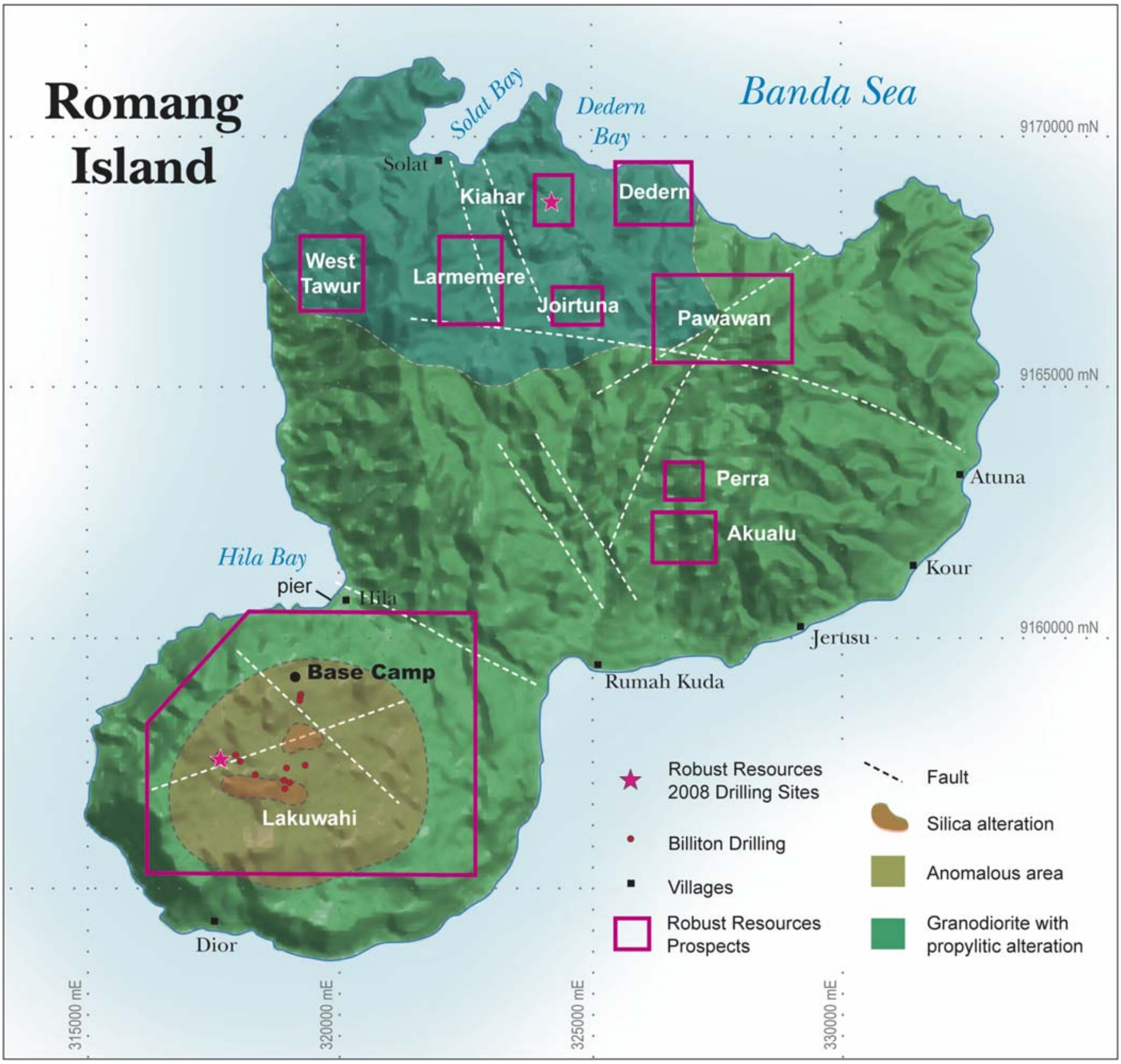
Situated in eastern Indonesia, 500 Km northwest of Darwin, Romang Island is a highly mineralised emergent calc-alkaline submarine volcano, recently uplifted by collision between the Australian and South-East Asian tectonic plates. Robust is earning 75% by funding and managing a $4.5 million exploration and resource definition program over a maximum of 5 years. The 75:25 joint venture will benefit from the technical and financial expertise of Robust and the in-country operational knowledge of its JV partner, PT. Gemala Borneo Utama.

Table 1 overleaf provides a schedule of the Romang Island tenement areas at 30 June 2008.

Table 1 – Tenement Areas Romang Island, Indonesia

| Number | Holder | Beneficial Owner | Status | Grant date | Expiry date | Current Area (Ha) |
|---|---|---|---|---|---|---|
| KP 540-762 | PT Gemala Borneo Utama | PT Gemala Borneo Utama | Exploration stage. | 02/6/2008 | 02/6/2010 | 1998 |
| KP 540-819 | PT Gemala Borneo Utama | PT Gemala Borneo Utama | Exploration stage. | 02/6/2008 | 02/6/2010 | 1998 |
| KP 540-816 | PT Gemala Borneo Utama | PT Gemala Borneo Utama | Extension of General Survey stage, with application to convert to Exploration stage pending. | 5/11/2007 | 5/11/2008 | 4990 |
| KP 540-817 | PT Gemala Borneo Utama | PT Gemala Borneo Utama | Extension of General Survey stage, with application to convert to Exploration stage pending. | 5/11/2007 | 5/11/2008 | 4540 |
| KP 540-818 | PT Gemala Borneo Utama | PT Gemala Borneo Utama | Extension of General Survey stage, with application to convert to Exploration stage pending. | 5/11/2007 | 5/11/2008 | 4960 |

Figure 1 Map of Romang Island




Geologically, Romang Island can be likened to a number of mineralisation models. The Lakuwahi prospect in the south occupies a volcanic caldera similar in size to the Louise Caldera on Lihir Island. Louise hosts one of the world's largest gold ore bodies (40 M oz Au). The Lakuwahi mineralisation is submarine exhalative; similar to the rich polymetallic deposits being explored by Nautilus Minerals in offshore Papua New Guinea. These deposits form in the ocean depths as a result of prolonged black and white smoker activity.

Eight smaller, structurally controlled areas of mineralisation have been identified in north/central Romang, including very high-grade massive sulphide silver-lead veins, and gold veins.

Exploration History

*Early exploration work focused on gold.*

Ashton Group Indonesia carried out reconnaissance sampling and geological mapping in north Romang Island in 1988. The results of this work encouraged follow up work in 1989, by way of an 18-hole scout diamond-drilling program on the Kiahar vein system. Surface trenches and several drill holes intersected high grades of lead, silver and gold. Low metal prices at the time discouraged Ashton from further exploration.

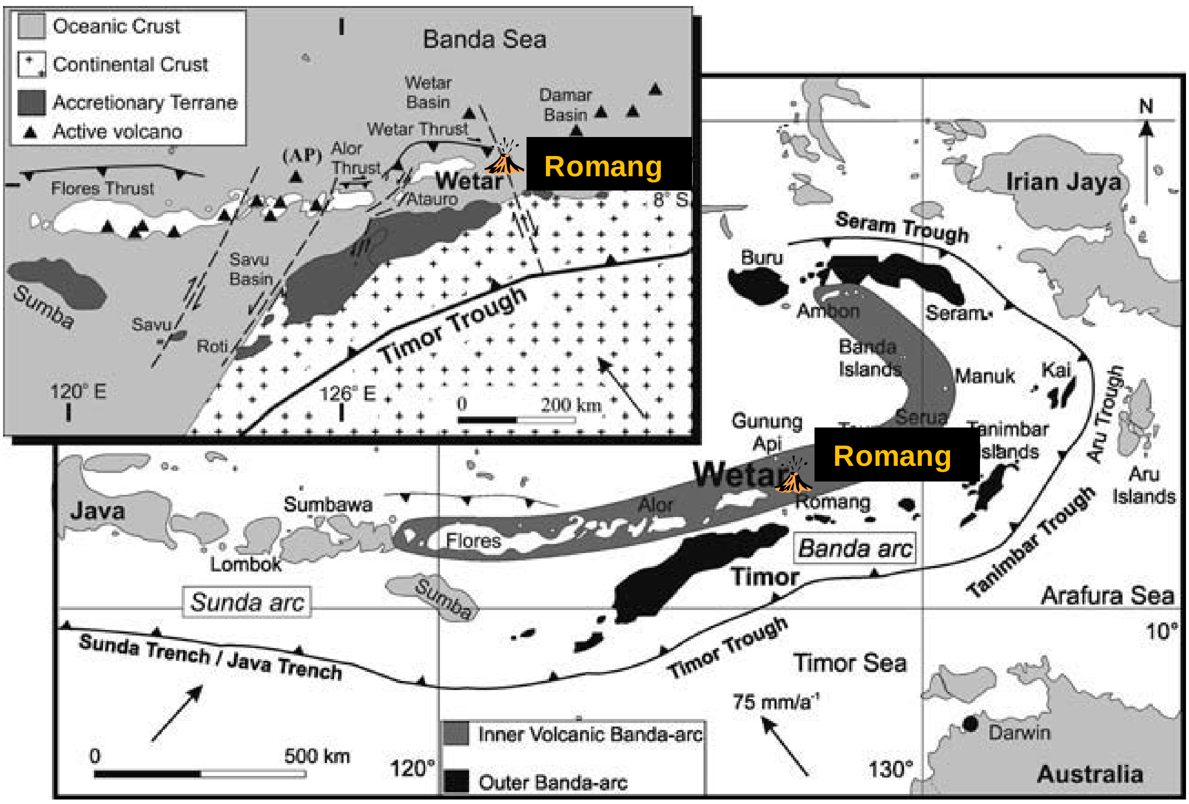
In the late 1990s, Billiton Indonesia recognised the potential of the Lakuwahi prospect in the south of Romang Island. Billiton saw geological similarities between their nearby Wetar Island gold-mine and the barite-rich gold outcrops at Lakuwahi. Airborne and ground exploration programs were followed by the drilling of 14 scout diamond-drill holes. Despite very positive results from that drilling, and clear indications of a very large mineralising system, the newly merged Billiton-Glencore group made a strategic management decision to quit gold exploration and mining worldwide, and pull out of Indonesia.

Tectonic Setting

*Born from the collision of two tectonic plates*

Romang Island is situated within a geological feature referred to as the Banda Arc. The Banda Arc is a chain of active and recently active volcanos, and related magmatic elements, tectonically tied to the subduction and collision of the SE Asian and Australian Plates. Along with various continuations and offshoots, the Banda Arc is host to major, world-class ore bodies such as Batu Hijau on Sumbawa Island, Grasberg in Papua. Indonesia consistently ranks in the top ten locations globally in terms of raw mineral exploration potential, and Banda Arc is one of the most prospective areas. In 2005-06 for example, Canada's Fraser Institute ranked Indonesia as the 4th most mineralised region of the world.

Figure 2 Map of the Banda Arc

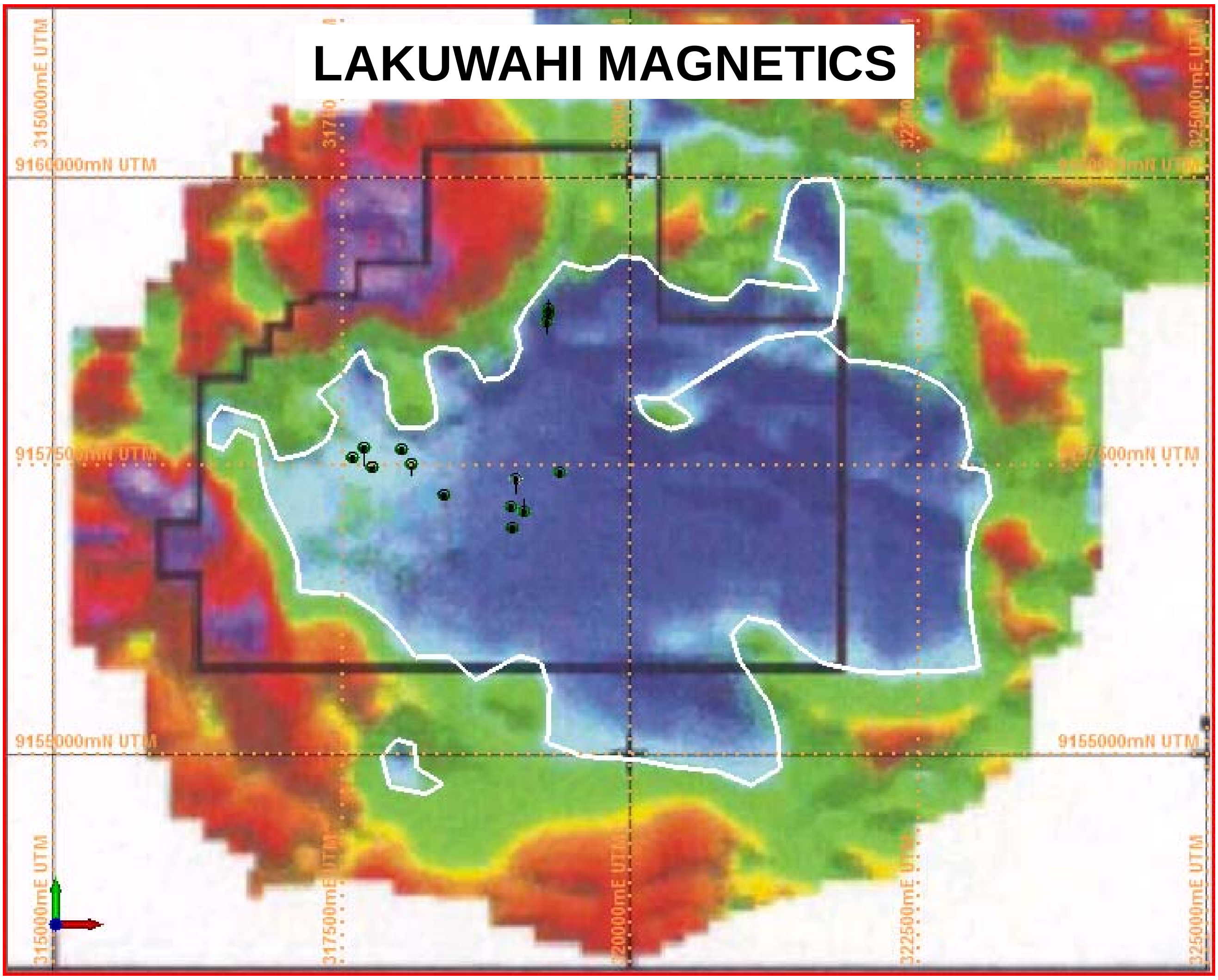


Exploration Results

*Lakuwahi*

The magnetic anomaly map shown in Figure 3 below best indicates the size of the Lakuwahi target (white line enclosing blue). A large (6 Km x 4 Km) marked magnetic low in the centre of the caldera is interpreted as representing hydrothermally altered andesitic volcanics. The outer rim of the caldera is less altered and still retains undissolved grains of the magnetic mineral magnetite.

Figure 3 Romang Lakuwahi target




The geological work undertaken by Billiton Indonesia in the late 1990s and confirmed by Robust in 2008, supports the interpretation of the magnetics and the extensive presence of post-mineralisation reef limestone cover. It is clear that targets drilled by Billiton corresponded to paleao topographic highs from which limestone cover had been removed by recent erosion. The limestone cover is interpreted as thickening to the east.

Soils are strongly anomalous in gold, silver, copper, lead, zinc, barium and other indicator elements such as thallium. The scale and strength of the lead geochemical anomaly can be seen in Figure 4 below. The peak is 7.4% lead and there are 19 soil samples over 1% lead. A feature of the lead geochemistry is that the anomaly is still expressed in areas of limestone cover – possibly due to late coeval hydrothermal activity. Current geothermal activity is evident in northern parts of Romang Island.

Figure 4 Lakuwahi Geochemistry

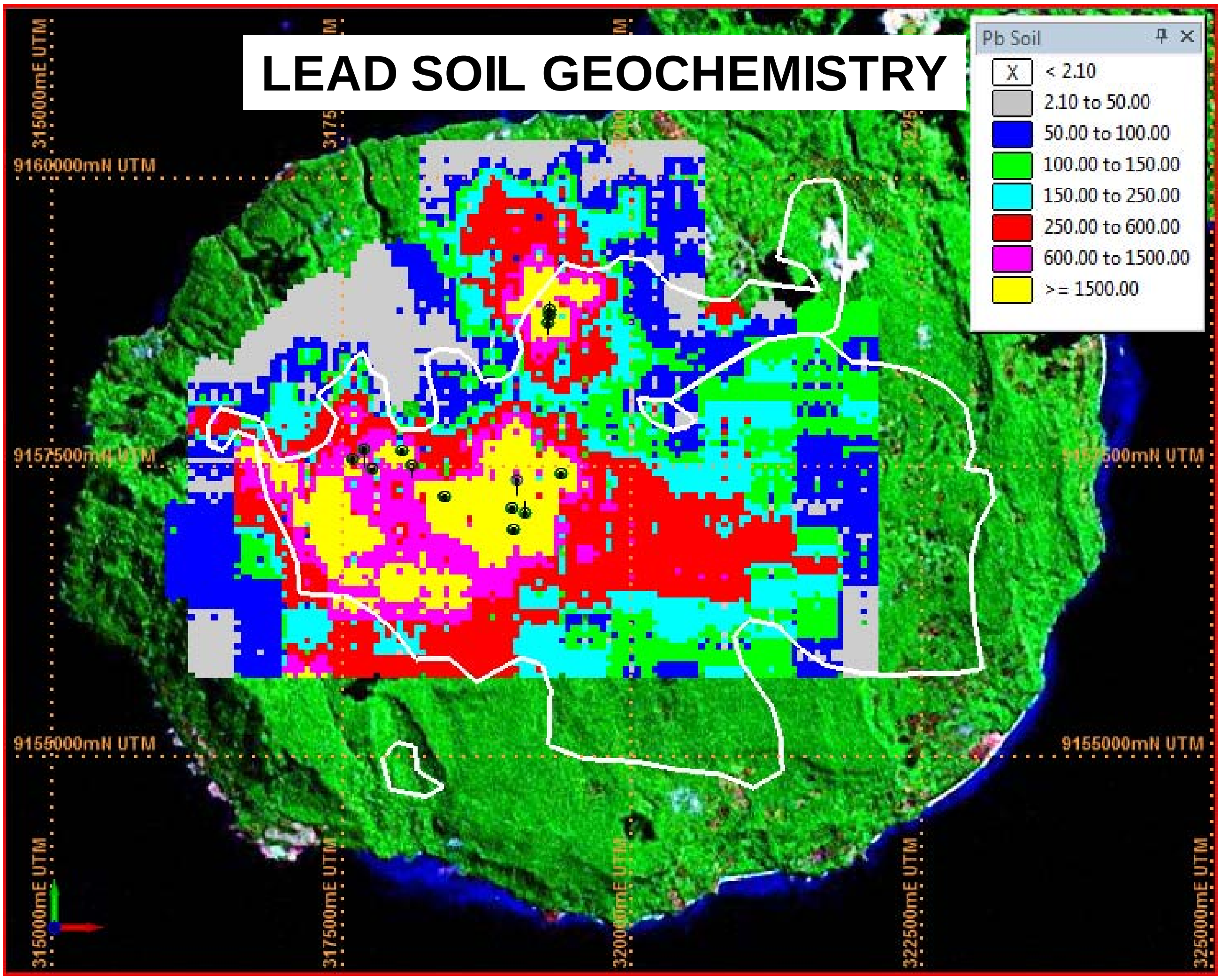


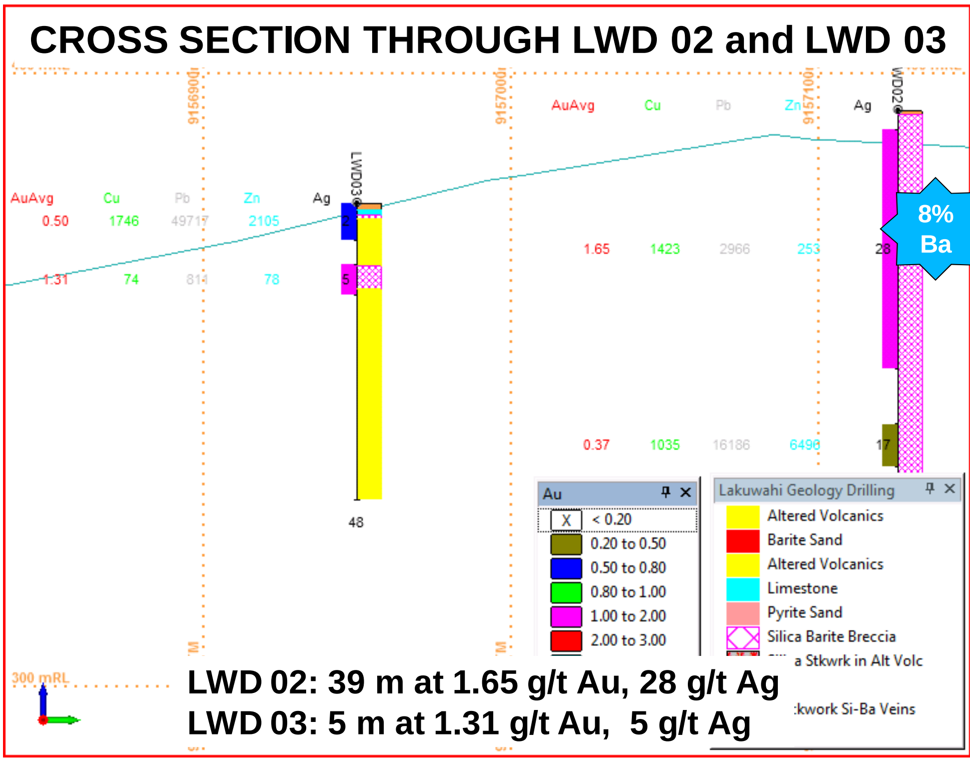

Table 2 overleaf summarises drill intersections from the Billiton Indonesia (now BHP Billiton) diamond-drilling program of 1998-99. A notable feature of the drilling is wide intersections that demonstrate the size and strength of the mineralising system. 12 of the 14 scout holes intersected base and/or precious metals of economic significance.

Table 2 – Summary of results from Billiton Indonesia diamond-drill program (1998-99)

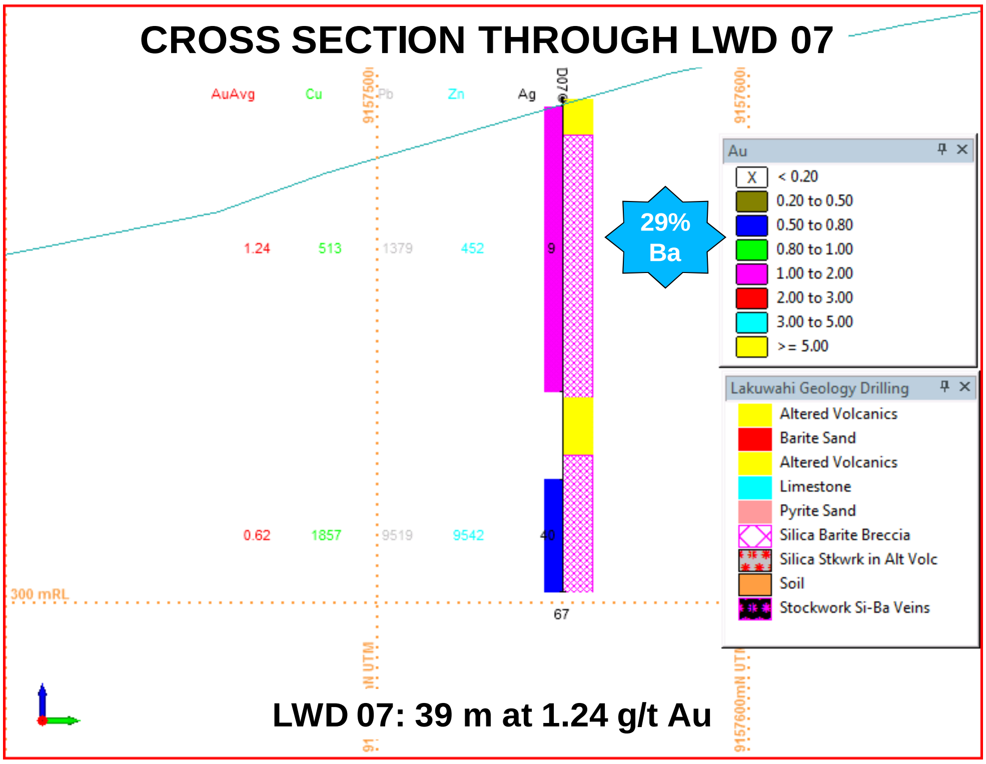
| Hole | From m | To m | Thick m | AuAvg g/t | Cu % | Pb % | Zn % | Ag g/t | Ba % |
|---|---|---|---|---|---|---|---|---|---|
| LWD01 | 5.0 | 11.0 | 6.0 | 0.41 | 0.0 | 1.5 | 0.1 | 25 | 21.0 |
| | 20.0 | 21.0 | 1.0 | 0.40 | 0.1 | 2.6 | 4.4 | 66 | 4.0 |
| | 36.0 | 37.0 | 1.0 | 0.24 | 0.1 | 1.4 | 2.6 | 12 | 2.0 |
| LWD02 | 3.0 | 42.0 | 39.0 | 1.65 | 0.1 | 0.3 | 0.0 | 28 | 8.1 |
| | 51.0 | 58.0 | 7.0 | 0.37 | 0.1 | 1.6 | 0.6 | 17 | 2.4 |
| LWD03 | 0.0 | 6.0 | 6.0 | 0.50 | 0.2 | 5.0 | 0.2 | 2 | 16.1 |
| | 10.0 | 15.0 | 5.0 | 1.31 | 0.0 | 0.1 | 0.0 | 5 | 2.0 |
| LWD04 | 2.0 | 3.0 | 1.0 | 1.12 | 0.0 | 0.5 | 0.1 | 5 | 2.0 |
| | 32.0 | 33.0 | 1.0 | 19.00 | 0.0 | 0.1 | 0.6 | 3 | 0.2 |
| LWD05 | 3.0 | 4.0 | 1.0 | 1.00 | 0.0 | 1.6 | 0.0 | 12 | 0.1 |
| | 8.0 | 9.0 | 1.0 | 0.19 | 0.1 | 2.5 | 4.0 | 13 | 0.8 |
| LWD06 | 12.0 | 16.0 | 4.0 | 2.48 | 0.3 | 3.1 | 3.7 | 150 | 41.1 |
| | 39.0 | 43.0 | 4.0 | 1.56 | 0.1 | 0.1 | 0.1 | 25 | 0.3 |
| LWD07 | 1.0 | 40.0 | 39.0 | 1.24 | 0.1 | 0.1 | 0.0 | 9 | 19.2 |
| | 52.0 | 67.4 | 15.4 | 0.62 | 0.2 | 1.0 | 1.0 | 40 | 5.3 |
| LWD08 | 11.0 | 16.0 | 5.0 | 1.07 | 0.0 | 1.1 | 0.0 | 50 | 8.2 |
| | 37.0 | 40.0 | 3.0 | 3.97 | 0.2 | 1.0 | 0.1 | 71 | 12.5 |
| | 55.0 | 58.0 | 3.0 | 4.86 | 0.9 | 7.8 | 2.3 | 62 | 9.3 |
| | 44.0 | 67.0 | 23.0 | 0.99 | 0.3 | 3.6 | 2.4 | 31 | 6.3 |
| | 181.0 | 212.0 | 31.0 | 0.07 | 0.2 | 0.9 | 2.0 | 8 | 1.1 |
| LWD09 | 51.0 | 84.0 | 33.0 | 0.01 | 0.1 | 1.2 | 1.2 | 27 | 2.1 |
| LWD10 | 53.0 | 133.0 | 80.0 | 0.04 | 0.1 | 2.2 | 1.4 | 41 | 2.2 |
| LWD12 | 63.0 | 154.0 | 91.0 | 0.23 | 0.1 | 1.1 | 1.0 | 18 | 4.9 |
| | 164.0 | 166.0 | 2.0 | 0.20 | 0.5 | 1.9 | 3.1 | 50 | 2.4 |
| LWD14 | 42.0 | 47.0 | 5.0 | 0.14 | 0.2 | 1.3 | 2.3 | 68 | 0.2 |
| | 59.0 | 63.0 | 4.0 | 0.26 | 0.1 | 1.0 | 2.1 | 20 | 2.0 |

In the gold-rich southern part of the Lakuwahi prospect:

- Hole LHD 02 intersected 39m at 1.65 g/t gold and 28 g/t silver in silica-barite breccia which continued for the length of the hole.




- Hole LHD 07, the western-most hole, intersected 32 metres at 1.24 g/t Au from surface. The mineralisation is hosted in a silica-barite breccia.

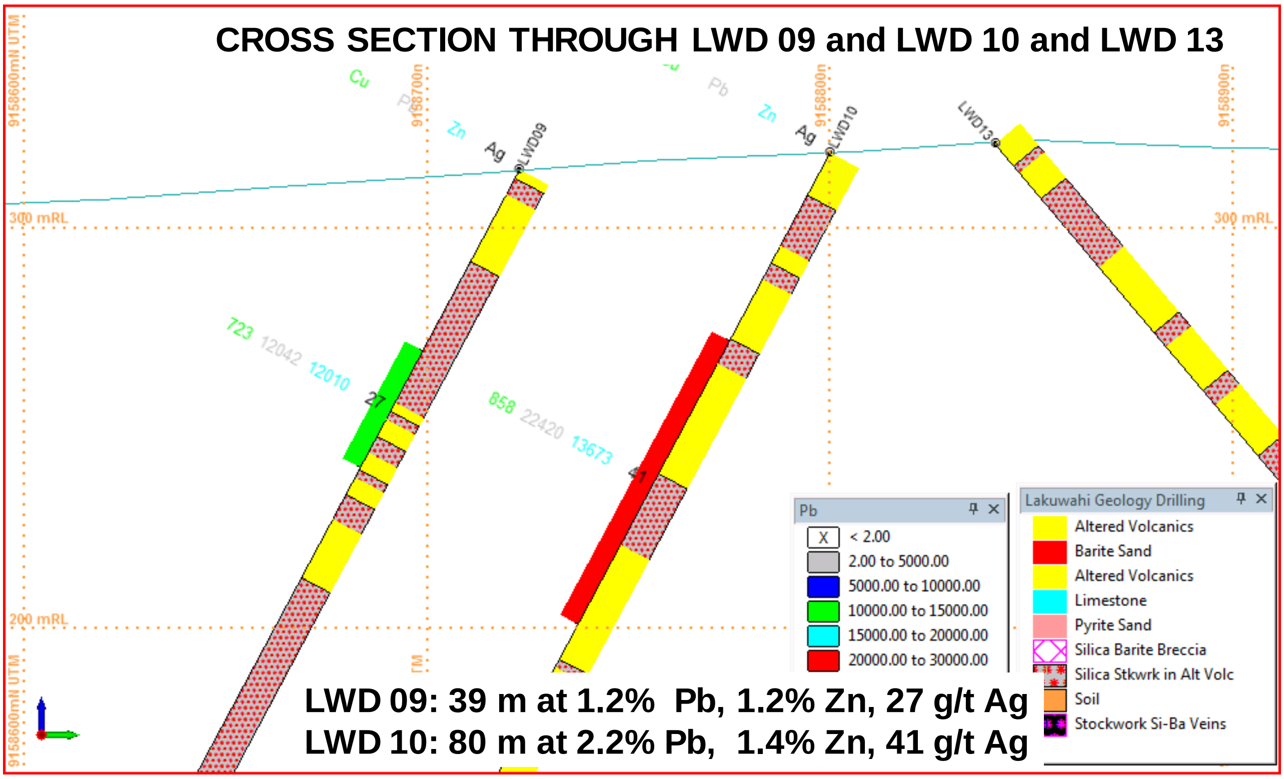



- Hole LHD 08 intersected 23 m at 3.6% Pb, 2.4% Zn, 31 g/t Au and 1 g/t Au.

The above thick intersections are open in all directions and demonstrate potential for mineralisation on a very significant scale. Further drilling is required to show continuity and this work will be a major focus of Robust's work during the 2008-09 exploration program.

In the northern part of Lakuwahi, three holes targeted outcrops and boulders of siliceous rocks showing significant base-metal geochemical anomalies. Elevated lead, zinc, silver values occur over wide zones in this area as well for example,

- Hole LHD 10 intersected 80 metres of 2.2% Pb, 1.4% Zn and 41 g/t Ag.




These mineralised breccia zones are interpreted as feeders to exhalative vents. Whilst the breccias are targets in their own right, the real prize would be any associated massive sulphide accumulations.

*Kiahar and Other Northern Prospects*

In the northern parts of Romang Island several prospective gold-silver-lead-zinc-barite veins exist at 'Kiahar' and nearby 'Pawawan', 'Joirtuna' and 'Dedern'. All are prime drill targets with the potential to be developed into a low-CAPEX, direct-shipping (ore) operation.

A near surface, high-grade gold-silver-lead vein drill target was delineated in 1991 at the 'Kiahar' prospect by the Ashton Indonesia Group. Maximum results of 26.7 g/t Au, 438 g/t Ag and 19% Pb were returned from 2 rock chip samples (see Table 3 overleaf).

Drill testing of the vein system indicated two separate zones of mineralisation (strike extent over 200m tested down-dip extent of 110m averaging 2.5m thickness) 2.5m @ 1.89 g/t Au, 98 g/t Ag and 30% Pb from 19.5m (*1992, Ashton Group Indonesia)*.

| | Width (m) | Au g/t | Ag g/t | Pb % |
|---|---|---|---|---|
| **Surface Channel** | 2 | 26.7 | 109 | 19 |
| **Surface Channel** | 2 | 8.8 | 438 | 9.2 |
| **Drill Hole** | 2.5 (from 19.5m) | 1.89 | 98 | 30 |

Table 3 – Ashton Group Indonesia, 1992

Follow up surface sampling by Billiton in 1998 produced the following results summarised in Table 4 below.

Table 3 – Billiton Indonesia, 1999

| | Maximum | Average |
|---|---|---|
| **Au g/t** | 3.82 | 0.92 |
| **Ag g/t** | 492 | 200 |
| **Zn %** | 0.6 | 0.2 |
| **Pb %** | 41.8 | 26.5 |

**Phase 1 Exploration Program (A$1.5M)**

*Potential world-class discovery and early cash flow – a two pronged approach*

Preparations are well underway for two drilling programs to run concurrently on Romang Island. Two diamond-drill rigs have been built, commissioned and mobilised to the island. Base camps have been established within the Lakuwahi prospect area in the south (see image overleaf) and in proximity to Kiahar in the north.

A 2,500 metre diamond-drilling program on Lakuwahi will focus initially on the thick gold base-metal zones drilled by Billiton Indonesia. The lateral and vertical continuity of the mineralisation will be tested whilst gaining a firmer understanding of prospect-scale geological controls over mineralisation. This drilling will be extended to test deeper parts of the system beneath limestone cover. Targeting of these deeper holes will be aided by results of geophysical programs (IP, EM and magnetics) planned for Quarter 4 2008.

At Kiahar, high-grade silver lead is the initial target. 2,500 metres of drilling is planned for definition-drilling of high-grade silver-lead (plus gold) veins. The resource potential of the northern Romang prospects is considered high. Initially the focus will be the high-grade Kiahar veins. From the Kiahar base, basic exploration effort will focus on bringing other prospects to a drill-ready status.

Robust Base Camp at Lakuwahi, Romang Island

**New South Wales Tenements**

Table 2 overleaf provides a schedule of the New South Wales tenement areas at 30 June 2008.

Cobar Area Tenements

Salient features of Robust's three Cobar-based tenements are described below, along with a summary of work undertaken by the Company, and proposed future work.

**Pooraka EL 6413 (100% equity)**

Pooraka" EL6413, about 50km east of Cobar, straddles the *Gilmore Suture* and a narrow fault bound north trending zone *of Devonian Tooram Formation*. The *Tooram Fm* is a correlative of the *Mt Boppy Member* and *Baledmund Formation*, which to the south at Canbelego hosts the "saddle reef" like Mt Boppy Gold Mine (approx 500,000 oz of historical production) and shear controlled magnetite rich copper shoots similar to the Cobar deposits.

Table 2 – Tenement Areas New South Wales, Australia

| Number | Name | Holder | Beneficial Owner | Status | Grant date | Expiry date | Current Area (sq km) |
|---|---|---|---|---|---|---|---|
| EL 6415 | Tindarey | Robust Resources | Robust Resources Limited | Lodged 2008 DPI annual reports. Tenement in good standing. | 16/5/2007 | 16/5/2009 | 150 |
| El 6413 | Pooraka | Robust Resources | Robust Resources Limited | Lodged 2008 DPI annual reports. Tenement in good standing. | 16/5/2007 | 16/5/2009 | 147 |
| EL 6416 | Mt Barrow | Robust Resources | Robust Resources Limited | Lodged 2008 DPI annual reports. Tenement in good standing. | 16/5/2007 | 16/5/2009 | 141 |
| EL 6414 | Bauloora | Robust Resources | Robust Resources Limited | Lodged 2008 DPI annual reports. Tenement in good standing. | 16/5/2007 | 16/5/2009 | 52 |
| EL 6417 | Cumnock | Robust Resources | Robust Resources Limited | Lodged 2008 DPI annual reports. Tenement in good standing. | 16/5/2007 | 16/5/2009 | 249 |

Exploration by Robust in 2007 for Mt Boppy and Cobar style (shear controlled) deposits comprised literature reviews, computer analysis of aeromagnetic images, maglag sampling, reconnaissance, and rock chip sampling of the Tooram Fm, North McGuinness, Florida Trig, N Pole-Chert Ridge and Calcite Crystal Rise prospects. In addition the U.A.M Lead Prospect was also prospected, check-mapped and covered by ground magnetics. Prospective features included north and northwest trending magnetic linears, and prominent shear zones, in particular those with gaps, “jogs” or curvi-linear shapes. A large magnetic complex known as the “Spur” in the eastern part of the EL was also considered prospective, probably representing a deep intrusion-ie a source of mineralising fluids.

By anniversary date, May 2007, it was concluded that:

- Good potential existed for hidden gold mineralisation along the *Gilmore Suture,* and at depth in the McGuiness and Langbein areas. Air-core bedrock geochemistry was recommended.
- There appeared to be no significant gold and/or base metal mineralisation hosted by the *Tooram Fm*. Reconnaissance traverses found no mineralisation, and past drainage geochemistry did not delineate any significant results.
- The Florida Trig/ Chert Ridge/ N Pole area was base metal prospective and should be mapped, prospected and geochemically (rock chip) sampled.
- The Calcite Crystal Rise and UAM areas were prospective and could be tested by air-core bedrock sampling.
- The “Spur” magnetic high could be filtered for discrete anomalies (high and lows), to facilitate follow up testing for intrusive related and Girilambone-Triton style mineralisation.

Approximately 25 targets, and parts of the Spur complex, were selected for geochemical (maglag) sampling. Maglag and rock chip/ float sampling was commenced in 2007 and completed in 2008. In the current period 363 maglag samples and 92 rock chip/ float samples were collected and analysed for Au, Ag, Cu, Pb, Zn, As, Bi, etc. Approx 10% of all samples were noted to be anomalous in one or more elements.

Also during the current period extensive air-core bedrock sampling was undertaken by Robust at McGuinnes, Langbein, and along the southern boundary of the EL (176 samples in all), yielding a number of strong bedrock gold anomalies, which will require follow up air core and RC percussion drilling. Exploration by earlier explorers in the 1980’s focused on the McGuinness North area - 17 RAB and 8 RC-percussion holes. Results included 9m @ 1.3g/t Au (PDH18), 16m @ 1.13g/t Au (PDH 20), and 24m @ 0.75g/t Au (PDH1). In the 1990’s new Explorers (eg Epoch - 17 RC, 44 air track holes) located a shallow *inferred* resource of 18,000 tonnes @ 2g/t Au, in 3 pods to 12m depth. Shallow pits in the area also yielded up to 3.6g/t Au. Air-track drilling also intersected low-grade Au mineralisation, eg 10m @ 0.69g/t (including 2m @ 1.02g/t and 2m @ 1.27g/t).

The potential for hidden low grade/ medium tonnage gold resources in the McGuiness (north and south) and Langbein areas is considered good to very good, but will require a programme of extensive systematic air core and RC percussion drilling.

Targets mentioned earlier, excluding the Florida Magnetic Complex, were all geologically examined, prospected and rock chip/ float sampled. Analytical results pointed to a number of base metal anomalous areas requiring follow up air core drilling. Of particular interest is the Florida Trig/ Chert Ridge/ North Pole anomalous zone.

**Mt Barrow EL 6416 (100% equity)**

Geological and structural elements of this EL are similar to those seen on Pooraka EL 6413, which is proximal to, and on strike from Mt Boppy. Apart from small “Boppy style” quartz breccia lode gold deposits the area is also prospective for “Cobar style” base metal deposits which are associated with the magnetic minerals pyrrhotite and magnetite.

The geology comprises *Cobar Supergroup/ Girilambone Beds* close to the eastern margin of the Cobar Basin, a *Siluro-Devonian Rift System*, in the western part of the *Lachlan Fold Belt*. The north-eastern portion of this EL partly straddles the *Gilmore Suture*. A number of small, previously worked gold and base metal mines and prospects, including one cluster associated with ring fracturing in a volcanic centre, are present. Areas of interest are as follows:

- The Glengarry Gossan, which extends over 140m of strike. This yielded anomalous Au, Cu, Pb, Zn values when tested by Cominco in 1975. Diamond drilling located one 2.6m intersection of 10 to 15% sulphides.
- The Herald Mine, a 1-1.5m wide gold bearing quartz vein tested by underground workings to a depth of 25m. Grab samples of iron stained quartz have given values up to 9.6 g/t Au and 0.8% Pb.
- The New Era Mine, a quartz shear tested to 12m, with anomalous gold and base metal values.
- Rankins Prospect, a skarn with anomalous base metal values.
- The Victory Prospect, tested by underground workings to a depth of 10m in quartz veined volcanics.
- Bradburys Show, a base metal prospect tested by a shaft. Gossan values up to 1.2% Cu and 2.5% Pb are present. The workings are in the *Girilambone Formation* close to the faulted, *Devonian, Barrow Range Syncline* contact.

Target areas for exploration and follow-up were selected from aeromagnetic lineaments and thumb prints (showing Cobar-like signatures), old diggings, gossans, and areas of structural and/or lithological interest. The last included the *Coonara Fault*, two magnetic highs in the northern segment, and the Victory-Glengarry diggings/ volcanic centre, in the southern segment.

Target areas were soil (maglag) sampled at 50 or 100m intervals along tracks and fences, and, where possible, float or rock chip sampled. The walls of a number of earth dams were prospected by Robust for ferruginous-silicified material including one designated “copper gossan dam” SW of Hermitage Plains Station. Material from that location was highly anomalous - 910 ppm Cu, 530 ppm Zn, and 7 ppb Au, requiring follow up.

During the current period 211 soil (maglag) samples and 53 rock chip samples were collected and analysed for Au, Ag, Cu, Pb, Zn, Ni, As, Bi, and Sb. Some samples were also analysed also for Fe, and S. The detection limit for gold was 10 ppb. About 9% of samples were noted to be anomalous in gold, base metals, or indicator elements, including various combinations thereof. “Copper Gossan Dam” was bedrock sampled (using air core drilling) along two perpendicular lines of 10m spaced holes (9 samples) and analysed for the above elements. Unfortunately values were not significant.

The above sampling programme has generated numerous targets for air core bedrock sampling, particularly in the Victory-Glengarry and Bradbury-Rankins areas, which will need to be probed in 2008/9.

**Tindarey EL 6415 (100% equity)**

This EL takes in the eastern margin of the *Cobar Basin- Cobar Supergroup/ Girilambone Group* rocks which are directly along strike from the CSA and Great Cobar copper mines, the Elura lead-zinc mine, and the Mt Drysdale and Peak gold mines. Most of the EL consists of highly deformed and metamorphosed siltstone, sandstone and conglomerate of the *Girilambone Group* which are locally intruded by the mica- rich *Tinderra Granite.*

The area is prospective for gold-silver-base metal deposits of the Cobar and Mt Drysdale types in basal *Cobar Supergroup* rocks such as the *Merrere Conglomerate*, a possible equivalent to the prospective *Drysdale Conglomerate* to the south. The EL contains patches of small, high-grade gold deposits either as broad zones of stockworks, or as quartz-ironstone veins adjacent to granites. Local high grades were recorded in early mining, and considerable widths of mineralisation have been reported at Lone Hand, Golconda, and elsewhere.

Exploration target areas were selected from processed aeromagnetic targets (Cobar-type lineaments and thumb prints), old diggings, gossans, and areas of structural and/or lithological interest. Targets included the historical Golconda and Mt Merrere gold diggings. Aeromagnetic targets were soil (maglag) sampled at 50 and 100m intervals, where possible along tracks and fences, and other targets were prospected and rock chip sampled. A total 257 soil (maglag) samples and 38 rock chip samples were collected from target areas, and analysed for Au, Ag, Cu, Pb, Zn, Ni, As, Bi, and Sb. Some samples were also analysed also for Fe, and S.

About 9% of maglag samples, including those collected prior to May 16$^{th}$, 2007 were noted to be anomalous in gold, base metals, or indicator elements, including various combinations thereof.

Work done by Robust pointed to one area being of particular interest – the Mt Merrere Gold Field, 2 to 4 km SSE of Mt Merrere, and about 1.5km east of the Kidman Way. Visited and sampled on two occasions this year, the field consists of numerous shallow pits, and many deep shafts (20- 30m) extending along strike for about 1.5 km. Gold values and extents are considerable, e.g. 120m width at 3.8 g/t gold in Lone Hand mine, and up to 3.6g/t in grab samples collected by past explorers. Gold mineralisation occurs in sheared and altered sediments (locally phyllitic sandstone and siltstone) and tuffs impregnated by swarms of discontinuous quartz (with minor sulphide) veins, 5 to 10m in length, locally up to 40-50m, and up to 1.5m in width. The mineralised zone appears to be 50 to 100m wide, or more. Veins trend northerly and north-westerly, in part cross cutting bedding and cleavage. Of 22 rock chip samples collected by Robust, 13 were anomalous as follows (values in ppm, range shown in brackets) – Au 0.44 (0.01-2.15), Ag 1.40 (0.4-3.5), As 475 (21-1970), Cu 642 (35-1740), Pb 1908 (43-4290), Zn 480 (46-1640), suggesting the primary ore consists of gold with minor to trace amounts of pyrite, arsenopyrite, galena and sphalerite.

Of secondary interest is the line of lode taking in the Golconda Gold Field. The Golconda field sits in a broad (50 to 200m wide) brecciated, altered (silicified/ chloritised) shear zone which continues for at least 400m. Future targets for air-core bedrock geochemical sampling will be selected using a combination of geochemical data and detailed DPI (DIGS) information. Both of the two above gold fields are very prospective, but virtually unexplored using modern techniques. Both require extensive RC percussion drilling programmes to be fully evaluated.

Orange Area Tenement

**Cumnock EL 6417 (100% equity)**

Work completed in the current year involved an extensive review of prior exploration work, (including Robust's 2007, 9 hole RC percussion drilling programme at Delaneys Dyke), four field trips, petrographic analysis of RC percussion chips from Delaneys Dyke, a mapping and soil sampling programme about Cumnock Copper Mine, and a limited stream sediment orientation programme.

Cumnock EL 6417 is centred on the town of Cumnock, and extends from just north of Manildra in the south, to just south of Wellington in the north. The Mitchell Highway passes through the licence area, which is well served by public and private roads.

The Cumnock EL hosts skarn type (Sn-Zn-Cu-Ag), disseminated Cu, granite pegmatite-hosted Mo-W, and mesothermal Au-Cu mineralisation, as noted by previous explorers. Potential also exists for epithermal Au, VHMS Cu-Zn, high-grade Au skarns/ breccias and *Ordovician* volcanic/ intrusive hosted Au-Cu mineralisation. Analogues of the Goonumbla, Gidginbung, Lake Cowal, Cadia-Ridgeway, Woodlawn, Mt Aubrey, and Brown's Creek deposits are appropriate targets on the EL.

Based on past exploration and historic diggings, in the EL can be roughly divided into four target areas:

- Neurea Cu Zone (includes Camelford Pk Estate)
- Blathery Ck disseminated Cu Zone (includes Owen's Shaft)
- Cumnock Cu Mine area
- Gumble Granite skarns, including Delaney's Dyke Mine

The following features also enhance prospectivity on the EL: (1) the presence of *Ordovician* age volcanics, as at Cargo, Cadia-Ridgeway, and Goonumbla, (2) major N-S trending faults cut by NW trending faults of the Lachlan Transverse Zone-as at Cadia-Ridgeway, (3) the presence of "I type" fractionated intrusives, e.g. the Gumble Granite, (4) the presence of many small mineral occurrences, structural complexity, and conduits for ore deposition. Work completed during the current period focused on the two southern areas (Gumble and Cumnock), as follows:

*Gumble Granite Skarns/ Delaney's Dyke Area*

Reviews of prior exploration work re-affirmed the Delaney's Dyke Zn-Sn-Cu-Au skarn zone as a priority prospect. Analytical and petrographic data from the 9 RC percussion holes pointed to the need for additional drill testing. Scout holes need to be sunk 50 to 100m to the NE and SW of the 100m long 9 hole cluster. Petrographic data confirmed that the rocks are indeed weakly skarned sediments and pyroclastics.

In late 2007 8 minus 80 mesh stream sediment samples were collected from a stream proximal to, but not draining from the Delaney's Dyke diggings. This was done to check earlier high values, e.g. up to 1400ppm Zn-noted in similar sampling done by Aberfoyle Exploration Pty Ltd (1981) and Electrolytic Zinc Company of A/Asia (EZ) (1988). Samples were analysed for Au, Ag, As, Bi, Cu, Fe, Mo, Pb and Zn. This work turned up several Au, As, and Cu anomalous locations requiring follow up work.

*Cumnock Mine Area*

In December 2007, Robust conducted a minus 80 mesh soil geochemical survey over the historic Cumnock Cu mine area on a staggered 100m by 100m grid. The grid covered the main shaft and a smaller shaft 400m to the ESE. In all 41 samples were collected and submitted for Cu, Pb, Zn, As, Mo, Au and Ag analysis. About 20% of samples were noted to be anomalous, in Au, As, Cu, Pb, and Zn, mainly about 2 shafts. Results are considered positive and the anomaly remains open to the north, requiring follow-up prospecting/sampling. The mine is a possible drill target. In the past the Cumnock Cu Mine, yielded several tones of 10% copper ore with gold (60-90g/t), and silver (90g/t) credits. Mineralisation exhibits as sulphide blebs and disseminations, associated with quartz veins in Silurian andersites.

Cootamundra Area Tenement

**Bauloora EL 6414 (100% equity)**

This EL was acquired to evaluate a large (27 km sq) epithermal alteration system directly NW of Cootamundra (as a potential host to hidden bonanza-style deposits) and, as an adjunct, to seek out any small, high-grade base-precious metal deposits.

Several occurrences of gold and base metal mineralisation are known within the licence area, and some of these have been subjected to detailed surface work and first-pass shallow drilling.

After reviewing all historical data (geochemistry, IP, drilling, and an honours thesis) it was decided to concentrate on the Bauloora Mine area, where a brecciated epithermal-Pb-Zn-Ag-(Au)-(Cu) vein was untested at depth and along strike, with the possibility of hidden adjacent or deeper veins.

The first step was to run a minus 80 mesh soil survey over the mine area, 11 lines at 100m line spacing and 10m sampling interval, plus 4 reconnaissance lines to the north at 25m sampling interval. This generated 730 samples which were analysed for Au, Cu, Pb, Zn, As and Sb- gold detection limit 10 ppb. Results were encouraging. The historically mined and drilled area (the main vein) expressed as a N-S trending 100 to 150m wide anomalous zone, suggested the presence of veins adjacent to the main vein. Further, the zone continued for 300 to 400m to the north, and less conspicuously for a similar distance south, with a parallel small anomaly in the SE.

A drilling programme was then undertaken in October 2007, consisting of 10 RC percussion holes, and 2 pre-collared diamond holes. Five of the holes, including the 2 diamond holes, were designed to test the main vein at depth, and the balance was designed to test various bedrock geochemical anomalies adjacent to the main vein. All holes were drilled at 50 degrees declination, 11 to the east and one to the west. The 2 diamond holes, were pre-collared to 60 and 100m respectively, and reached depths of 162 and 262m. The 8 RC percussion holes ranged from 50 to 120m. In all 264m of diamond drilling and 868m of RC percussion drilling was completed.

In the 2 diamond drill holes a total of 13 sulphide-bearing veins (6 in hole 1and 7 in hole 2) were intersected at various depths. Thicknesses ranged from 8 to 75 cm, averaging 26.5cm (total thickness in 2 holes 345 cm), and estimated sulphide concentrations ranged from 5 to 90%, averaging about 40%. Sulphides consisted of fine honey coloured sphalerite and sooty galena, with minor chalcopyrite, pyrite and arsenopyrite. In the 10 RC percussion holes fresh and weathered (silicified and iron stained) sulphides were locally evident in chip returns, but were much less distinct.

In order to properly evaluate sulphide extents and concentrations 281 percussion chip and 41 half-core samples (52.3m of core split) were collected over various intervals ranging from 20 cm to several metres, and analysed for the above elements. Results confirmed continuity of a major vein system over at least 400m, the presence of a possible new vein 150m to the east, and associated patches of disseminated mineralisation. Geochemical results, from the 10 RC percussion holes revealed the following;

- Continuity of the main sulphide vein for about 250m to the south, and 150 plus to the north of the main (historical) shaft-detected in holes 1, 2, 3, 3a, and 6.
- Hole 8 detected a new vein about 150m east of the main vein – 1m intersection (from 15 to 16m) at 5.1% Pb, 2.44% Zn, 22.9 g/t Ag. Other holes encountered minor local sulphide concentrations, as originally detected in the soil survey.
- Overall results were encouraging (e.g. in hole 3a – 76 to 78m – 6.8% Zn, 1.9% Pb, 15.4 g/t Ag, 3.2 g/t Au over 1m, or 4.5% Zn, 1.45% Pb, 11.3 g/t Ag, 2.1 g/t Au over 2m).

Geochemical results from the 41 half drill core samples taken from the two diamond holes revealed the presence of four narrow veins as follows;

- Hole 1 0.22m from 128.4m at 1.43% Pb, 24.7 g/t Ag; 0.26m from 139.95m at 4.31% Pb, 10.55%Zn, 33.1 g/t Ag and 2.32 g/t Au; 0.13m from 141.06m at 9.42% Pb, 2.99% Zn, 52.8 g/t Ag and 17.4 g/t Au; 1.02m from 144.9m at 1.45% Pb, 1.91% Zn, 21.1 g/t Ag and 0.8 g/t Au.
- Hole 2 0.42m from 191.12m at 0.58% Pb, 2.34% Zn, 7.0 g/t Ag and 0.26 g/t Au; 0.21m from 193.11m at 0.95% Pb, 1.16% Zn, 35.3 g/t Ag and 0.34 g/t Au; 0.19m from 209.91m at 5.14% Pb, 6.95% Zn, 35.4 g/t Ag and 3.58 g/t Au; 0.95m from 211.12m at 0.5% Pb, 3.4% Zn, 6.8 g/t Ag and 0.8 g/t Au.

The Bauloora vein mineralised epithermal system appears to be open to the north and south, and down dip. There is also the possibility that the veins, represent the top of a larger system that increases in width and extent with depth, becoming a significant resource reflected at surface by the 27 sq km alteration halo. Considerable additional deep RC percussion and/or diamond drilling is required to check this hypothesis.

The alteration halo also contains other patches of sulphide-gold mineralisation, e.g. at Mee Mar, Bauloora East, and Panorama. These sites also need to be sampled, and, if required, drill tested.

Gary L. Lewis
Managing Director

Dated this 29th day of September 2008
Sydney

# Directors' Report

Your Directors present their report on the company and its controlled entity for the financial year ended 30 June 2008.

## DIRECTORS

The names of the Directors in office at the date of this report and since incorporation are:

Ian D Finch, B.Sc. (Hons) MAusIMM
Gary L Lewis, B.Com. MBT
Chris Morgan-Hunn, Dip Fin Mkts

### Ian D Finch – Chairman

At 60 years of age, Ian's career spans over 36 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981. In 1981 He joined CRA Exploration as Principal Geologist, before joining Bond Gold as its Chief Geologist in 1987. In 1993 he established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton district of Western Australia.

In 1999 he founded Templar Resources Ltd now a 100% owned subsidiary of Canadian Listed Company Goldminco Corporation.
As chairman of Bannerman Resources Ltd in 2005, Ian was instrumental in the acquisition of their Namibian Uranium prospects before standing aside to concentrate on the extremely successful float of Trafford Resources Limited. He is also non-executive director of IronClad Mining Limited, which Trafford listed in July of this year to progress the magnetite deposit identified by Trafford in its first year of exploration.

### Gary L Lewis – Managing Director

Gary is 47 and holds a Bachelor of Commerce and Masters of Business & Technology (MBT) from the University of NSW. In addition to running his own investment and marketing services businesses, Gary has worked in senior management positions in some of Australia's largest organisations. He has also worked with a number of Australian Public Companies over the past ten years in advisory positions, with an emphasis on corporate strategy and business development. Gary is currently a director and major shareholder in two private investment vehicles with major exposure to small-medium cap listed mining companies. Gary is a director of listed medical devices company BMDI Tuta Limited.

### Chris Morgan-Hunn – Director

Chris is 63 and is a foundation director of Robust Operations Pty Limited and has been actively involved in the development of the Company's mining projects for over three years. Chris has more than 20 years experience in financial markets, having acted as an adviser with some of Australia's largest stockbroking and investment firms. In addition to this Chris has extensive experience in dealing with the NSW Department of Primary Industries and, as a grazier in the region, adds considerable value in negotiating and liaising with local landowners.

## COMPANY SECRETARY

Ian Mitchell BA, Dip Law (Sydney)
The Company Secretary as at 30 June 2008 and since incorporation was I B Mitchell.

Ian is a practising solicitor of over thirty years standing. He has been a Director and Company Secretary of a number of public listed Mining and Industrial companies and his legal expertise is in commercial, contractual ASIC and ASX compliance work. His academic qualifications are BA, Dip Law (Sydney).

## PRINCIPAL ACTIVITIES

The principal activities of Robust during the year have been the continuing evaluation and exploration of existing mineral exploration interests together with due diligence activities concerning the acquisition of an option to acquire tenements on Romang Island, Indonesia and preliminary exploration and evaluation thereof. Such acquisition was approved by Shareholders in General Meeting on 11 April 2008.

There were no significant changes in the nature of the activities of Robust that occurred during the year.

## REVIEW OF OPERATIONS

The consolidated result for the financial year was a loss after tax of $461,836 (2007: Loss after tax of $193,425).

## FINANCIAL POSITION

The company was incorporated on 17 October 2006 and admitted to Official List of ASX on 26 February 2007. Upon listing on the ASX, Robust issued 13,828,500 shares at 20 cents each raising $2,765,700 before listing costs. At 30 June 2008, Robust held $893,433 in cash. Since its incorporation and admission to ASX Official List, Robust has used its cash and receivables consistently with its business objectives and principal activities. The Company has no secured debt and considers that, subject to shareholder approval of the placement to Trafford Resources Ltd it is adequately funded to progress the current exploration projects on all tenements.

## DIVIDENDS

No dividends were paid or declared during the year by Robust.

## CURRENT ON-MARKET SHARE BUY BACK

There is no current on-market buy-back of the Company's shares.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 22 February 2008 the company entered into an option agreement to purchase up to a 75% interest in five mining tenements on Romang Island, Indonesia from PT Gemala Borneo Utama. The purchase price was 5,000,000 Robust ordinary shares deemed paid to 20c each and $150,000 for past expenditure on such tenements. The share issue was approved by shareholders on 11 April 2008. The Company has been actively engaged in the enhancement and exploration of these tenements since acquisition thereof and has spent in excess of $220,000 in so doing.

## SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to year end on 12 August 2008 the directors have called an Extraordinary General Meeting ("EGM") to be held on 3 October 2008 in order to obtain approval from the members of Robust the issue of 7,200,000 ordinary shares at 20 cents per share, raising $1,440,000 (before costs) and a further 3,600,000 options to be issued over ordinary shares at an exercise price of 30 cents per share, raising the $1,080,000. The funds to be raised will be used in exploring and developing the group's mining tenements.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors intend to complete their exploration and evaluation of the Company's mineral tenements and to consider the further acquisition of mineral tenements and opportunities connected therewith and the development thereof.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

Robust's operations are subject to general environmental regulation under applicable State and Federal legislation and the terms of grant of its tenements impose environmental obligations in relation to site remediation. The Directors are not aware of any breach of such requirements and the relevant officers of the Company are aware of the responsibility of the Company in relation thereto.

## DIRECTORS' MEETINGS

| | DIRECTORS' MEETINGS | |
|---|---|---|
| | Meetings Held while in office | Meetings Attended |
| I D Finch | 10 | 8 |
| G L Lewis | 10 | 10 |
| C Morgan-Hunn | 10 | 10 |

## DIRECTORS' INTERESTS IN SHARES

The interests in the shares of the Company held by Directors of the reporting entity and their director related entities are:

| | Shares | | |
|---|---|---|---|
| | Direct | Indirect | Total |
| I D Finch | 1 | 610,000 | 610,001 |
| G L Lewis | 1 | 2,700,000 | 2,700,001 |
| C Morgan-Hunn | 1,109,426 | 120,000 | 1,229,426 |

As a condition of listing the company on the ASX some of the shares held by directors are held in escrow for periods up to 24 months from 26 February 2007. Shares of directors held in escrow are as follows:

| | Shares |
|---|---|
| I D Finch | 500,000 |
| G L Lewis | 1,107,175 |
| C Morgan-Hunn | 1,109,426 |

### Options issued

Options were issued to directors and executives. These options are not issued based on performance criteria, but are issued to all directors and executives of Robust Resources Limited to increase goal congruence between executives, directors and shareholders.

| | Vested No. | Granted No. | Grant Date | Fair Value per Option at Grant Date $ | Exercise Price $ | First Exercise Date | Last Exercise Date |
|---|---|---|---|---|---|---|---|
| Key Personnel | | | | | | | |
| I. D Finch | - | 300,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| G. L Lewis | - | 300,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| C. Morgan-Hunn | - | 150,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| I. Mitchell | - | 150,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| P. Moeskops | - | 100,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| B. Collins | - | 20,000 | 26.06.2007 | 0.158 | 0.25 | 26.06.2007 | 07.06.2012 |
| | - | 1,020,000 | | | | | |

## AUDIT COMMITTEE

Due to size and nature of the company's current operations and board, the directors believe it is not necessary to constitute a separate audit committee.

## REMUNERATION REPORT (AUDITED)

This remuneration report outlines the director and executive remuneration arrangements of the company and the group in accordance with the requirements of the Corporations Act 2001 and its Regulations. It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 Related Party Disclosures, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel (KMP) of the group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

The Company policy for remuneration of directors and senior executives is designed to ensure the remuneration package properly reflects the person's duties and responsibilities, consistent with the capacity of the Company to pay and that such remuneration will attract, retain and motivate people of quality to the relevant positions. The Board is responsible for reviewing its own performance. The non-executive directors are responsible for evaluating the performance of the executive director who, evaluates the performance of the senior executives. The evaluation process is intended to assess the Company's business performance, whether Company objectives are being achieved and the achievement of individual executives.

Remuneration comprises salary together with options to acquire shares under the employees' share option plan. No directors or executives receive performance related remuneration. Details of the amount of emoluments received by each director and executive officer of the Company and Group are as follows:

### Remuneration of key management personnel

| | Economic Entity 30 June 2008 | | | |
|---|---|---|---|---|
| | Short term | | | |
| | Primary Salary & fees $ | Share based payment $ | Total $ | % Performance related $ |
| Specified directors | | | | |
| I Finch | 50,430 | 9,480 | 59,910 | - |
| G Lewis | 48,000 | 9,480 | 57,480 | - |
| C Morgan-Hunn | 24,000 | 4,740 | 28,740 | - |
| Specified executives | | | | |
| I Mitchell | 24,000 | 4,740 | 28,740 | - |
| P Moeskops (a) | 120,000 | 3,160 | 123,160 | - |
| | 266,430 | 31,600 | 298,030 | |

| | Economic Entity 30 June 2007 | | | | |
|---|---|---|---|---|---|
| | Short term | | | | |
| | Primary Salary & fees $ | Termination payments $ | Shares $ | Total $ | % Performance related $ |
| Specified directors | | | | | |
| I Finch | 20,833 | - | 50,000 | 70,833 | - |
| G Lewis | 20,000 | - | - | 20,000 | - |
| R McLennan | 6,000 | 20,000 | - | 26,000 | - |
| C Morgan-Hunn | 12,000 | - | - | 12,000 | - |
| Specified executives | | | | | |
| I Mitchell | 6,000 | - | - | 6,000 | - |
| P Moeskops (a) | 10,000 | - | - | 10,000 | - |
| | 74,833 | 20,000 | 50,000 | 144,833 | |

(a) Capitalised as part of deferred mining and exploration expenditure.

## SERVICE CONTRACTS WITH DIRECTORS AND EXECUTIVES

Robust has continued its contract with Imperial Management Pty Limited for the provision of services of Ian Finch as Chairman of Robust. Pursuant to this contract the company paid $50,430 plus reasonable expenses for the year ended 30 June 2008.

Robust has entered into a contract with ACT 2 Pty Limited for the provision of the services of Gary Lewis as Managing Director of Robust. The contract provides for payment of fees of $48,000 per annum plus reasonable expenses.

Robust has continued its contract with Native Home Partnership for the provision of the services of Chris Morgan-Hunn as Director of Robust. Pursuant to this contract the company paid $24,000 plus reasonable expenses for the year ended 30 June 2008

It has entered into a contract with Ian Mitchell for the provision of Company Secretary Services. The contract provides for payment of fees of $24,000 per annum plus reasonable expenses.

It has also entered into a contract with AGAIVA holdings Pty Ltd for the provision of the services of Pieter Moeskops as General Manager (Technical) for payment of fees of $120,000 per annum plus reasonable expenses. None of the above service contracts is for a duration exceeding 3 years.

## DIRECTORS INDEMNIFICATION

Pursuant to its constitution Robust indemnifies, to the extent permitted by law, each Director and Secretary of the Company against any liability incurred by that person as an Officer of the Company. The Company has a Directors and Officers liability insurance policy.

## AUDITOR INDEMNIFICATION

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

## LEGAL PROCEEDINGS

No person has sought leave to commence legal proceedings on behalf of Robust or to intervene in any proceedings to which Robust is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Company is not a party to any legal proceedings and is not aware of any impending or threatened legal proceedings against it.

## NON-AUDIT SERVICES

The board of directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2008 have been disclosed in Note 18.

## AUDITORS' INDEPENDENCE

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 28 of the directors' report.

Signed in accordance with a resolution of the Board of Directors

Gary L. Lewis
Managing Director

Dated this 29th day of September 2008
Sydney

GouldRalph
ASSURANCE

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# Auditors' Independence Declaration

29 September 2008

The Board of Directors
Robust Resources Limited
Mezzanine Level, 3 Spring Street
SYDNEY NSW 2000

Dear Members of the Board

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Robust Resources Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Robust Resources Limited and any entities it controlled during the year.

Yours faithfully
GOULD RALPH ASSURANCE
Chartered Accountants

GREGORY C. RALPH M.Com., F.C.A.
Partner

# Consolidated Income Statement

| FOR THE YEAR ENDED 30 JUNE 2008 | Notes | CONSOLIDATED | | PARENT | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| REVENUE FROM CONTINUING OPERATIONS | 2 | 86,928 | 64,243 | 86,928 | 64,238 |
| EXPENSES FROM CONTINUING OPERATIONS | | | | | |
| Professional fees | 3a | (109,356) | (48,119) | (109,356) | (47,907) |
| Depreciation & amortisation | | (2,278) | (17) | (2,278) | (17) |
| Employee benefits expense | 3b | (214,652) | (110,662) | (214,652) | (110,662) |
| Travel expenses | | (64,502) | (2,964) | (64,502) | (2,964) |
| Occupancy expenses | 3c | (50,371) | (6,863) | (50,371) | (6,863) |
| Insurance expenses | | (9,341) | - | (9,341) | - |
| Public relation's and marketing expense | 3d | (52,973) | (3,089) | (52,973) | (3,089) |
| Mining costs written off | | - | (48,675) | - | (48,675) |
| Other expenses | 3e | (45,291) | (37,279) | (57,341) | (2,993) |
| LOSS BEFORE INCOME TAX | | (461,836) | (193,425) | (473,886) | (158,932) |
| INCOME TAX EXPENSE | 4 | - | - | - | - |
| LOSS AFTER INCOME TAX EXPENSE | | (461,836) | (193,425) | (473,886) | (158,932) |
| NET LOSS ATTRIBUTABLE TO MEMBERS OF ROBUST RESOURCES LIMITED | | (461,836) | (193,425) | (473,886) | (158,932) |
| Basic earnings per share (cents per share) | 16 | (1.85) | (1.47) | | |
| Diluted earnings per share (cents per share) | 16 | (1.85) | (1.47) | | |

The Consolidated Income Statement is to be read in conjunction with the notes to the financial statements.

# Consolidated Balance Sheet

AS AT 30 JUNE 2008

| | Notes | CONSOLIDATED | | PARENT | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 5 | 893,433 | 2,143,349 | 893,433 | 2,143,349 |
| Trade and other receivables | 6 | 17,671 | 24,371 | 111,920 | 118,671 |
| Other assets | 7 | 75,003 | 94,593 | 5,003 | 24,593 |
| TOTAL CURRENT ASSETS | | 986,107 | 2,262,313 | 1,010,356 | 2,286,613 |
| NON-CURRENT ASSETS | | | | | |
| Property plant & equipment | 8 | 5,359 | 1,391 | 5,359 | 1,391 |
| Deferred exploration and evaluation expenditure | 9 | 2,201,852 | 289,512 | 2,154,190 | 241,849 |
| Other financial assets | 14 | - | - | 45,856 | 45,856 |
| TOTAL NON-CURRENT ASSETS | | 2,207,211 | 290,903 | 2,205,405 | 289,096 |
| TOTAL ASSETS | | 3,193,318 | 2,553,216 | 3,215,761 | 2,575,709 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 10 | 217,700 | 147,994 | 217,700 | 135,994 |
| TOTAL LIABILITIES | | 217,700 | 147,994 | 217,700 | 135,994 |
| NET ASSETS | | 2,975,618 | 2,405,222 | 2,998,061 | 2,439,715 |
| EQUITY | | | | | |
| Contributed equity | 11 | 3,606,433 | 2,606,433 | 3,598,647 | 2,598,647 |
| Share based payments reserve | 12 | 32,232 | - | 32,232 | - |
| Accumulated losses | | (663,047) | (201,211) | (632,818) | (158,932) |
| TOTAL EQUITY | | 2,975,618 | 2,405,222 | 2,998,061 | 2,439,715 |

The Consolidated Balance Sheet is to be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Changes in Equity

| FOR THE YEAR ENDED 30 JUNE 2008 | Notes | Contributed Equity $ | Accumulated Losses $ | Share Based Payments Reserve $ | Total $ |
|---|---|---|---|---|---|
| CONSOLIDATED | | | | | |
| Balance at 1 July 2006 | | 53,642 | (7,786) | - | 45,856 |
| Shares issued during the period | | 3,059,713 | - | - | 3,059,713 |
| Transaction costs | | (506,922) | - | - | (506,922) |
| Loss for the period | | - | (193,425) | - | (193,425) |
| Balance at 30 June 2007 | | 2,606,433 | (201,211) | - | 2,405,222 |
| Shares issued during the year | | 1,000,000 | - | - | 1,000,000 |
| Cost of share based payments | | - | - | 32,232 | 32,232 |
| Loss for the year | | - | (461,836) | - | (461,836) |
| Balance at 30 June 2008 | | 3,606,433 | (663,047) | 32,232 | 2,975,618 |
| PARENT ENTITY | | | | | |
| Balance at 17 October 2006 | | - | - | - | - |
| Shares issued during the period | | 3,105,569 | - | - | 3,105,569 |
| Transaction costs | | (506,922) | - | - | (506,922) |
| Loss for the year | | - | (158,932) | - | (158,932) |
| Balance at 1 July 2007 | | 2,598,647 | (158,932) | - | 2,439,715 |
| Shares issued during the year | | 1,000,000 | - | - | 1,000,000 |
| Cost of share based payments | | - | - | 32,232 | 32,232 |
| Loss for the year | | - | (473,886) | - | (473,886) |
| Balance at 30 June 2008 | | 3,598,647 | (632,818) | 32,232 | 2,998,061 |

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

# Consolidated Cash Flow Statement

| FOR THE YEAR ENDED 30 JUNE 2008 | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Interest received | | 86,928 | 64,243 | 86,928 | 64,238 |
| Payments to suppliers | | (428,847) | (109,138) | (428,847) | (107,735) |
| Income tax received | | 10,590 | - | 10,590 | - |
| NET CASH FLOWS (USED IN) OPERATING ACTIVITIES | 13 | (331,329) | (44,895) | (331,329) | (43,497) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of property plant & equipment | | (6,246) | (1,408) | (6,246) | (1,408) |
| Exploration expenditure | | (912,341) | (290,524) | (912,341) | (290,524) |
| NET CASH FLOWS (USED IN) INVESTING ACTIVITIES | | (918,587) | (291,932) | (918,587) | (291,932) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from issue of shares (net of share issue costs) | | - | 2,478,778 | - | 2,478,778 |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | - | 2,478,778 | - | 2,478,778 |
| NET (DECREASE)/INCREASE IN CASH HELD | | (1,249,916) | 2,141,951 | (1,249,916) | 2,143,349 |
| Add opening cash brought forward | | 2,143,349 | 1,398 | 2,143,349 | - |
| CLOSING CASH CARRIED FORWARD | 5 | 893,433 | 2,143,349 | 893,433 | 2,143,349 |

The Consolidated Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### The significant accounting policies which have been adopted in the preparation of this financial report are:

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Robust Resources Limited and controlled entity, together with Robust Resources Limited as an individual parent entity. Robust Resources Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Robust Resources Limited and the economic entity, comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### Basis of Preparation

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

*Going Concern Basis of Accounting*

The ability of the Robust Resources Limited to continue as a going concern and develop its existing tenements and therefore realise its assets in the ordinary course of business is dependant on the company raising further capital and or finance through future debt or equity arrangements. The company has net assets of $2,975,618 as at 30 June 2008 (2007: $2,405,222) and an excess of current assets over current liabilities of $768,407 as at that date (2007: $2,114,319) The company proposes to further augment its working capital by a share placement to Trafford Resources Ltd $1,440,000 (7,200,000 ordinary share at 20 cents per share), and a further $1,080,000 (3,600,000 options over the ordinary share at an exercise price of 30 cents) should Trafford Resources exercise the attaching options, which is subject to shareholder approval at an EGM on 3 October 2008. The directors are confident the company will meet its current liabilities as and when they fall due for a period of not less than 12 months from the date the annual report is signed. Accordingly, the directors believe it is appropriate that the financial report be prepared on a going concern basis.

### Accounting Policies

### (a) Principles of consolidation

A controlled entity is any entity Robust Resources Limited has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 14 to the financial statements. The controlled entity has a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

## (b) Cash and cash equivalents

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

## (c) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

## (d) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

## (e) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### (f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment — over three years

*Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

### (g) Exploration, evaluation and development expenditure

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

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

*Site restoration costs*

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis. Any changes in the estimates for the costs are accounted on a prospective basis.

### (h) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

### (i) Provisions

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

## (j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

*Interest*

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

## (k) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

## (l) Employee entitlements

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

## (m) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

## (n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Authority is included as a current asset, or a liability in the balance sheet.

| | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|---|---|---|
| **2. REVENUES** | | | | | |
| Interest-other persons/corporations | | 86,928 | 64,243 | 86,928 | 64,238 |
| Total revenues | | 86,928 | 64,243 | 86,928 | 64,238 |
| **3. LOSS FOR THE YEAR** | | | | | |
| a) Professional fees | | | | | |
| Audit fees | | 23,355 | 17,000 | 23,355 | 17,000 |
| Accounting and bookkeeping fees | | 21,569 | 15,619 | 21,569 | 15,619 |
| Legal fees | | 25,377 | - | 25,377 | - |
| Corporate administrative fees (ASX & ASIC) | | 15,920 | 3,789 | 15,920 | 3,577 |
| Company secretarial | | 23,135 | 11,711 | 23,135 | 11,711 |
| | | 109,356 | 48,119 | 109,356 | 47,907 |
| b) Employee benefits expense | | | | | |
| Directors fees | | 116,431 | 40,662 | 116,431 | 40,662 |
| Termination payments | | - | 20,000 | - | 20,000 |
| Other employee benefits expense | | 106 | - | 106 | - |
| Salaries and wages expense | | 55,833 | - | 55,833 | - |
| Superannuation expense | | 10,050 | - | 10,050 | - |
| Share based payments expense | | 32,232 | 50,000 | 32,232 | 50,000 |
| | | 214,652 | 110,662 | 214,652 | 110,662 |
| c) Occupancy expenses | | | | | |
| Minimum rental lease payments | | 50,371 | 6,863 | 50,371 | 6,863 |
| d) Public Relation's and Marketing expenses | | | | | |
| Advertising | | 4,244 | - | 4,244 | - |
| Marketing expense | | 32,592 | 3,089 | 32,592 | 3,089 |
| Printing expense | | 16,137 | - | 16,137 | - |
| | | 52,973 | 3,089 | 52,973 | 3,089 |
| e) Other expenses | | | | | |
| Bank charges | | 125 | 83 | 125 | 83 |
| Postage and Freight | | 157 | 524 | 157 | 524 |
| Office supplies | | 4,552 | 5,715 | 4,552 | 1,759 |
| Telephone expenses | | 9,278 | 627 | 9,278 | 627 |
| Field expenses | | 10,077 | - | 10,077 | - |
| Stamp duty write-off | | 9,000 | - | 9,000 | - |
| Computer expenses | | 5,510 | - | 5,510 | - |
| Staff training | | 2,600 | - | 2,600 | - |
| Other administration expenses | | 13,094 | 11,779 | 13,094 | - |
| Asset write-down | | 2,948 | 18,551 | 2,948 | - |
| Creditors written back | | (12,050) | - | - | - |
| | | 45,291 | 37,279 | 57,341 | 2,993 |

| | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|---|---|---|

## 4. INCOME TAX

### 4 (a) Numerical Reconciliation of income tax expense to prima facie tax expense is as follows:

| | Consolidated 2008 $ | Consolidated 2007 $ | Parent 2008 $ | Parent 2007 $ |
|---|---|---|---|---|
| Loss from operations before tax | (461,836) | (193,425) | (473,886) | (158,932) |
| Tax (benefit) at Australian tax rate 30% (2007: 30%) | (138,551) | (58,028) | (142,166) | (47,680) |
| Tax effect of permanent differences | 19,982 | 15,000 | 19,982 | 15,000 |
| Tax effect of equity raising costs debited to equity | (30,415) | (30,415) | (30,415) | (30,415) |
| Tax effect of tax losses not recognised | 148,984 | 73,443 | 152,599 | 63,095 |
| Income tax expense | - | - | - | - |

### 4 (b) Deferred tax assets and deferred tax liabilities brought to account

| | Consolidated 2008 $ | Consolidated 2007 $ | Parent 2008 $ | Parent 2007 $ |
|---|---|---|---|---|
| Deferred tax liability comprises: | | | | |
| Deferred mining exploration costs | (360,556) | - | (360,556) | - |
| Deferred tax asset comprises: | | | | |
| Tax losses recognised | 352,591 | - | 352,591 | - |
| Other | 7,965 | - | 7,965 | - |
| | 360,556 | - | 360,556 | - |
| Net deferred tax asset/liability | - | - | - | - |

### 4 (c) Tax Losses

| | Consolidated 2008 $ | Consolidated 2007 $ | Parent 2008 $ | Parent 2007 $ |
|---|---|---|---|---|
| Unused tax losses for which no tax loss has been recognised as a deferred tax asset | 741,919 | 521,269 | 729,869 | 443,070 |
| Potential Income Tax Benefit | 222,576 | 156,381 | 218,961 | 132,921 |

### 4 (d) Unrecognised temporary differences

| | Consolidated 2008 $ | Consolidated 2007 $ | Parent 2008 $ | Parent 2007 $ |
|---|---|---|---|---|
| Non deductible amounts as temporary differences - Provisions | - | 16,000 | - | 16,000 |
| Mining costs capitalised | - | (289,512) | - | (241,849) |
| Total | - | (273,512) | - | (225,849) |
| Potential effect on future tax expense | - | (82,054) | - | (67,755) |

## 5. CASH AND CASH EQUIVALENTS

| | Consolidated 2008 $ | Consolidated 2007 $ | Parent 2008 $ | Parent 2007 $ |
|---|---|---|---|---|
| Cash at Bank | 893,433 | 102,417 | 893,433 | 102,417 |
| Short term bank deposits | - | 2,040,932 | - | 2,040,932 |
| | 893,433 | 2,143,349 | 893,433 | 2,143,349 |

The effective interest rate on short-term bank deposits was 6.71%. These deposits had an average maturity of 90 days.

| | Notes | CONSOLIDATED | | PARENT | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| **6. TRADE AND OTHER RECEIVABLES** | | | | | |
| Net GST receivables | | 17,671 | 24,371 | 17,696 | 24,447 |
| Receivables within wholly owned group | | - | - | 94,224 | 94,224 |
| | | 17,671 | 24,371 | 111,920 | 118,671 |
| **7. OTHER ASSETS (CURRENT)** | | | | | |
| Bonds, deposits | | 75,003 | 85,593 | 5,003 | 15,593 |
| Other | | - | 9,000 | - | 9,000 |
| | | 75,003 | 94,593 | 5,003 | 24,593 |
| **8. PROPERTY, PLANT AND EQUIPMENT** | | | | | |
| Plant and equipment at cost | | 7,654 | 1,408 | 7,654 | 1,408 |
| Accumulated depreciation | | (2,295) | (17) | (2,295) | (17) |
| Net carrying amount | | 5,359 | 1,391 | 5,359 | 1,391 |
| (a) Movement in Carrying Amount | | | | | |
| Balance at beginning of the year | | 1,391 | - | 1,391 | - |
| Acquisitions | | 6,246 | 1,408 | 6,246 | 1,408 |
| Depreciation expense | | (2,278) | (17) | (2,278) | (17) |
| Carrying amount at the end of year | | 5,359 | 1,391 | 5,359 | 1,391 |
| **9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE** | | | | | |
| Costs carried forward in respect of areas of interest in: | | | | | |
| Lachlan fold belt tenements | | 732,244 | 289,512 | 684,582 | 241,849 |
| Romang Island tenements: | | | | | |
| - Deferred expenditure | (ii) | 469,608 | - | 469,608 | - |
| - Option to acquire up to 75% interest in tenements | (ii) | 1,000,000 | - | 1,000,000 | - |
| | | 1,469,608 | - | 1,469,608 | - |
| | | 2,201,852 | 289,512 | 2,154,190 | 241,849 |

(i) The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas. For further details of tenement commitments refer to Note 20.

(ii) The Romang interests are subject to future tenement expenditures – refer to note 20(b)(i).

| | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|---|---|---|
| **10. TRADE AND OTHER PAYABLES (CURRENT)** | | | | | |
| Trade and other creditors | | 217,700 | 147,994 | 217,700 | 135,994 |

| | Notes | CONSOLIDATED | | PARENT | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| **11. CONTRIBUTED EQUITY** | | | | | |
| (a) Issued and paid up capital c(i) | | | | | |
| 28,828,503 fully paid ordinary shares (2007: 23,828,503). | | 3,606,433 | 2,606,433 | 3,598,647 | 2,598,647 |
| (b) Movement in shares on issue | | | | | |
| Balance at the beginning of the year | | 2,606,433 | 53,642 | 2,598,647 | - |
| 3 shares issued upon incorporation of Robust Resources Limited on 17 October 2007 at $1 | | - | 3 | - | 3 |
| 7,500,000 ordinary shares issued to acquire Robust Operations Pty ltd | | - | - | - | 45,856 |
| 200,000 shares issued to promoters at 10 cents per share | | - | 20,000 | - | 20,000 |
| 500,000 remuneration shares issued to directors at 10 cents per share | | - | 50,000 | - | 50,000 |
| 1,120,000 shares issued to brokers at 20 cents share in settlement of brokerage fees upon the company listing on the ASX | | - | 224,010 | - | 224,010 |
| 13,828,500 shares issued at 20 cents per share on 26 February 2007 pursuant to prospectus | | - | 2,765,700 | - | 2,765,700 |
| 5,000,000 shares issued at 20 cents per share on 22 February 2008 | | 1,000,000 | - | 1,000,000 | - |
| Less: Issue costs | | - | (506,922) | - | (506,922) |
| Balance at end of the year | | 3,606,433 | 2,606,433 | 3,598,647 | 2,598,647 |

### (c) Terms and conditions of contributed equity

(i) Ordinary shares

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

### (d) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's capital includes ordinary share capital supported by financial assets. The group's financial liabilities consist of trade creditors.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

## 12. SHARE BASED PAYMENTS

The following share-based payment arrangement existed at 30 June 2008:

On 26 June 2007, 1,020,000 share options were granted to directors and key management personnel under the Robust Resources Limited Employee Share Option Plan to accept ordinary shares at an exercise price of 25 cents. The options are exercisable on or before 7 June 2012. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised.

| | Consolidated Group | | | |
|---|---|---|---|---|
| | 2008 | | 2007 | |
| | Number of options | Weighted Average Exercise Price $ | Number of options | Weighted Average Exercise Price $ |
| Outstanding at the beginning of the year | 1,020,000 | 0.25 | - | - |
| Granted | - | - | 1,020,000 | 0.25 |
| Forfeited | - | - | - | - |
| Exercised | - | - | - | - |
| Expired | - | - | - | - |
| Outstanding at year-end | 1,020,000 | - | 1,020,000 | - |
| Exercisable at year-end | 1,020,000 | - | 1,020,000 | - |

All options were issued over unissued ordinary shares in Robust Resources Limited, the Parent Entity. The options outstanding at 30 June 2008 had a weighted average exercise price of $0.25 and a weighted average remaining contractual life of 4 years.

The weighted average fair value of the options granted during the year was $0.158.

This price was calculated by using a Black Scholes option pricing model applying the following inputs:

| | |
|---|---|
| Weighted average exercise price | $0.25 |
| Weighted average life of the option | 5 years |
| Underlying share price at grant date | $0.24 |
| Expected share price volatility | 90% |
| Risk free interest rate | 7% |

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

Included under employee benefits expense in the income statement an amount of $32,232, which relates, wholly, to equity-settled share-based payment transactions.

| | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|---|---|---|
| **13. CASH FLOW STATEMENT** | | | | | |
| (a) Reconciliation from the net loss after tax to net cash flows from operations | | | | | |
| Loss after tax | | (461,836) | (193,425) | (473,886) | (158,932) |
| Non-Cash Items | | | | | |
| Share based payments expense | | 32,232 | 50,000 | 32,232 | 50,000 |
| Mining costs written off | | - | 48,675 | - | 48,675 |
| Stamp duty written off | | 9,000 | - | 9,000 | - |
| Depreciation | | 2,278 | 17 | 2,278 | 17 |
| Changes in current assets and current liabilities | | | | | |
| (Increase)/decrease in trade and other receivables | | 6,700 | (24,447) | 6,700 | (23,531) |
| (Increase)/decrease in other assets | | 10,590 | (85,587) | 10,590 | (15,587) |
| (Decrease)/increase in trade and other creditors | | 69,707 | 159,872 | 81,757 | 55,861 |
| | | (331,329) | (44,895) | (331,329) | (43,497) |

(b) Non-cash financing and investing activities.

During the year ended 30 June 2008, on 22 February 2008 the company issued 5,000,000 ordinary shares at an issue price of 20 cents ($1,000,000) as consideration for the option to purchase Romang Island Tenements in Indonesia. In addition to the issue of ordinary shares, $150,000 will also be paid to the vendors and the company is required to spend $1.5million to acquire a 51% interest and a further $3million to increase its interest in the tenements to 75%.

| | PLACE OF INCORPORATION | CONSOLIDATED INTEREST % |
|---|---|---|
| **14. CONTROLLED ENTITIES** | | |
| (a) Particulars in relation to controlled entities | | |
| Parent entity | | |
| Robust Resources Limited | Australia | |
| Controlled entity | | |
| Robust Operations Pty Limited | Australia | 100% |

The investment in Robust Operations Pty Ltd is recorded in the books of Robust Resources Ltd as follows:

| Other financial assets | PARENT 2008 $ | PARENT 2007 $ |
|---|---|---|
| Investment in controlled entity | 45,856 | 45,856 |
| | 45,856 | 45,856 |

## 15. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end on 12 August 2008 the directors have called an Extraordinary General Meeting ("EGM") to be held on 3 October 2008 in order to obtain approval from the members of Robust the issue of 7,200,000 ordinary shares at 20 cents per share, raising $1,440,000 (before costs) and a further 3,600,000 options to be issued over ordinary shares at an exercise price of 30 cents per share, raising the $1,080,000. The funds to be raised will be used in exploring and developing the group's mining tenements.

| | Notes | CONSOLIDATED 2008 $ | CONSOLIDATED 2007 $ |
|---|---|---|---|
| **16. EARNINGS PER SHARE** | | | |
| The following reflects the income and share data used in the calculations of basic and diluted earnings per share: | | | |
| Loss used in calculating earnings per share | | (461,836) | (193,425) |
| Loss used in calculating diluted earnings per share | | (461,836) | (193,425) |
| | | Number of shares | Number of shares |
| Weighted average number of ordinary shares used in calculating basic earnings per share | | 24,924,393 | 13,164,283 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | | 24,924,393 | 13,164,283 |

The share options are not considered to have a dilutive effect on the earnings per share (EPS) calculation.

## 17. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

*(i) Directors*
I. Finch
G. Lewis
C. Morgan-Hunn

*(ii) Executives*
I. Mitchell
P. Moeskops

(b) Compensation of Key Management Personnel

| | CONSOLIDATED | | PARENT | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| | $ | $ | $ | $ |
| Short term employee benefits | 266,430 | 74,833 | 266,430 | 74,833 |
| Share based payments | 31,600 | 50,000 | 31,600 | 50,000 |
| Termination payments | - | 20,000 | - | 20,000 |
| | 298,030 | 144,833 | 298,030 | 144,833 |

| (c) Equity Instruments | Number | Number | Number | Number |
|---|---|---|---|---|
| Options and rights over equity instruments | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 |

On 26 June 2007, 1,020,000 options were issued to directors and senior executives with an exercise price of 25 cents per share, expiring on 7 June 2012. For further details of these options, refer to the director's report.

(d) Equity holdings and transactions
The movement during the reporting period in the number of ordinary shares of Robust Resources Limited held, directly, indirectly or beneficially by each specified director and specified executive, including their personally-related entities is as follows:

| | Held at 1 July 2007 Number | Purchase/ (sales) Number | Held at 30 June 2008 Number |
|---|---|---|---|
| *Specified directors* | | | |
| Ordinary Shares (removed options) | | | |
| I. Finch | 610,001 | - | 610,001 |
| G. Lewis | 1,654,001 | 1,046,000 | 2,700,001 |
| C. Morgan-Hunn | 1,229,426 | - | 1,229,426 |
| | 3,493,428 | 1,046,000 | 4,539,428 |

| | Notes | CONSOLIDATED | | COMPANY | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| **18. AUDITORS' REMUNERATION** | | | | | |
| Amounts received or due and receivable by auditors of the Company for: | | | | | |
| Audit and review | | 23,355 | 17,000 | 23,355 | 17,000 |
| *Other services* | | | | | |
| Taxation compliance services | | 900 | 8,678 | 900 | 8,678 |
| Accounting reports for prospectus | | - | 20,000 | - | 20,000 |
| Share registry services | | 13,675 | 3,117 | 13,675 | 3,117 |
| | | 37,930 | 48,795 | 37,930 | 48,795 |

## 19. RELATED PARTY TRANSACTIONS

### Director Related Loans

There were no loans to/from directors during the year ended 30 June 2008 (2007: $Nil).

### Transactions with director related entities

Robust has continued its contract with Imperial Management Pty Limited for the provision of services of Ian Finch as Chairman of Robust. Pursuant to this contract the company paid $50,430 plus reasonable expenses for the year ended 30 June 2008 (2007: $20,833).

Robust has continued its contract with ACT 2 Pty Limited for the provision of the services of Gary Lewis as Managing Director of Robust. Pursuant to this contract the company paid $48,000 plus reasonable expenses for the year ended 30 June 2008 (2007: $18,950).

Robust has continued its contract with Native Home Partnership for the provision of the services of Chris Morgan-Hunn as Director of Robust. Pursuant to this contract the company paid $24,000 plus reasonable expenses for the year ended 30 June 2008 (2007: $10,000).

| | Notes | CONSOLIDATED | | COMPANY | |
|---|---|---|---|---|---|
| | | 2008 | 2007 | 2008 | 2007 |
| | | $ | $ | $ | $ |
| Current - Amounts receivable other than trade creditors | | | | | |
| - Controlled entity | | - | - | 94,224 | 94,224 |

All the above transactions were carried out on commercial, arms-length terms and conditions.

## 20. COMMITMENTS AND CONTINGENCIES

### a) Operating Lease Commitments

| | Consolidated Group | | Parent Entity | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| | $ | $ | $ | $ |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements: | | | | |
| Payable- Minimum lease payments | | | | |
| - not later than 12 months | 40,070 | - | 40,070 | - |

The property lease is a non-cancellable lease with a 1 year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the 1 year lease term.

### b) Capital Expenditure Commitments

| | Consolidated Group 2008 $ | Consolidated Group 2007 $ | Parent Entity 2008 $ | Parent Entity 2007 $ |
|---|---|---|---|---|
| Capital expenditure commitments contracted for: | | | | |
| Lachlan Fold Belt tenements | 250,000 | 408,513 | 250,000 | 408,513 |
| Romang Island tenements (i) | - | - | - | - |
| | 250,000 | 408,513 | 250,000 | 408,513 |
| Payable: | | | | |
| - not later than 12 months | 250,000 | 408,513 | 250,000 | 408,513 |
| - between 12 months and 5 years | - | - | - | - |
| | 250,000 | 408,513 | 250,000 | 408,513 |

(i) In addition to the above capital expenditure commitments, Robust has the opportunity to acquire a 51% interest in the Romang Island mining tenements if it expends a further $1,180,000 within 2 years from 22 February 2008 and, thereafter a further 24% interest (total of 75% interest) if it expends a further $3,000,000 within 5 years from 22 February 2008.

### c) Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets as at balance date that require separate disclosure.

## 21. SEGMENT INFORMATION

### Primary Reporting- Business Segments

The consolidated entity operated wholly within the Gold and Base Metals Exploration industry.

### Secondary Reporting- Geographic Segments

| | Segment Revenues from External Customers | | Carrying Amount of Segment Assets | | Acquisition of Non-current Segment Assets | |
|---|---|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | $ | $ | $ | $ | $ | $ |
| Geographic Location: | | | | | | |
| Australia | 86,928 | 64,243 | 1,723,710 | 2,553,216 | 442,733 | 290,919 |
| Indonesia | - | - | 1,469,608 | - | 1,469,608 | - |
| | 86,928 | 64,243 | 3,193,318 | 2,553,216 | 1,912,341 | 290,919 |

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Policies

The company's financial instruments comprise deposits with banks, short term loans to related parties and accounts payable. The company does not trade in derivatives or in foreign currency.

The company manages its risk exposure of its financial instruments in accordance with the guidance of the Audit and Risk Committee which is under the directions of the board of Directors. The main risks arising from the company's financial instruments are interest rate risk, foreign currency risk and liquidity risks. The company uses different methods to manage and minimise its exposure to risks. These include monitoring levels of interest rates fluctuations to maximise the return of bank balances and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The final approval and motoring of any of the theses policies is done by the Board which review and agrees on the policies for managing each of the risks as summarised below;

The primary responsibility to monitor the financial risks lies with the Managing Director under the authority of the Board. The Board agrees and approved policies for managing each of the risks indentified below, including the setting up approval limits for purchases and monitoring projections of future cash flow.

Risk Exposures

(a) Interest rate risk and maturity analysis

The consolidated entity's and parent entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

| | Consolidated | | Parent Entity | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| | $ | $ | $ | $ |
| | Within 6 months | Within 6 months | Within 6 months | Within 6 months |
| Financial Assets | | | | |
| Cash and cash equivalents | 893,433 | 2,143,349 | 893,433 | 2,143,349 |
| Financial Liabilities | | | | |
| Trade and other payables | (217,700) | (147,994) | (217,700) | (135,994) |
| Net Exposure | 675,733 | 1,995,355 | 675,733 | 2,007,355 |

The company does not have interest rate swap contracts. At maturity the fixed term deposit is renewed less any cash required to operate for the amount of time of the renewal. The company normally invests its funds in at least one fixed term deposit to maximise the available interest rates. The company always analyses its interest rate exposure when considering renewals of existing positions including alternative financing.

The following sensitivity analysis is based on the interest rate risk exposures in existence at balance sheet date.

At 30 June 2008, if the interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

Consolidated and parent entity
Judgement of reasonable possible movements;

| | Post Tax Loss (Higher)/Lower 2008 $ | Post Tax Loss (Higher)/Lower 2007 $ | Higher/(lower) Total equity 2008 $ | Higher/(lower) Total equity 2007 $ |
|---|---|---|---|---|
| + 1% higher interest rate | 13,353 | 4,716 | 13,353 | 4,716 |
| - 1% lower interest rate | (13,353) | (4,716) | (13,353) | (4,716) |

The movements in the loss after tax are due to higher/lower interest earned from variable movement in the interest rates on cash balances.

Interest rate risk table

| Consolidated Group<br>Financial Instruments | Floating interest rate | | Non-interest bearing | | Total carrying amount as per the balance sheet | | Weighted average effective interest rate | |
|---|---|---|---|---|---|---|---|---|
| | 2008<br>$ | 2007<br>$ | 2008<br>$ | 2007<br>$ | 2008<br>$ | 2007<br>$ | 2008<br>% | 2007<br>% |
| *(i) Financial assets* | | | | | | | | |
| Cash | 893,433 | 102,417 | - | - | 893,433 | 102,417 | 6.71 | - |
| Bank deposits | - | 2,040,932 | - | - | - | 2,040,932 | - | 6.35% |
| Deposit bonds | | - | 75,003 | 85,593 | 75,000 | 85,593 | - | - |
| Total financial assets | 893,433 | 2,143,349 | 75,000 | 85,593 | 968,433 | 2,228,942 | | |
| *(ii) Financial liabilities* | | | | | | | | |
| Payables and accruals | - | - | 217,700 | 147,994 | 217,700 | 147,994 | - | - |
| Total financial liabilities | - | - | 217,700 | 147,994 | 217,700 | 147,994 | | |

| Parent<br>Financial Instruments | Floating interest rate | | Non-interest bearing | | Total carrying amount as per the balance sheet | | Weighted average effective interest rate | |
|---|---|---|---|---|---|---|---|---|
| | 2008<br>$ | 2007<br>$ | 2008<br>$ | 2007<br>$ | 2008<br>$ | 2007<br>$ | 2008<br>% | 2007<br>% |
| *(i) Financial assets* | | | | | | | | |
| Cash | 893,433 | 102,417 | - | - | 893,433 | 102,417 | 6.71% | - |
| Bank deposits | - | 2,040,932 | - | - | - | 2,040,932 | - | 6.35% |
| Deposit bonds | | - | 5,000 | 15,593 | 5,000 | 15,593 | - | - |
| Total financial assets | 893,433 | 2,143,349 | 5,000 | 15,593 | 898,433 | 2,158,942 | | |
| *(ii) Financial liabilities* | | | | | | | | |
| Payables and accruals | - | - | 217,700 | 135,994 | 217,700 | 135,994 | - | - |
| Total financial liabilities | - | - | 217,700 | 147,994 | 217,700 | 147,994 | Nil% | Nil % |

### (b) Liquidity Risk

The company's objective is to maximise its cash availability by adhering to the exploration program and evaluating current charges of various suppliers. Before the exploration program is completed the company will seek additional funds from existing investors or new investors or a combination of both.

### c) Foreign currency risk

The consolidated entity and company have incurred costs associated with the Romang Island mining tenements which are denominated in foreign currency. The directors believe that the exposure to foreign exchange fluctuations is immaterial and therefore no foreign exchange sensitivity analysis has been disclosed.

### (d) Credit risk

The company and the consolidated entity has outstanding trade and other receivables as at year end with the following credit ratings:

| | | Consolidated entity | | Parent | |
|---|---|---|---|---|---|
| | Credit Rating | 2008<br>$ | 2007<br>$ | 2008<br>$ | 2007<br>$ |
| Australian Tax office | AAA | 17,671 | 24,371 | 17,696 | 24,447 |
| Loan to Robust Resources | Not Rated | - | - | 94,224 | 94,224 |
| TOTAL | | 17,671 | 24,371 | 111,920 | 118,671 |

### (e) Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values.

*The following methods and assumptions are used to determine the net fair values of financial assets and liabilities*

### Recognised financial instruments

*Cash, cash equivalents and short-term investments:* The carrying amount approximates fair value because of their short-term to maturity.

*Trade receivables, and trade creditors:* The carrying amount approximates fair value.

## 23. CHANGES IN ACCOUNTING POLICIES

There are no changes to accounting policies applicable for the financial year ended 30 June 2008 for the Company and the consolidated entity.

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated entity but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

| 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<br><br>AASB 6: Exploration for and Evaluation of Mineral<br><br>AASB 102: Inventories<br><br>AASB 107: Cash Flow Statements<br><br>AASB 119: Employee Benefits<br><br>AASB 127: Consolidated and Separate Financial Statements<br><br>AASB 134: Interim Financial Reporting<br><br>AASB 136: Impairment of Assets | The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosure 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 January 2009 | 1 July 2009 |
| AASB 8 Operating Segments | AASB 114: Segment Reporting | As above | 1 January 2009 | 1 July 2009 |
| AASB 2007-6 Amendments to Australian Accounting Standards | AASB 1: First time adoption of AIFRS<br><br>AASB 101: Presentation of Financial Statements<br><br>AASB 107: Cash Flow Statements<br><br>AASB 111: Construction Contracts<br><br>AASB 116: property, Plant and Equipment<br><br>AASB 138: Intangible Assets | The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing cots. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of qualifying asset. However, there will be no direct impact to the amounts included in the company as they already capitalise borrowing costs related to qualifying assets. | 1 January 2009 | 1 July 2009 |
| AASB 123 Borrowing Costs | AASB 123 Borrowing Costs | As above | 1 January 2009 | 1 July 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 and makes changes to the statement of changes in equity. | 1 January 2009 | 1 July 2009 |
| AASB 101 | AASB 101: Presentation of Financial Statements | As above | 1 January 2009 | 1 July 2009 |

# Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 29 to 50, are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards and the Corporations Regulations 2001; and
    b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company and economic entity;

2. the Managing Director has declared that:
    a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001;*
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;

3. The Directors have been given the Declarations required by section 295A of the Corporations Act from the Managing Director for the year ended 30 June 2008.

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

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

Gary L. Lewis
Managing Director

Dated this 29th day of September 2008
Sydney

GouldRalph
ASSURANCE

**Chartered Accountants**
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# Independent Audit Report

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ROBUST RESOURCES LIMITED

## Report on the Financial Report

We have audited the accompanying financial report of Robust Resources Limited (the company) and the consolidated entity, 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, other explanatory notes and the directors' declaration. The consolidated entity comprises both the company and the entities it controlled during the year.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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 ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

*Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

## Independence

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

## Auditors' opinion

In our opinion:

1. the financial report of Robust Resources Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

## Report on Remuneration Report

We have audited the Remuneration Report included on page 26 of the directors' report for the period 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 Robust Resources Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

GOULD RALPH ASSURANCE
Chartered Accountants

GREGORY C RALPH, M.COM, FCA
Partner

Dated, this 29th day of September 2008
Sydney

# Additional ASX Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 August 2008.

(a) Distribution of equity securities (excludes escrowed shares)

The number of security holders, by size of holding, in each class of quoted security are:

| | Ordinary Shares | |
|---|---|---|
| | Number of holders | Number of shares |
| 1 - 1,000 | 4 | 202 |
| 1,001 - 5,000 | 23 | 74,755 |
| 5,001 - 10,000 | 134 | 1,323,250 |
| 10,001 - 100,000 | 134 | 4,845,247 |
| 100,001 - and over | 30 | 9,577,828 |
| | 325 | 15,821,282 |

As at 29 August 2008 28,828,503 shares are on issue, including 13,007,221 ordinary shares which are held on escrow. Each parcel held on escrow is for a period of up to 24 months from issue date.

The number of shareholders holding less than a marketable parcel is 27.

(b) Twenty largest shareholders (excludes escrowed shares)

The names of the twenty largest holders of quoted shares are:

| *No* | *Shareholder* | *Number of shares* | *% of total* |
|---|---|---|---|
| 1 | WASHINGTON H SOUL PATINSON | 1,000,000 | 6 |
| 2 | ACT 2 PTY LIMITED | 992,825 | 6 |
| 3 | MR IAIN MCKEAN | 957,253 | 6 |
| 4 | MR JOHN DESMOND MURPHY | 700,000 | 4 |
| 5 | LEWIS SUPERANNUATION FUND | 600,000 | 4 |
| 6 | ADAIR FAMILY SUPERANNUATION FUND | 500,000 | 3 |
| 7 | A & K MERC PTY LTD | 500,000 | 3 |
| 8 | MR IAN MITCHELL | 420,000 | 3 |
| 9 | KINGS PARK SUPERANNUATION FUND | 400,000 | 3 |
| 10 | THE WARDMAN SUPERANNUATION FUND | 300,000 | 2 |
| 11 | PROF YEW KWANG NG | 250,000 | 2 |
| 12 | MR IAIN MCKEAN | 215,000 | 1 |
| 13 | J D MURPHY PENSION FUND | 200,000 | 1 |
| 14 | SHORESIDE HOLDINGS PTY LTD | 199,000 | 1 |
| 15 | ACORD INVESTMENTS CORPORATION PTY LTD | 196,500 | 1 |
| 16 | MAPLE LEAF INVESTMENT PTY LTD | 175,000 | 1 |
| 17 | MR JAMES KWOK KEI WATT | 165,000 | 1 |
| 18 | MR ALLEN CARATTI | 155,000 | 1 |
| 19 | MS TIME BAZZO | 150,000 | 1 |
| 20 | GREENER PASTURES SUPERANNUATION FUND | 150,000 | 1 |
| | Total | 8,225,578 | 51% |

# Additional ASX Information (con't)

c) Substantial Shareholders

Substantial shareholders and the number of equity securities in which it has an interest, as shown in the Company's Register of Substantial Shareholders is:

| Name of Holder | Number of shares held | Percentage to issued shares |
|---|---|---|
| WASHINGTON H SOUL PATINSON | 1,000,000 | 6 |
| ACT 2 PTY LIMITED | 992,825 | 6 |
| MR IAIN MCKEAN | 957,253 | 6 |

d) Voting rights

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

There are no voting rights attaching to options, however voting rights as detailed above will attach to the ordinary shares on exercise.

# Corporate Governance Statement

## CORPORATE GOVERNANCE

The Directors are responsible for protecting the rights and interests of the shareholders through the implementation of sound strategies, action plans and the development of an integrated framework of controls over the Company's resources, function and assets.

The following Corporate Governance Practices have been in place from incorporation of Robust to the year ended 30 June 2008. To the extent practicable the Board endorses ASX Principles of Good Corporate Governance and Best Practice Recommendations.

## Management & Oversight

The Board is responsible for the overall Corporate Governance of the Company including its strategic direction and goals, the management framework of the Company, including a system of external control, business risk management and the establishment of appropriate ethical standards. An operations manager has been appointed and qualified consultants to advise the Board in appropriate cases have been appointed.

## Structure of the Board

The Board of Directors comprises three directors. The Board meets regularly and retains full and effective control over the Company and monitors the executive management. The Board includes non-executive directors of sufficient calibre for their views to carry significant weight in Board decisions and such non-executive directors have expertise in mining matters. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that the Company complies with applicable rules and regulations. The majority of the directors are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement, apart from their fees and shareholdings. The executive director’s service contract does not exceed three years in duration. There has been full and clear disclosure of directors’ total emoluments, and the emoluments paid to directors are to be put to shareholders for approval.

## Code of Conduct

The Company operates within accepted corporate ethical standards and in compliance with its legal and regulatory obligations. Directors act with skill, care and diligence expected of Directors of public companies and no director has taken improper advantage of nor made improper use of information gained through his position whilst in possession of market sensitive information that has not been released to the ASX. All Directors have disclosed to the Board any actual or potential conflicts of interest that may exist or might reasonably be thought to exist between the interest of the Director and the interests of any other parties in carrying out the activities of the Company.

## Integrity in financial reporting

The external independent accountants have reviewed the Company’s monthly accounts and its quarterly reports to ASX and have full and free access to records of the Company wherever required. The Board oversees the Company’s financial accounts and accounting procedures and the performance of the Auditors.

## Continuous and relevant disclosure

The Company has adopted a continuous disclosure policy so as to comply with its continuous disclosure obligations to ASX. The aims of this policy are to assess new information and co-ordinate any disclosure or release to ASX. The Board believes that the Company does comply with those requirements and has taken steps to ensure that employees, consultants, associated entities and advisers to the Company understand their obligations to bring material information to the attention of the Board

## Rights of shareholders

The Company ensures that all shareholders have a right to participate in the affairs of the Company and in particular encourages their attendance at and to ask and have answered relevant questions at General Meetings of the Company. Any correspondence or enquiries from shareholders are answered promptly and they are kept informed of all significant developments in the affairs of the Company by announcements.

## Management of risk

The Board is reviewing systems of external control and areas of significant financial or property (including tenement title) risk and ensuring arrangements are in place to contain such risks to acceptable levels. It is also ensuring that appropriate insurance policies are kept current to cover all potential risks including the provision of Directors and officers professional indemnity insurance.

# Corporate Governance Statement (con't)

## Performance of Directors and Officers

The Company has prepared the Robust Resources Limited Employee Share Option Deed, which is intended to reward Directors and Officers with options to purchase shares in the Company based upon meeting the terms and conditions prescribed therein.

## Remuneration of Directors and Officers

The fees and emoluments paid to Directors shall be approved by shareholders. The salary and emoluments paid to officers shall be approved by the Board. Executive Officers and the Executive Director have entered into Service Agreements, which do not exceed three years duration. Consultants are engaged as required pursuant to service agreements. The Board ensures that fees, salaries and emoluments are in line with general standards for public listed companies of the size and type of the Company. All salaries of Directors and Statutory Officers are disclosed in the Annual Report of the Company.

## Recognition of interests of shareholders

All shareholders are kept informed of major developments in the affairs of the Company by ASX announcements and quarterly and other reports and releases are available to all shareholders upon request (where not otherwise required by regulation to be distributed). The Board shall seek required shareholder approvals for any new issues of shares or options and shall, where possible, recommend bonus shares and dividend distributions to shareholders in line with the Company's financial achievements. Shareholders will be encouraged to attend all general meetings of the Company and to ask questions of the Board in relation to the Company's affairs thereat.