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INTRODUCTION

Welcome to Rothsay Western Australia's second transparency report covering the year ended 30 June 2014.

The report has been prepared in accordance with the requirements of the Corporations Amendment Regulation 2012 (no 5) which requires disclosure of certain information by audit firms, including information on the legal structure, network arrangements, quality control system and public interest clients.

LEGAL STRUCTURE, OWNERSHIP AND GOVERNANCE STRUCTURE

Rothsay Western Australia, administered by Rothsay Consulting Services Pty Ltd, is a distinct partnership operating as part of the Rothsay Australia network and owned by the Western Australia partners.

Whilst Rothsay Western Australia operates as part of the Rothsay Australia network it has a separate governance structure enabling the firm to make decisions promptly with regard to auditing the resource sector.

In compliance with Australian law, our audit and other assurance assignments are carried out by audit partnerships. Each firm within the group having its own audit partnership.

OUR QUALITY CONTROL STRUCTURE

At Rothsay we believe that quality control is an integral part of our objective to deliver a professional service to our clients.

We start by recruiting staff with high standards of technical competence and then ensure that their competency is maintained by both technical and soft skill training appropriate to their level of experience.

Partners and qualified staff are required to comply with the Institute of Chartered Accountants in Australia's continuing professional education requirements which are 120 hours of training and development over a three year period. At least 20 hours (including no more than 10 hours of technical reading) must be completed annually.

Our audit engagements are subject to review by partners and other registered company auditors not part of the engagement audit team to ensure compliance with Australian Auditing Standards. Nationwide Rothsay use the same audit software to strengthen the uniformity of the standard of our engagements.



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Our client acceptance and continuance process is instrumental in ensuring that we only accept engagements where we have the competency and capacity to deliver a high standard of work.

We strive to obtain sufficient and appropriate audit evidence and maintain a strong degree of professional scepticism during our audit engagements. The partners promote a culture focusing on audit quality and encourage consultation on complex audit issues. Partners work with the audit team in the planning and execution of all audits.

Given the nature of our listed entities we are satisfied with the effectiveness and functioning of our internal quality control system during the period covered by this transparency report.

INDEPENDENCE PRACTICES

Independence compliance is actively maintained and each partner and staff member completes an annual independence declaration to ensure compliance with the independence standards and statutory obligations applicable to each engagement. These standards include those issued by the Accounting Professional and Ethical Standards Board (APES) in Australia.

The firm most recently conducted an internal review of its independence compliance on the 29th August 2014.

Prior to acceptance of a new client, conflict checks are carried out within the firm. All partners and staff are required to notify the firm immediately should any matter occur which would compromise their independence.

EXTERNAL MONITORING

Rothsay is subject to oversight and periodic inspection by the Australian Securities and Investment Commission (ASIC). Their last rigorous inspection occurred during this 2014 transparency reporting period. The reader should not make any assumptions about the scope of, or findings from, any ASIC review.

We believe that an effective and independent regulator is an important part of the Australia's financial reporting framework.

We are also subject to peer review by the Institute of Chartered Accountants in Australia in accordance with the inspection program for professional practitioners .



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FINANCIAL INFORMATION

	\$
Revenue relating to audit	1.15m
Other services	-

Total Revenue	<u>1.15m</u>

PARTNER/PRINCIPAL REMUNERATION

Whilst our partners are members of the audit partnership they are remunerated by the service company, Rothsay Consulting Services Pty Ltd. This remuneration may consist of a base salary, short term incentives and dividends.

A copy of this report is on our website www.rothsayresources.com.au



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ROTHSAY PUBLIC COMPANY CLIENTS

30 June 2014 reporting period

Acacia Coal Ltd
Anglo Australian Resources NL
Axiom Mining Ltd
Breaker Resources Ltd
Cervantes Ltd
East Africa Resources Ltd
Exterra Resources Ltd
Intermin Resources Ltd
Kairiki Energy Ltd
Lithex Resources Ltd
Marenica Energy Ltd
Millennium Minerals Ltd
Mutiny Gold Ltd
Northern Star Resources Ltd
Pegasus Enterprises Ltd
Pegasus Petroleum NL
Red River Resources Ltd
Rubianna Resources Ltd
South American Tin Ltd

ADX Energy Ltd
Argosy Minerals Ltd
Baraka Energy & Resources Ltd
Buxton Resources Ltd
Duketon Mining Ltd
Eagle Nickel Ltd
Iron Mountain Mining Ltd
JV Global Ltd
Laconia Resources NL
Manhattan Resources Ltd
Metaliko Resources Ltd
Montezuma Mining Company Ltd
Norwest Energy Limited
Pancontinental Oil & Gas Ltd
Pegasus Mines NL
Pegmont Mines NL
Reward Minerals Ltd
South Boulder Mines Ltd
Viking Ashanti Ltd