GOLDFIELDS MONEY LIMITED

RESEARCH NOTE

Banking on success

Investment Highlights

- **Goldfields Money Limited (GMY) is a conservative, well managed authorised deposit taking institution (ADI) based in Kalgoorlie, Western Australia. GMY recently raised $9.0m through an IPO so as to embark on a measured growth strategy aimed at creating a significant West Australian financial institution. We are initiating coverage with a SPECULATIVE BUY rating.**

- **Market position.** GMY is one of only three formerly mutual organisations listed on the ASX, with the other two being Wide Bay Australia (WBB) and MyState Limited (MYS). WBB operates primarily in the Queensland market while MYS's operations are almost solely Tasmania-focussed. GMY is the only ASX-listed ADI with its head office in WA and offers the opportunity to gain entry level exposure to a growth story with an initial focus on the WA banking sector.

- **Growth drivers.** From its roots in Kalgoorlie and Esperance, GMY is now actively focussed on business development in the Perth market. The company is pursuing growth opportunities through the implementation of distribution channels with local broking houses to market GMY's banking products on a wider scale. GMY has delivered strong loan growth in the past (12.1% CAGR since 2006) and now plans to further increase growth in its loan portfolio by penetrating new markets.

- **Delivering on strategy & growth.** GMY has successfully implemented stage-one of its growth strategy with the establishment of the first distribution agreement for GMY's term deposit securities via a soft launch in June 2012. Over $7m has been invested in GMY term-deposits to date, which demonstrates the strong capacity of the company to fund its expansion and meet lending targets.

- **FY12 beat expectations.** GMY delivered a strong FY12 result, with NPAT of $0.47m up 34% on FY11 and 14% above guidance given in the IPO prospectus. Lending growth of 10.6% far exceeded the national credit growth rate of 4.4%, while GMY's deposit book grew by 17.5%. Both deposit and loan growth is expected to increase considerably in the short term as GMY further implements its growth strategy.

- **Well thought out lending targets.** With an increased capacity to grow post-IPO, GMY is seeking to write an additional circa $91m in new loans over the next 2 years to bring total assets to circa $166m at the end of FY14. GMY is targeting a 10% annualised return on equity heading as it heads in to FY15.

- **Catalysts**. (1) Establishment of distribution channels over FY13; (2) evidence of continuing growth in the deposit book and loan portfolio; (3) the decision on a cash management account product (3-6 months); (4) completion of online banking platform upgrade to streamline application process (6-12 months).

- **Risks**. (1) Net interest margin erosion in rate cycle downturn; (2) current relative exposure to the goldfields residential property market; (3) the property market in general and high competition in the banking sector.

11 September 2012

RIC: **GMY.AX**

Issued Capital	m	15.67
Price	A$	0.99
Market Cap.	A$	15.59
NTA per share	A$	0.92

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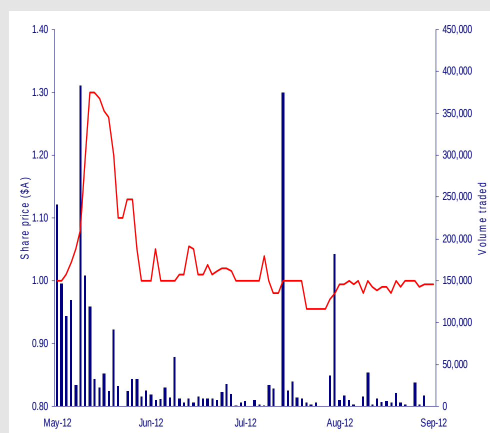
Disclosure: Patersons acted as Lead Manager and Underwriter to a $9.0 million Initial Public Offering of GMY shares. It received a fee for these services.

Share Price Performance Since Listing



Investment Thesis

GMY has proved itself as a conservative, well managed financial institution over the past few decades. Despite exhibiting moderate growth in its business operations over this period, the Company's growth capacity has historically been constrained by a lack of underlying capital needed to fund expansion.

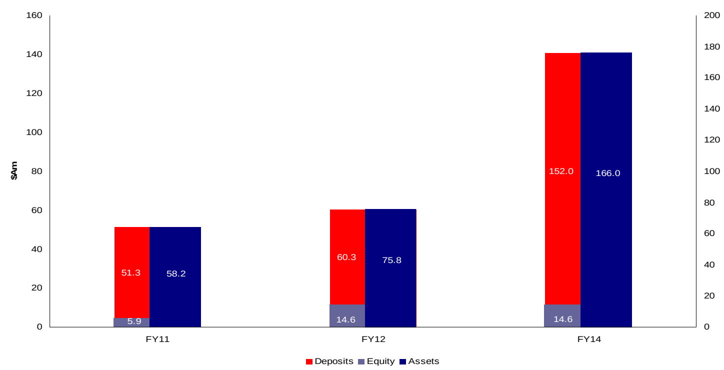
Demutualisation removed this capital constraint and the injection of $9m in equity earlier this year has placed GMY in a strong position to implement its new growth strategy focussed on developing distribution relationships and diversifying in to new markets.

After averaging loan growth of 12.1% per annum and similarly strong deposit growth (10.4%) in the prior 7 years, GMY finished FY11 with circa $6m in equity, $51.3m in deposits and total assets of $58.2m.

At the end of FY12 following the injection of $9m of equity, GMY had made sound progress in growing its business, increasing equity to $14.6m (as a result of the IPO), deposits to $60m (+17.5%) and total assets to $75.8m (+30.4%).

Assuming a target capital adequacy ratio (CAR) of 20%, GMY can now take on an additional $107m in new loans before needing to raise further capital, potentially increasing total assets by over 220% to circa $166m by June 2014.

Figure 1: GMY are targeting Total Assets of $166m by 30 June 2014



Source: Company reports

To reach a targeted circa $166.0m of total assets by June 2014 off the existing $14.6m equity base, deposits would need to grow by circa $91m to circa $152m to accommodate a concurrent expansion in GMY's loan book. Growing deposits by ~$91m over the following 2 years to meet GMY's lending targets requires on average $3 - $4m of new funding (deposits) each month. A soft, single-channel launch of the company's term deposit securities in June 2012 enabled GMY to secure funding generally of this magnitude for both June and July, which suggests that GMY's target is reasonable and realistic.

With the injection of new equity, GMY is aiming to write circa $91m in new loans over the next 2 years to meet its growth targets. Assuming an average loan size of $500,000 (GMY's target market is $500k to $750k), GMY would need to write approximately 182 new loans over 2 years, which translates to 7-8 loans per month or 1.9 per week. Management have noted that in the current low interest rate environment there has been an increase in the repayment of existing loans and as such approximately 10 new loans per month would be required to achieve targets. On a per staff basis (assuming 4 full time sales staff), each GMY sales representative would need to procure approximately two new home loans per month (1.9) over 2 years in order to meet these targets. On this basis we believe that GMY's lending targets are reasonable and attainable.

By meeting these lending and deposit targets, GMY is targeting a profit 'run rate' of circa $1.4m per annum as it exits FY14 to deliver an annualised return on equity of 10%. This would imply a FY15 NPAT of circa $1.46m, assuming GMY has net assets of circa $14.6m and adopts a capital adequacy ratio (CAR) of 20%.

Historically, GMY has demonstrated a strong ability to operate profitably from its relatively simple business model, with normalised returns on equity and profit margins averaging 10.1% and 18.0% respectively over the past 7 years. In FY11, GMY posted a 9.9% normalised ROE which compares favourably against both the credit union sector (8.5%) and the regional banks (6.7%). Further, where GMY has adopted a CAR in the region of 20-25% in the past, it has been able to comfortably deliver a normalised ROE of over 7%.

Figure 2: GMY historic profitability

Financial Year	Capital Adequacy Ratio	Normalised ROE
2007	20.1%	11.1%
2008	20.1%	15.0%
2009	25.5%	8.0%
2010	24.8%	7.0%
2011	20.7%	9.9%
2012	42.9%	3.6%*

Source: Company reports
**calculated on the increase equity base of $14.6m post-IPO*

If GMY is able to deliver on its stated lending targets, we believe GMY's net interest margin (NIM) will average somewhere in the range of 1.75% to 2.00% in the short term and estimate the company's profitability under the following constant NIM scenarios as follows (Figure 3).

Figure 3: GMY profit scenarios

NIM	NPAT FY13 ($m)	PER FY13 (x)	NPAT FY14 ($m)	PER FY14 (x)	FY14 ROE (%)	FY14 ROA (%)
1.75%	0.15	103.9	0.68	22.9	4.70	0.40
2.00%	0.33	47.2	0.95	16.4	6.50	0.60
2.25%	0.52	30.0	1.22	12.8	8.30	0.70
2.50%	0.70	22.3	1.48	10.5	10.20	0.90

Source: Patersons estimates

At present GMY is a profitable, compliant and well capitalised ADI trading at 1.08 times Net Tangible Assets (NTA) which underpins an investment. We note that at current prices there is no value being ascribed to the significant latent worth of what essentially could become a banking license. Should management deliver on their objectives over the next 2 years and create the growth story that we believe is possible, we would expect the valuation to transition from something based on NTA plus the intrinsic value associated with GMY's ADI status to one that revolves around the current value of its earnings profile.

Delivering on targets (ROE/profitability) going in to FY15 has the capacity to attract the same sort of PER multiple as other former mutuals (WBB 12.3x, MYS 11.6x) and possibly a premium for an emerging growth story. The market will be the arbiter of the multiple but off a strong asset backing the proposition that this becomes 12x to 13x FY15 NPAT has currency in our view. As such, if the targeted profit run rate is met and maintained over FY15 we estimate that potential valuations of GMY could range from $0.93 to $1.49 depending on what PER is applied by the market (Figure 4).

Figure 4: GMY valuations

FY15 P/E	Implied Market Cap ($m)	Implied share price
10x	14.58	$0.93
11x	16.03	$1.02
12x	17.49	$1.12
13x	18.95	$1.21
14x	20.41	$1.30
15x	21.87	$1.40
16x	23.32	$1.49

Source: Patersons estimates

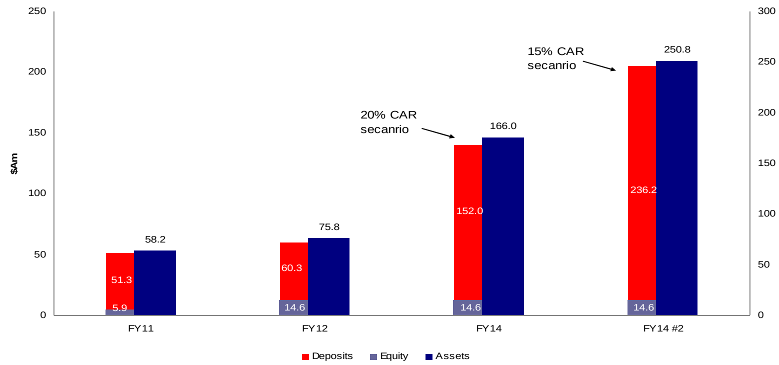
In sum, we believe that delivery on growth targets, market recognition of the intangible value attaching to the ADI license, and a migration towards a PER in line with its peers, together form a compelling investment proposition for GMY over the next 24 month period.

Stronger growth is possible

If in the medium term, as GMY evolves to plan, it were to adopt a CAR of say 15%, in line with it's regional peers such as WBB (13.4%) and MYS (14.2%), its growth capacity could increase considerably.

Specifically, GMY in theory could grow total assets (lending) by a further circa $84m to circa $250m and grow deposits by a further circa $84m to circa $236m. As a consequence, GMY's return on equity could increase materially in to a 12% to 13% range. This medium-term high growth scenario is depicted in Figure 5 below;

Figure 5: GMY high growth scenario



Source: Patersons estimates

Forecasts FY13 / FY14

GMY is in the early stages of implementing its new growth strategy which was never expected to deliver NPAT growth in FY13. GMY has hired a new managing director, chief financial officer and business development manager and is facing higher expenditure as a result of the rent on a small Perth branch, increased insurance and marketing costs and ASX listing fees. While the interest earned on the IPO funds (~$350kpa) will largely account for the cost of new salaries, it is estimated that GMY will incur additional costs of circa $300,000 over FY13, although this figure will remain constant going forward. Despite revenue growth inclusive of the tighter margins, GMY will not overcome these 'start up' costs in FY13. However we expect profitability to improve over FY14 as costs remain constant and revenue continues to grow. Our forecasts (Figure 6) assume that GMY meets it short term funding and lending targets, which would require a lending portfolio of circa $90m (FY12 $49m) funded by a deposit book of $96m (FY12 $60m) by the end of FY13. Early indications are that this is on track.

Figure 6: GMY financial forecasts

		FY12A	1H13F	2H13F	FY13F	1H14F	2H14F	FY14F
Net Interest Margin	%	**3.30%**	**2.00%**	**2.00%**	**2.00%**	**1.75%**	**1.75%**	**1.75%**
Net Interest Revenue	A$m	2.00	0.90	1.16	2.06	1.21	1.41	2.62
Other Revenue	A$m	0.51	0.26	0.26	0.53	0.27	0.27	0.54
Net Revenue	A$m	2.51	1.16	1.42	2.58	1.48	1.68	3.16
Impairment Losses	A$m	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Other expenses	A$m	(1.72)	(1.05)	(1.05)	(2.10)	(1.09)	(1.09)	(2.18)
Demutualisation expenses	A$m	(0.24)						
Net Profit Before Tax	A$m	0.57	0.10	0.37	0.47	0.38	0.58	0.96
Tax Expense	A$m	(0.10)	(0.03)	(0.11)	(0.14)	(0.11)	(0.17)	(0.28)
Net Profit After Tax	**A$m**	**0.47**	**0.07**	**0.26**	**0.33**	**0.27**	**0.41**	**0.68**

Source: Patersons estimates

Background

GMY is a stable, well-managed Authorised Deposit-taking Institution (ADI) based in Kalgoorlie, Western Australia.

GMY has been operating as an ADI in the Goldfields region for over 30 years, and over that time has made over $210m in low-risk housing, personal and business loans to members backed by a significant deposit base from the local community.

GMY currently provides a broad range of retail banking products and services for its members, such as home or personal loans, terms deposits, savings accounts and cash management facilities. Members (of the credit union) also have access to a full range of transaction banking services such as internet banking, BPAY and card and ATM services.

In early 2012 members of Goldfields Credit Union (GCU) approved the demutualisation of GCU, a change of the company name to Goldfields Money Limited (GMY) and the subsequent listing of GMY on the ASX. Members also approved the appointment of a highly experienced banking executive, David Holden, to oversee a growth strategy aimed at increasing the range of financial products and services offered by GMY.

GMY raised $9m of equity capital at IPO and listed on the ASX on 22 May 2012 with an initial market capitalisation of $15.7m. At 31 December 2011, GMY had $46.2m in loans and advances and a deposit book of $53.2m. Upon completion of the IPO, the net tangible asset (NTA) backing of GMY was approximately $0.87 per ordinary share. After a strong FY12 performance, GMY had $49.1m in loans, a deposit book of $60.3m and NTA of circa $0.92 per share.

The IPO funds provided additional Tier One Capital for GMY and will be used to expand geographically into the Perth market to access an extensive pool of potential banking clients. GMY will now have growth opportunities at a time when smaller lenders and the mutual sector of the Australian banking environment are being strongly encouraged by the Federal Government to grow and compete with the larger banks. The Company's vision is to create a significant Western Australian financial institution and to become the only ASX-listed ADI with its head office in WA.

Capital Structure & Funding

GMY recently raised $9 million through an initial public offering of 9 million shares at $1.00 each. Prior to IPO, GMY's circa 2,700 existing members were issued approximately 6 million new GMY shares as part of the demutualisation process. Investors who subscribed to the IPO shares received a 1:2 free attaching unlisted option exercisable at $1.50 within seven years of allotment. Following the demutualisation process and the IPO, the capital structure of GMY is as follows;

Figure 8: GMY capital structure

	Shares	Options
Existing GCU Members (allotted upon demutualisation)	6,086,829	-
Initial Public Offering	9,000,000	4,500,000
GCU Community Trust	580,000	
TOTAL	**15,666,829**	**4,500,000**

Source: Company reports

Notes: 1) A newly created charitable trust established for the benefit of the Goldfields and Esperance regions were allotted 580,000 shares in GMY for no consideration

2) All options are in the same class, exercisable at $1.50 within 7 years of allotment, and will not be listed on the ASX.

The company also has a $1.2m overdraft facility with CUSCAL which is secured by a floating charge over GMY's assets and has not yet been drawn from to date. CUSCAL is an organisation that represents the interests of credit unions and provides transactional banking and other services to GMY and a raft of other credit unions across Australia.

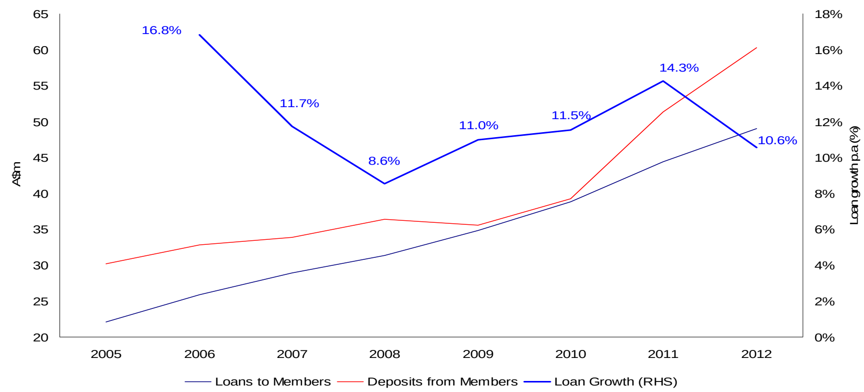
GMY had $3.8m in cash at 30 June 2012 and the $7.1m in net proceeds from the IPO have been invested in liquid securities at around 3.5% per annum.

Business Units

GMY's revenue profile consists solely of interest and non-interest (fees and charges) income associated with its growing portfolio of banking products and services.

GMY has demonstrated a strong capacity to grow its loan portfolio over the past few years, averaging 12.1% p.a growth since 2006. FY12 loan growth for GMY was 10.6% compared to system of growth of 4.4%. Growth in the loan portfolio is expected to increase significantly in the short term as GMY implements its growth strategy and pursues expansion targets.

Figure 9: GMY deposit and loan growth



Source: Company reports

Management has forecast loan growth to be at or above the historical rate in the long term and GMY has 8 full time staff focusing on business development across the Perth, Kalgoorlie and Esperance markets to achieve this goal. As the Company is growing its loan portfolio off a relatively small base (~$49.1m of loans in FY12), and has excess capacity to do so with the new injection of equity, we believe GMY will meet these longer term growth targets.

Furthermore, GMY's expanding loan portfolio has been financed entirely by a growing deposit base (~10.4% CAGR since 2006, absolute loan-to-deposit growth correlation ~94%) and, given it's attractive term deposit rates (see Figure 10) and planned distribution networks, it is likely that deposit growth will remain strong over the medium term. GMY's single channel, soft launch of its term deposit securities in June 2012 attracted over $7m in the first two months of operation, confirming the early success of the company's growth strategy.

Growth Strategy

GMY is now focussing its efforts on continuing to grow its loan book through improving core banking operations and penetrating new markets.

The most promising growth opportunity for GMY is a long-term strategy focussed on the implementation of new distribution networks in the Perth market. The Company will be targeting a high-net worth client base and, to this end, has been in discussions with several financial services firms to implement distribution channels through which GMY's banking products will be offered to these firm's institutional and retail broking clients.

This strategy will be implemented in two stages, with initial focus on developing the appropriate programs to enable GMY's term-deposit securities to be marketed on a wider-scale through the aforementioned retail broking networks. The capital investment required for this stage is low (est. ~$50,000) and it is anticipated that this arm of the expanded network may be in place by the beginning of the 2013 financial year. As mentioned, GMY launched a distribution network in June 2012 which proved highly successful, with over $7m in new funds being sourced in the first two months through term deposits.

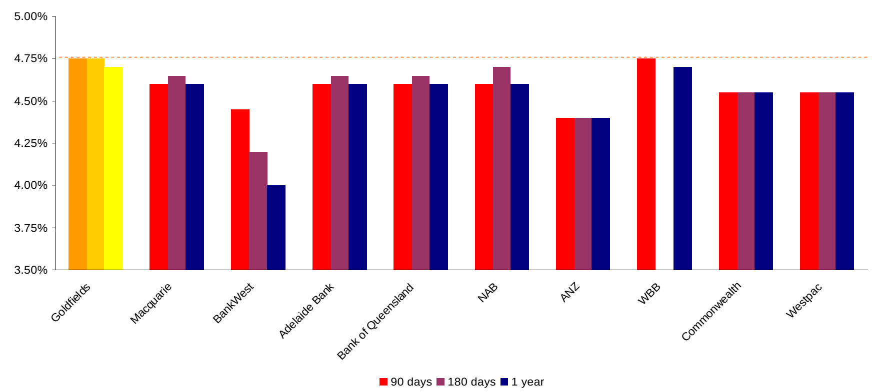
Following this, GMY is investigating the possibility of establishing a cash management account (CMA) product to market to retail broking houses and their clients. This will come at an estimated cost of ~$200,000 (software upgrades and licenses) and is subject to GMY making a final investment decision on its implementation in the next 3 to 6 months. If implemented, the CMA will further diversify and expand GMY's customer base and product offering in line with the Company's long term growth strategy.

In terms of core business, GMY is in the process of upgrading its online banking platform to allow for a more seamless application process for all its banking products. Once the upgrade is complete (est. 6-12 months at a cost of ~$50,000) all online applications will be personally attended to by a GMY representative as the firm seeks to expand its customer base by offering better customer service and lower fees than the traditional banks.

Expanding Deposit Base

On current figures, GMY offers very competitive term deposit rates over 3-month, 6-month and one-year periods with interest payable at 4.70–4.75% per annum for any amount over $25,000. It is important to note that these rates are the 'carded' rates offered by each bank and can be changed at the discretion of management to tailor a particular investor's circumstances. Similarly, the rates offered for different time period term deposits can vary considerably depending on the bank's changing asset-liability mix and funding requirements.

Figure 10: Comparative term deposit rates



Source: Patersons Securities Limited, company reports
Note: All rates have been reduced by 20bps to incorporate broker commission

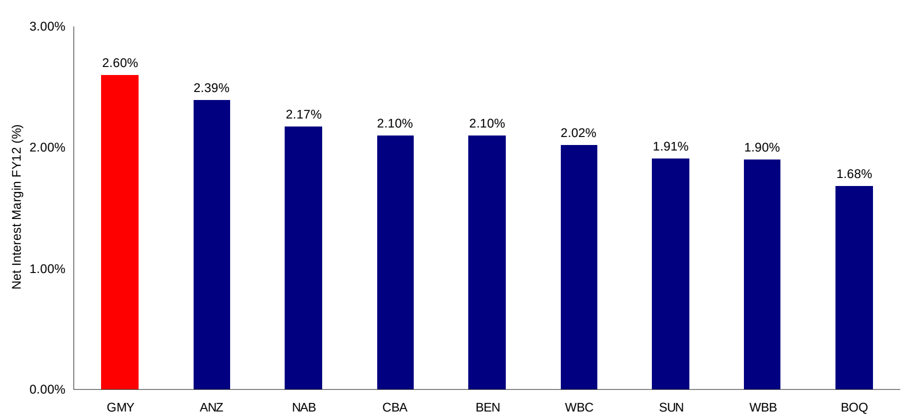
Importantly, any amount deposited with GMY up to a maximum of $250,000 is guaranteed by the Federal Government pursuant to the Financial Claims Scheme introduced in February 2012. As such, investors with large cash holdings can now effectively distribute their cash (in $250,000 amounts) amongst a number of different institutions and receive risk-free term deposit rates in return. As GMY's average deposit size at present is circa $20,000, there is scope for this figure to increase considerably as risk-averse investors seek to divert funds into safe-haven investments in the current market climate.

Therefore, if the first stage of GMY's strategy can be successfully implemented, its term deposit and other banking products have the potential to be marketed to a vast retail broking network, thereby providing GMY with funding certainty in the short-to-medium term as it seeks to rapidly grow its business.

Attractive Net Interest Margin

GMY has a comparatively strong net interest margin (NIM) as a result of its low funding cost from near-zero interest deposit accounts, which currently comprise about half of GMY's deposit book. Traditionally, customers or 'members' have been attracted to such deposits in return for historically lower fees, competitive lending rates and a higher level of customer service offered by credit unions.

Figure 11: Comparative FY12 Net Interest Margin



Source: Patersons Research

GMY's average net interest margin over FY12 was 3.33%, compared to 3.85% over FY11, which compares favourably to both major and regional competitors (Figure 11). In the current falling interest rate environment, this level of NIM will not be sustainable and is forecast to revert to around 2.4-2.8% mark over FY2013, with GMY's current money margin at approximately 2.6%. A detailed summary of GMY's sensitivity to interest rates is outlined below.

High liquidity and capital adequacy ratios

GMY's post-IPO capital adequacy (42.9% v required 8%) and liquidity (34% v required 9%) ratios are well above APRA regulatory requirements, which gives GMY considerable flexibility as it seeks it expand its loan portfolio.

If GMY was to continue growing its loan book by 12.3% p.a (CAGR since 2006), purely through deposit growth and all else being equal, the capital adequacy ratio (CAR) would be reduced to ~30% by FY14-15 and to ~20% by FY19-20, in line with the credit union sector average of circa 17.7%. It is, however, anticipated that GMY will expand its loan book at a much faster pace than it has done in the past as a result of its increased growth capacity and the establishment of new distribution networks as previously noted.

Increasing Equity – Converting to Banking License

The $7.1m net proceeds from the IPO will increase GMY's balance sheet equity by ~145% from $5.7m to circa $14m. When GMY approaches $50m in equity it will, subject to the satisfaction of certain other regulatory conditions, be entitled to apply for a fully fledged banking license. While the 'upgrade' to a full banking license does not entail any major practical changes in regulation or operation, it does instil further credibility in the organisation by addressing perception issues and opens the door to the vast customer base that were previously averse to banking with a seemingly inferior credit union.

Further, the steps that GMY has and will continue to take toward attaining a banking license add significant intangible value to the company, which is largely unrecognised in the current share price.

Risks

Interest Rate Sensitivity

Given it's near zero deposit rates on savings/transaction accounts, GMY (and credit unions generally) are highly vulnerable to margin erosion in a falling interest rate environment.

In the medium term, a change in the funding mix towards higher cost term deposits, as well as the reduced benefit from low yielding deposits, will result in a reduction in GMY's net interest margin (NIM) going forward.

In this regard, GMY is suffering on three fronts;

- Firstly the reduction in interest rates hurts GMY as it needs to reprice the lending book down while the relative benefit of the near-zero rate deposits is lessened & hence the margin squeezes.
- Secondly, GMY has a fixed deposit book which takes longer to reprice downwards in a falling rate environment.
- Thirdly, competitive forces means the margin between the high deposit rates and loan rates are squeezing.

GMY's currently funds its lending activities through a deposit book comprised of 59% term deposits (50% FY11) and 41% at-call deposits (50% FY11) although management has indicated that this funding split will eventually become 70% term deposits and 30% at call. This shift towards higher-cost funding will further tighten GMY's NIM, given that the margin on lending from term deposit funds is generally only 1.0-1.25%.

GMY's deteriorating NIM has seen a corresponding decline in the Company's return-on-assets (ROA) and, to a lesser extent, its normalised return-on-equity (ROE) (Figure 12). Indeed, similar results have been seen across the whole credit union sector and amongst some of the regional banks (BOQ, SUN & BEN). These figures highlight GMY's diminishing profitability in the current economic climate and, given continued uncertainty in Europe and concerns over Chinese growth, we believe that the lower NIM will have a notable adverse impact on GMY's net interest revenue over the next 12-18 months.

Figure 12: GMY Profitability Metrics (FY-end)

ITEM	UNIT	2008	2009	2010	2011
Net Interest Margin	%	4.2%	3.3%	3.4%	3.5%
Return on Year-End Equity	%	14.3%	7.0%	7.0%	6.1%
Normalised RoYE Equity	%	15.0%	8.0%	7.0%	9.9%
Return on Assets	%	1.7%	0.9%	0.9%	0.6%

Source: Company reports

Declining non-interest income

In addition to a tightening interest margin, GMY's secondary revenue source is also under pressure. Although non-interest income, such as fees and charges, comprises a diminishing part of GMY's overall revenue (from ~50% in 2005 to ~22% in 2011) this revenue stream is forecast to fall by 6% in FY13 and remain flat in the long term as a result of the Federal Government's 2011 banking reforms. Strong competition and increased regulation is likely to see the ratio of non-interest income to average total assets for credit unions to continue trending downwards.

Undiversified revenue base

Some 98% of GMY's revenue comes from residential mortgage loans and as such the Company is highly leveraged to the Western Australian housing market. The undiversified nature of GMY's revenue base in WA means that any downward changes to the forecast growth trends in the WA economy and housing market are likely to have a considerable impact on GMY's earnings capacity.

Furthermore, in response to weak national conditions, strong competition in the WA banking market is likely to intensify and GMY is not as well placed as the major banks to complete in a price war for its share of subdued growth in residential mortgage lending and deposits. Each of the major banks has ramped up deposit rates in the past year to fund lending growth and reduce exposure to volatile wholesale debt markets. This may lead to customer leakage from GMY as investors chase higher yielding deposits and will make it increasingly difficult for the company to continue growing its customer base at the current pace. Deteriorating consumer sentiment arising from continued euro-zone debt issues is likely to further disadvantage GMY as investors tend to gravitate toward the lower risk banks in times of economic uncertainty.

Directors and Management

Managing Director – David Holden

Mr Holden has over 20 years experience in the banking and financial services industry, serving as CFO at Home Building Society and StateWest Credit Society and holding senior finance and treasury roles at Challenge Bank. Mr Holden is a qualified CPA, has an MBA and is a graduate of the Australian Institute of Company Directors.

Chief Financial Officer & Company Secretary

Mr Verkuylen was appointed CFO and company secretary of GMY on 14 June 2012. He is a Chartered Accountant and was previously employed at Ernst & Young as Senior Manager Assurance. Mr Vekuylen was employed at Ernst & Young for eight years during which time he performed a number of different audit roles in Sydney and Perth, primarily in engagements of financial services related companies.

Non-executive Chairman – Allan Pendal

Mr Pendal was elected Chairman in 2005 after serving as a Director since November 2002. Following 22 years experience in banking and 6 years experience as a CFO of a public company, Mr Pendal became a partner in a local real estate business and is a former State Councillor of REIWA. He is currently a Director of Healthguard Health Funds Ltd (part of the HBF Group) and is also Deputy Mayor of the City of Kalgoorlie Boulder.

Non-executive Director – Bill McKenzie

Mr McKenzie has served as a Director since October 1994 and was Chairman of the Board from April 2003 to October 2005. He is a practising lawyer as a principal in his own practice based in Kalgoorlie. Mr McKenzie is a former member of the State Training Board, and is a past chairman of the Goldfields Esperance Development Commission.

Non-executive Director - Leigh Junk

Mr Junk was appointed a Director in March 2004 and has tertiary qualifications in surveying, mining engineering and mineral economics. He has gained extensive corporate experience in the mining industry and is currently a non-executive Director of Sentosa Mining Ltd (ASX:SEO), Doray Minerals Ltd (ASX:DRM), Aura Energy Ltd (ASX:AEE), and Brilliant Mining Corp (TSXV:BLT).

Non-executive Director – Robert Bransby

Rob Bransby is currently managing director of HBF Health Limited. Mr Bransby joined HBF in 2005 and was appointed CEO in January 2007 and managing director in January 2008. He is also currently a director of HBF Financial Services Pty Ltd and HealthGuard Health Benefits Pty Ltd. Prior to working at HBF, Mr Bransby held a number of senior positions during his twenty five years at National Australia Bank Ltd.

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