United Uranium Limited

(ACN 123 920 990)

Annual Report

For the Financial Year Ended 30 June 2009

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CORPORATE DIRECTORY

EXECUTIVE CHAIRMAN
Xing Yan (Simon)

EXECUTIVE DIRECTOR
George Lazarou

NON-EXECUTIVE DIRECTOR
Eric Kong

COMPANY SECRETARY
Cecilia Chiu

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SOUTH PERTH WA 6151
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STOCK EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: UUL

DIRECTORS' REPORT

The directors of United Uranium Limited submit herewith the financial report of the company for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. DIRECTORS

The names and details of the Company's directors in office during and since the financial year end until the date of the report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Xing Yan (Simon)	Executive Chairman
Mr George Lazarou	Executive Director
Mr Eric Kong	Non-Executive Director

INFORMATION ON DIRECTORS

Xing Yan (Simon) Executive Chairman

Experience

Mr Yan has over 30 years of senior level management experience in international mining trade. He was part of the management team of China National Minerals and Metals Import & Export Corporation (MINMETALS).

He settled down in Western Australia and established a number of successful private enterprises . The contact and knowledge about the two country's business systems, remains him widely sought as a consultant for international trade issues.

Interest in Shares	3,650,000	Fully paid Ordinary Shares
Interest in Options	1,000,000	40 cent options exercisable on or before 30/6/2010

George Lazarou Executive Director

Qualifications **BCom, CA**

Experience

Mr Lazarou is a qualified Chartered Accountant who has over 16 years experience, including 5 years as a Partner with second tier firm Bentleys, specialising in the areas of Audit, Advisory and Corporate Services. Mr Lazarou has extensive skills in the areas of audit, corporate services, due diligence, independent expert reports, merger & acquisitions and valuations. Mr Lazarou also brings with him a high level of commercial skills having worked closely with publicly listed companies in the mining, building, engineering, environmental and construction industries. Mr Lazarou is also a non-executive director of Cortona Resources Ltd.

Interest in Shares	350,000	Fully paid Ordinary Shares
Interest in Options	1,000,000	40 cent options exercisable on or before 30/6/2010

DIRECTORS' REPORT (Continued)

INFORMATION ON DIRECTORS (Continued)

Eric Kong	Non-Executive Director
Qualifications	**BCom, Grad Cert. Commercial Law, MBA**
Experience	Mr Kong's qualifications include a Bachelor of Arts Degree, with a Graduate Certificate in Commercial Law, together with an MBA. Mr Kong has extensive corporate experience in Fortune 500 companies. He began his career as a MGM (Metro Goldwyn Meyer Inc) analyst where he provided trend analysis and project viability studies, before becoming the senior supply chain specialist for electronics contract manufacturing giant Solectron Inc. Mr Kong has also held the position of Asia Pacific regional manager for another Fortune 500 company; Molex Inc. Mr Kong became Molex's youngest regional manager, and was responsible for the highly competitive contract manufacturing division. Mr Kong was directly responsible for strategic planning and business development in the region. Mr Kong is an experienced international business player with intricate knowledge of global business models, trends and high-level expertise in both eastern and western management styles. Mr Kong was widely recognised within the regional management team for introducing the Paretto Principle into focus accounts and competitive strategies, and two years later, he was named lead regional manager by Molex Far East South Inc.
Interest in Shares	79,500 Fully paid Ordinary Shares

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	***Company***	***Period of directorship***
Xing Yan (Simon)	-	-
George Lazarou	Cortona Resources Limited	Appointed 12 January 2006
	Coziron Resources Limited	22 May 2006 – 15 August 2007
Eric Kong	-	-

COMPANY SECRETARY

The following person has held the position of company secretary during or at the end of the financial year:

Cecilia Chiu

Ms Chiu is a Certified Practising Accountant and holds a Bachelor of Commerce degree from the University of Western Australia. She has more than 7 years accountancy experience. Ms Chiu has previously worked as an auditor at Ernst & Young, and for 5 years at Ord Partners in West Perth specializing in mining industry audit and assurance services. Ms Chiu is currently Company Secretary of listed oil and gas explorer Sunset Energy Limited.

DIRECTORS' REPORT (Continued)

2. PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was uranium exploration. There were no significant changes in the nature of the Company's principal activities during the financial year.

3. OPERATING RESULTS

The loss of the Company after providing for income tax amounted to $240,255 (2008: loss $76,399)

4. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. REVIEW OF OPERATIONS

Review of Operations

1.1 Projects

AEM Survey over Pine Creek Project (EL24815) and McArthur Basin (EL25839)

Geoscience Australia has advised the Company that continued delays in completing the AEM Survey and verifying the data will result in the final data not being available to the Company until late in the 3rd quarter or early in the 4th quarter.

When the Company signed an agreement with Geoscience Australia for the AEM survey in May 2008, the original timeframe for completion and receiving of the data was towards the end of the 4th quarter of 2008. Continued delays will now have the Company receiving the data some 12 months later than expected, severely affecting the work the Company is able to perform before the wet season commences later in the year.

The Company, without having the benefit of the AEM survey, plans to perform further reconnaissance exploration over the Company's Pine Creek (EL24815) and McArthur Basin (EL25839) tenements during September/October 2009. The program is designed to assess the potential of several high order airborne radiometric anomalies for unconformity and sandstone associated uranium mineralisation.

Wiso (EL25835), Dunmarra Basin (EL25838), McArthur Basin (EL25839)

The Company completed a first phase reconnaissance exploration program during October 2008 in relation to Wiso (EL25835), Dunmarra (EL25838) and the McArthur Basin (EL25839) tenements. The program was designed to assess the potential of several high order airborne radiometric anomalies for unconformity and sandstone associated uranium mineralisation.

The exploration program included orientation surface geochemistry and ground radiometric surveys over the first order airborne radiometric anomalies previously identified within the tenement area. Several priority targets in the Dunmarra tenement remain untested as were inaccessible by vehicle.

DIRECTORS' REPORT (Continued)

5. REVIEW OF OPERATIONS (Continued)

A total of 47 soil samples and 9 rock chip samples were sent for assaying and analysed for U, P2O5, and a suite of other indicator elements. Weakly elevated uranium assays and total count spectrometer readings were recorded over the peaks of the airborne radiometric anomalies. The relatively low geochemical and radiometric response over each of the anomalies traversed indicates that the near surface potential for this style of mineralisation may be limited.

A second phase reconnaissance exploration program is scheduled to commence during September 2009 and is designed follow up on the results obtained from the field work conducted in October 2008.

1.2 Corporate

The Company signed a non-binding Term Sheet with Henan Provincial Non-Ferrous Metals Geological and Mineral Resources Bureau ("Henan") in April 2009 to enter into an arrangement whereby Henan took a placement in the Company as well as become a joint venture partner in the Company's tenements in the Northern Territory.

In August 2009, the Company terminated the Term Sheet with Henan, on the basis that it was unable to agree to suitable terms with Henan, and believed that Henan has failed to fulfil their obligations under the Term Sheet.

The board believed that it was in the company's best interest to terminate the Term Sheet with Henan, and commence talking to other parties who had expressed interest in working with the Company. The Company will keep the market informed, as and if these discussions proceed to a more formal stage.

6. SIGNFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year.

7. AFTER BALANCE DATE EVENTS

On 12 August 2009, the Company announced that it has terminated the Term Sheet signed with Henan Provincial Non-Ferrous Metals Geological and Mineral Resources Bureau ("Henan") in April 2009 as detailed in the Review of Operations above.

The financial effect of the above events has not been recognised in the financial statements.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT (Continued)

8. MEETINGS OF DIRECTORS

The number of directors' meetings held during the financial year each director held office during the financial year and the number of meetings attended by each director was:

Director	**Directors Meetings**	
	Number Eligible to Attend	**Meetings Attended**
Xing Yan	2	2
George Lazarou	2	2
Eric Kong	2	2

The Company does not have a formally constituted audit committee as the board considers that the company’s size and type of operation do not warrant such a committee.

9. FUTURE DEVELOPMENTS

The Company will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

10. ENVIRONMENTAL ISSUES

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors of the Company are not aware of any breach of environmental regulations for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the company for the current, nor subsequent financial year. The director will reassess this position as and when the need arises.

11. REMUNERATION REPORT

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Company’s financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Company.

The board’s policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company’s performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

DIRECTORS' REPORT (Continued)

11. REMUNERATION REPORT (Continued)

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes method.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

Performance based remuneration
The company has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and director's and executive's remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer note 15 (f) of the financial statements.

Employment contracts of key management personnel
For details of service agreements between key management personnel and the Company, refer note 15 of the financial statements.

DIRECTORS' REPORT (Continued)

11. REMUNERATION REPORT (Continued)

Compensation of directors and executive for the year ended 30 June 2009

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non-Monetary	Superannuation	Retirement Benefits	Equity	Options	$
Directors								
(Simon) Xing Yan – Non-Executive Chairman								
2009	58,333	-	-	5,250	-	-	-	63,583
2008	50,000	-	-	4,500	-	-	-	54,500
George Lazarou – Executive Director								
2009	60,000	-	-	5,400	-	-	-	65,400
2008	53,333	-	-	4,800	-	-	-	58,133
Eric Kong – Non-Executive Director								
2009	40,000	-	-	3,600	-	-	-	43,600
2008	5,000	-	-	450	-	-	-	5,450
Michael Vaughan – Non-Executive Director (Resigned 15 May 2008)								
2009	-	-	-	-	-	-	-	-
2008	40,000	-	-	3,600	-	-	-	43,600
Mark Fogarty – Non-Executive Director (Resigned 15 May 2008)								
2009	-	-	-	-	-	-	-	-
2008	22,917	-	-	2,062	-	-	-	24,979
Executive								
Cecilia Chiu – Company Secretary *								
2009	45,600	-	-	-	-	-	-	45,600
2008	3,800	-	-	-	-	-	-	3,800
Total Remuneration								
2009	203,933	-	-	14,250	-	-	-	218,183
2008	175,050	-	-	15,412	-	-	-	190,462

* Athena Corporate Pty Ltd, a company Ms Chiu has an interest in, receives fees from United Uranium Limited for corporate, accounting and secretarial services.

Compensation options granted during the year ended 30 June 2009

No compensation options were granted to directors and executive during the financial year.

Performance income as a proportion of total income

No performance based bonuses have been paid to directors and executives during the financial year.

DIRECTORS' REPORT (Continued)

12. OPTIONS

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number of Shares
30 June 2010	$0.40	3,000,000

20,000 ordinary shares have been issued as a result of the exercise of options during or since the end of the financial year.

13. INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the company. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The amount of the premium was $7,645. No indemnity has been paid to auditors.

14. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

15. AUDITORS INDEPENDENCE DECLARATION

The lead auditor’s independence declaration for the year ended 30 June 2009 has been received and can be found on page 13 of annual report.

DIRECTORS' REPORT (Continued)

16. NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- The nature of the services provided do not compromise the general principles relating to auditors independence as set out in the APES 110 (*Code of Ethics for Professional Accountants*)
- No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2009.

The board of directors is satisfied that no non-audit services were performed during the year by the Company's auditors.

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

George Lazarou
Executive Director

Dated this 18th day of September 2009

Bentleys
Thinking ahead

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our audit of the financial report of United Uranium Limited for the year ended 30 June 2009 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

DATED at PERTH this 18th day of September 2009

INCOME STATEMENT
For the Year Ended 30 June 2009

	Note	Year ended 30 June 2009 $	Year ended 30 June 2008 $
Revenue		262,321	330,451
Employee benefits expense		(177,583)	(192,980)
Occupancy expense		(27,000)	(28,500)
Depreciation expense		(706)	(208)
Consultancy expense		(49,011)	(57,663)
Legal and compliance		(59,285)	(46,923)
Exploration costs expensed		(7,777)	(20,456)
Impairment provision		(161,618)	(48,000)
Administration		(19,596)	(12,120)
Loss before income tax expense	2	(240,255)	(76,399)
Income tax expense	4	-	-
Net loss attributable to members		**(240,255)**	**(76,399)**
Basic earnings per share (cents per share)	18	(0.6)	(0.2)

The accompanying notes form part of these financial statements.

BALANCE SHEET
As at 30 June 2009

	Note	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	5	4,467,452	4,686,164
Trade and other receivables	6	34,993	44,565
TOTAL CURRENT ASSETS		**4,502,445**	**4,730,729**
NON CURRENT ASSETS			
Exploration and evaluation assets	7	549,486	317,632
Financial assets	8	196,558	417,000
Plant and equipment	9	6,261	3,883
TOTAL NON CURRENT ASSETS		**752,305**	**738,515**
TOTAL ASSETS		**5,254,750**	**5,469,244**
CURRENT LIABILITIES			
Trade and other payables	10	96,562	19,702
Provision	11	10,411	5,410
TOTAL CURRENT LIABILITIES		**106,973**	**25,112**
TOTAL LIABILITIES		**106,973**	**25,112**
NET ASSETS		**5,147,777**	**5,444,132**
EQUITY			
Issued Capital	12	5,274,615	5,264,750
Reserves	13	186,643	252,608
Accumulated Losses	14	(313,481)	(73,226)
TOTAL EQUITY		**5,147,777**	**5,444,132**

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
For the Year Ended 30 June 2009

	Note	Year ended 30 June 2009 $	Year ended 30 June 2008 $
Cash Flows from Operating Activities			
- Interest received		282,197	322,678
- Payments to suppliers and employees		(314,831)	(315,309)
- Payments for exploration and evaluation		(177,658)	(136,713)
Net cash used in operating activities	19 (ii)	(210,292)	(129,344)
Cash Flows from Investing Activities			
- Purchase of available for sale investment		(15,000)	(349,235)
- Purchase of plant and equipment		(3,085)	(4,091)
Net cash used in investing activities		(18,085)	(353,326)
Cash Flows from Financing Activities			
- Proceeds from issue of shares and options		4,000	190,157
- Refund on share issue cost /(Payment of share issue cost)		5,665	(8,085)
Net cash provided by financing activities		9,665	182,072
Net decrease in cash held		(218,712)	(300,598)
Cash at beginning of financial period	5	4,686,164	4,986,762
Cash at end of financial period	5	**4,467,452**	**4,686,164**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2009

Company	**Issued Capital**	**Option Reserve**	**Financial Asset Reserves**	**Retained Profits/ (Accumulated Losses)**	**Total**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2007	**5,269,520**	-	-	**3,173**	**5,272,693**
Issue of share capital and options	3,315	187,000	-	-	190,315
Options converted	-	(157)	-	-	(157)
Capital raising costs	(8,085)	-	-	-	(8,085)
Asset revaluation reserve	-	-	65,765	-	65,765
Loss for the year	-	-	-	(76,399)	(76,399)
Balance at 30 June 2008	**5,264,750**	**186,843**	**65,765**	**(73,226)**	**5,444,132**

Company	**Issued Capital**	**Option Reserve**	**Financial Asset Reserves**	**Retained Profits/ (Accumulated Losses)**	**Total**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2008	**5,264,750**	**186,843**	**65,765**	**(73,226)**	**5,444,132**
Options converted	4,200	(200)	-	-	4,000
Capital raising refund	5,665	-	-	-	5,665
Asset revaluation reserve	-	-	(65,765)	-	(65,765)
Loss for the year	-	-	-	(240,255)	(240,255)
Balance at 30 June 2009	**5,274,615**	**186,643**	**-**	**(313,481)**	**5,147,777**

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretation, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the Company of United Uranium Limited and has been prepared in Australian dollars. United Uranium Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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

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.

(a) 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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(b) Critical Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model.

Exploration and evaluation costs
Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Critical Accounting Judgements, Estimates and Assumptions (Continued)

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(c) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members 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.

(d) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

(i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or

(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

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.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Impairments

At each reporting date the Company assesses whether there is any indication whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where 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 Company 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.

(g) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income Tax (Continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity are not in the income statement.

(h) Issued Capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest
Revenue is recognised as the interest accrues.

(j) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(l) Financial Instruments

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.

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.

Impairment

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	33.00%
Furniture and Fittings	11.25%
Software	33.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(n) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

The financial report was authorised for issue on 18th September 2009 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

2. *PROFIT/(LOSS) FOR THE YEAR*

	2009	2008
	$	$
Profit/(loss) before income tax has been determined after following specific expenses:		
Employee benefits expense		
-Salary	177,583	192,980
- Exploration costs expensed	7,777	20,456

3. *AUDITORS' REMUNERATION*

	2009	2008
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	27,570	18,000
	27,570	18,000

4. *INCOME TAX*

		2009	2008
a.	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	The prima facie tax expense/(benefit) on profit/(loss) before income tax is reconciled to the income tax as follows:		
	Prima facie tax expense/(benefit) on profit/(loss) before income tax at 30%	(72,077)	(22,920)
	Add:		
	Tax effect of:		
	- Revenue losses not recognised	98,330	52,600
	- Foreign losses not recognised	41,925	3,248
	- Other deferred tax balances not recognised	1,800	1,949
		69,978	34,877
	Less:		
	Tax effect of:		
	- Exploration and evaluation expenditure deductible for income tax purposes not recognised	69,556	34,877
	- Other deferred tax balances not recognised	422	-
	Income tax attributable to entity	-	-
	The applicable weighted average effective tax rates are as follows:	**0%**	**0%**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

4. INCOME TAX (Continued)

		2009	2008
		$	**$**
c.	The following deferred tax balances at 30% have not been recognised:		
	Deferred Tax Assets:		
	Carry forward revenue losses	232,154	131,256
	Carry forward foreign losses	36,163	3,248
	Capital raising costs	9,011	52,428
	Provisions and accruals	62,885	5,883
	Other	251	343
		340,464	193,158

The tax benefits of the above Deferred Tax Assets will only be obtained if:

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

	2009	2008
Deferred Tax Liabilities:		
At 30%:		
Exploration expenditure	164,846	95,290
Financial assets	-	5,329
Other	3,135	8,785
	167,981	109,404

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward losses for which the Deferred Tax Asset has not been recognised.

5. CASH AND CASH EQUIVALENTS

	Note	2009	2008
Current			
Cash at Bank	19(i)	4,467,452	4,686,164

6. TRADE AND OTHER RECEIVABLES

	2009	2008
Current		
GST Receivable	9,809	6,897
Other Debtors	17,354	29,170
Prepayments	7,830	8,498
	34,993	44,565

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

7. EXPLORATION AND EVALUATION ASSETS

	2009 $	2008 $
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	549,486	317,632
Brought forward	317,632	201,375
Exploration expenditure capitalised during the period	231,854	136,713
Exploration expenditure expensed/written off	-	(20,456)
At reporting date	549,486	317,632

8. FINANCIAL ASSETS

Non Current		
Available for sale investments	196,558	417,000

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at recoverable amounts. The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. Management has determined that the estimate of total consolidated fair values for unlisted investments would be $2,000 at 30 June 2009. No intention to dispose of any unlisted available-for-sale financial assets existed at 30 June 2009.

Unlisted Shares, at recoverable amount		
At cost	2,000	50,000
Provision for impairment	-	(48,000)
	2,000	2,000
Listed Shares, at fair value	194,558	415,000
	194,558	415,000
Total Available-for-Sale Investments	196,558	417,000

9. PLANT AND EQUIPMENT

Plant and equipment at cost	7,175	4,091
Accumulated depreciation	(914)	(208)
	6,261	3,883

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

9. PLANT AND EQUIPMENT (Continued)

(a) Movements in carrying amounts

Plant and Equipment	**2009 $**	**2008 $**
At beginning of reporting period	3,883	-
Additions	3,085	4,091
Depreciation expense	(706)	(208)
At end of reporting period	6,261	3,883

10. TRADE AND OTHER PAYABLES

	2009 $	**2008 $**
Current		
Trade creditors	71,556	621
Other creditors and accruals	25,006	19,081
	96,562	19,702

11. PROVISIONS

	2009 $	**2008 $**
Current		
Employee benefits	10,411	5,410

12. ISSUED CAPITAL

	2009 $	**2008 $**
37,435,789 (2008: 37,415,789) fully paid ordinary shares of no par value	5,274,415	5,264,750

(a) Movements in fully paid ordinary shares on issue:

	2009 $	**2009 Number**	**2008 $**	**2008 Number**
At the beginning of the reporting period	5,264,750	37,415,789	5,269,520	37,400,003
Shares issued during the period:				
Option conversions on 17 June 2009	4,200	20,000	3,315	15,786
Capital raising (costs)/ refund	5,665	-	(8,085)	-
At reporting date	5,274,615	37,435,789	5,264,750	37,415,789

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

12. ISSUED CAPITAL (Continued)

(b) Terms of Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the company to meet exploration programmes and overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June 2009 and 30 June 2008 are as follows:

	2009	**2008**
	$	**$**
Cash and cash equivalents	4,467,452	4,686,164
Trade and other receivables	34,993	44,565
Financial assets at fair value through Profit and Loss	196,558	417,000
Trade and other payables	(96,562)	(19,702)
Working capital position	4,602,441	5,128,027

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

	2009	2008
13. RESERVES	$	$
(a) Option reserve	186,643	186,843
(b) Financial assets reserve	-	65,765
	186,643	252,608

(a) Options reserve

Movements in options on issue:

	2009		2008	
	$	**Number**	**$**	**Number**
At the beginning of the reporting period	186,843	21,684,215	-	3,000,000
Options issued during the period:				
Options exercisable at 40 cents on or before 30 June 2010 for nil consideration	-	-	-	-
Options exercisable at 20 cents on or before 30 June 2009 at $0.01 each	-	-	187,000	18,700,001
Options converted	(200)	(20,000)	(157)	(15,786)
Options expired	-	(18,664,215)	-	-
At reporting date	186,643	3,000,000	186,843	21,684,215

Terms of Options

At the end of reporting year, there are 3,000,000 options over unissued shares as follows:

- 3,000,000 unlisted options exercisable at 40 cents on or before 30 June 2010

	2009	2008
	$	**$**
(b) Financial assets reserve	-	65,765

The financial asset reserve records revaluations of non-current financial assets.

14. ACCUMULATED LOSSES		
Retained earnings/(Accumulated losses) at the beginning of the reporting period	(73,226)	3,173
Net (loss) attributable to members	(240,255)	(76,399)
Accumulated losses at the end of the reporting period	(313,481)	(73,226)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

The following persons are key management personnel of the Company during the financial year:-

Directors

Xing Yan (Simon)	Executive Chairman
George Lazarou	Executive Director
Eric Kong	Non-Executive Director

(b) Remuneration policy of key management personnel

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Service agreements

Pursuant to an agreement executed on 21 March 2007, George Lazarou will be paid $120,000 per annum plus superannuation on a pro-rata basis, for providing services to the company as an Executive Director. The agreement may be terminated by either party by providing 3 months written notice and upon payment of any outstanding fees for services rendered.

Pursuant to an agreement executed on 1 May 2009, Xing Yan (Simon) will be paid $100,000 per annum plus superannuation, for providing services to the company as an Executive Chairman. The agreement may be terminated by either party by providing 3 months written notice and upon payment of any outstanding fees for services rendered.

Pursuant to an agreement executed on 15 May 2008, Eric Kong will be paid $40,000 per annum plus superannuation, for providing services to the company as a Non-executive Director. The agreement may be terminated by either party by providing 3 months written notice and upon payment of any outstanding fees for services rendered.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

15. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(c) Compensation of key management personnel by individual

Compensation details of key management personnel have been disclosed in the Directors' Report.

The totals of remuneration paid to directors of the company during the year are as follows:

	2009 $	2008 $
Salary and fees	158,333	171,250
Superannuation	14,250	15,412
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	172,583	186,662

(d) Compensation options: Granted and vested during the year

There were no compensation options granted to key management personnel of the Company during the year.

(e) Shares issued on exercise of compensation options

There were no shares issued on exercise of compensation options during the year.

(f) Option holdings of key management personnel

2009

	Balance at 01.07.08	Granted as Remuneration	Exercised/Expired	Bought & (Sold)	Balance at 30.06.09	Total Vested at 30.06.09	Total Exercisable at 30.06.09	Total Unexercisable at 30.06.09 (ii)
Xing Yan (Simon)	2,825,000	-	(1,825,000)	-	1,000,000	1,000,000	-	1,000,000
George Lazarou	1,175,000	-	(175,000)	-	1,000,000	1,000,000	-	1,000,000
Eric Kong	39,750	-	(39,750)	-	-	-	-	-
	4,039,750	-	(2,039,750)	-	2,000,000	2,000,000	-	2,000,000

2008

	Balance at 01.07.07	Granted as Remuneration	Exercised	Bought & (Sold) (i) & (ii)	Balance at 30.06.08	Total Vested at 30.06.08	Total Exercisable at 30.06.08	Totals Unexercisable at 30.06.08 (ii)
Xing Yan (Simon)	1,000,000	-	-	1,825,000	2,825,000	2,825,000	1,825,000	1,000,000
George Lazarou	1,000,000	-	-	175,000	1,175,000	1,175,000	175,000	1,000,000
Eric Kong*	-	-	-	39,750	39,750	39,750	39,750	-
Michael Vaughan**	1,000,000	-	-	175,000	1,175,000	1,175,000	175,000	1,000,000
Mark Fogarty**	-	-	-	75,000	75,000	75,000	75,000	-
	3,000,000	-	-	2,289,750	5,289,750	5,289,750	2,289,750	3,000,000

(i) These options were subscribed to as part of a non-renounceable issue.
(ii) These options were issued to directors as promoters of the Company. Promoter options are escrowed for 24 months from date of listing of the Company on the ASX.

*****Appointed 15 May 2008
****** Resigned 15 May 2008

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

15. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(g) Shareholdings of key management personnel

2009

	Balance at 01.07.08	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30.06.09
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
	4,079,500	-	-	-	4,079,500

2008

	Balance at 01.07.07	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30.06.08
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong*	79,500	-	-	-	79,500
Michael Vaughan**	350,000	-	-	-	350,000
Mark Fogarty**	150,000	-	-	-	150,000
	4,579,500	-	-	-	4,579,500

*****Appointed 15 May 2008
****** Resigned 15 May 2008

(h) Loans to key management personnel

No loans were made to key management personnel of the company during the financial year.

(i) Other transactions and balances with key management personnel

There has been no other related transaction with key management personnel during the year ended 30 June 2009.

16. RELATED PARTY DISCLOSURES

Key management personnel

Disclosures relating to key management personnel are set out in note 15 and the Directors' Report.

17. FINANCIAL INSTRUMENTS

(i) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

17. FINANCIAL INSTRUMENTS (Continued)

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements

Financial Risk Exposures and Management

The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

(b) Interest Rate Risk

The Company is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal.

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(d) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows. The Company does not have any significant liquidity risk as the Company does not have any collateral debts.

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

17. FINANCIAL INSTRUMENTS (Continued)

(ii) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the balance sheet.

2009	**Floating interest rate $**	**Fixed interest maturing in**			**Non-Interest bearing $**	**Total $**
		1 year or less $	**over 1 year less than 5 $**	**more than 5 years $**		
Financial Assets						
Cash at bank	33,054	4,434,398	-	-	-	4,467,452
Trade & other receivables	-	-	-	-	34,993	34,993
Available for sale investment	-	-	-	-	196,558	196,558
	33,054	4,434,398	-	-	231,551	4,699,003
Weighted Average Interest Rate	2.84%	3.06%	-	-		
Financial Liabilities						
Trade & other creditors	-	-	-	-	96,562	96,562
	-	-	-	-	96,562	96,562
Weighted Average Interest Rate	-	-	-	-		

2008	**Floating interest rate $**	**Fixed interest maturing in**			**Non-Interest bearing $**	**Total $**
		1 year or less $	**over 1 year less than 5 $**	**more than 5 years $**		
Financial Assets						
Cash at bank	119,605	4,566,559	-	-	-	4,686,164
Trade & other receivables	-	-	-	-	44,565	44,565
Available for sale investment	-	-	-	-	417,000	417,000
	119,605	4,566,559	-	-	461,565	5,147,729
Weighted Average Interest Rate	6.59%	7.56%	-	-		
Financial Liabilities						
Trade & other creditors	-	-	-	-	19,702	19,702
	-	-	-	-	19,702	19,702
Weighted Average Interest Rate	-	-	-	-		

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

17. FINANCIAL INSTRUMENTS (Continued)

Trade and sundry payables are expected to be paid as follows:	2009 $	2008 $
Less than 6 months	96,562	19,702
	96,562	19,702

(iii) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

Net fair value of financial assets:	2009 $	2008 $
African United Limited (Unlisted)	2,000	2,000
Bannerman Resources Limited	194,558	415,000
	196,558	417,000

(iv) INTEREST RATE SENSITIVITY ANALYSIS

At 30 June 2009, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2009 $	2008 $
CHANGE IN PROFIT/(LOSS)		
Increase in interest rate by 2%	(151,567)	18,105
Decrease in interest rate by 2%	(328,943)	(164,557)

CHANGE IN EQUITY		
Increase in interest rate by 2%	5,236,465	5,535,463
Decrease in interest rate by 2%	5,059,089	5,352,801

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

17. FINANCIAL INSTRUMENTS (Continued)

(v) PRICE SENSITIVITY ANALYSIS

Management believes the estimated fair values resulting from the valuation of listed investments and recorded in the balance sheet and the related changes in fair values recorded in the income statement are reasonable and the most appropriate at balance sheet date. At 30 June 2009, the effect on loss as a result of changes in the share price of listed investment, with all other variables remaining constant would be as follows:

	2009 $	2008 $
CHANGE IN PROFIT/(LOSS)		
Increase in fair value of investment by 10%	(220,799)	(34,899)
Decrease in fair value of investment by 10%	(259,711)	(117,899)

18. EARNINGS PER SHARE

	2009 $	2008 $
(a) Loss used in the calculation of basic earnings per share	(240,255)	(76,399)
	Number of shares	*Number of shares*
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic earnings per share:	37,435,789	37,412,523

19. CASH FLOW INFORMATION

	2009 $	2008 $
(i) Reconciliation of cash and cash equivalent:-		
Cash on Bank	4,467,452	4,686,164
(ii) Reconciliation of cash flows from operating activities with profit /(loss) after income tax		
Loss after income tax	(240,255)	(76,399)
Exploration expenditure written off	-	20,456
Depreciation expense	706	208
Impairment write down	161,618	48,000
Cash flows not included in Profit/(Loss)		
- Payments for exploration and evaluation	(223,794)	(136,713)
Changes in assets and liabilities		
- (Increase)/ Decrease in trade and other receivables	9,572	12,643
- Increase/(Decrease) in trade and other payables	76,860	(2,619)
- Increase in provisions	5,001	5,080
Net cash (outflows) from Operating Activities	(210,292)	(129,344)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

19. CASHFLOW INFORMATION (Continued)

(iii) Non-cash financing and investing activities

No non-cash financing and investing activities have occurred during the year ended 30 June 2009

20. SEGMENT INFORMATION

The Company operates predominantly in one geographical segment, being Australia and in one industry, mineral exploration.

21. EVENTS SUBSEQUENT TO REPORTING DATE

On 12 August 2009, the Company announced that it has terminated the Term Sheet signed with Henan Provincial Non-Ferrous Metals Geological and Mineral Resources Bureau ("Henan") in April 2009 as detailed in the Review of Operations.

The financial effect of the above events has not been recognised in the financial statements.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

22. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2009, and the interval between 30 June 2009 and the date of this report

23. COMMITMENTS

(a) Exploration commitments

The Company will have minimum obligations pursuant to the terms and conditions of prospective tenement licenses in the forthcoming year of exploration and rental commitments as detailed below. These obligations are capable of being varied from time to time, in order to maintain current rights to tenure to mining tenements.

	Exploration Commitment	**Rental Commitment**
Within 1 year	261,000	12,940

(b) Lease expenditure commitments

There is one operating lease being a rental lease on the Company's premises. The rental lease expires on 30 November 2009. The minimum obligations for the forthcoming year are $10,000.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2009

24. CHANGE IN ACCOUNTING POLICY

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.

- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 38 are in accordance with the Corporations Act 2001:

   (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 2009 and of the performance for the year ended on that date of the Company; and

2. the Chief Executive Officer and Chief Financial Officer have each 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. 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 and is signed for and on behalf of the directors by:

George Lazarou
Executive Director

Dated this 18th day of September 2008

Bentleys
Thinking ahead

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Independent Auditor's Report

To the Members of United Uranium Limited

We have audited the accompanying financial report of United Uranium Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

Directors Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a. The financial report of United Uranium Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its 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; and

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included within the report of the directors for the year ended 30 June 2009. 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 United Uranium Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

DATED at PERTH this 18th day of September 2009

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting year, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations. A checklist summarising the Company's compliance with the Recommendations is also set out at the end of this statement.

Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/supervision/governance/index.htm.

Principle 1: Lay Solid Foundations for Management and Oversight

Board Charter

The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of appointment. The formal letter of appointment covers the matters referred to in the guidance and commentary for Recommendation 1.1. Executive directors are employed pursuant to employment agreements.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chief Executive Officer, the Chief Financial Officer and other key executives in the performance of their roles.

Principle 2: Structure the Board to Add Value

Composition of the Board

The Board consists of an executive chairman, an executive director, and one non-executive director. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report. The number of board meetings and the attendance of the directors are set out in the Directors' Report.

The roles of Chairman and the Managing Director are not exercised by the same individual. The role of Managing Director is carried out by Executive Director, Mr Lazarou. The Board Charter summarises the roles and responsibilities of the Chairman, Mr Yan and the Managing Director, Mr Lazarou.

Independence of non-executive directors and the Chairman of the Board

The Board has assessed the independence of the non-executive director and the Chairman using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1. The Chairman, Mr Yan does not satisfy the tests of independence as detailed in the Recommendations.

Although Mr Kong holds 79,500 fully paid ordinary shares in the Company, the Board considers this immaterial. He is regarded as independent as Mr Kong is not a substantial shareholder as defined by the Corporations Act.

The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of directors are not independent and the Chairman is not independent. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of the company. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all directors bring an independent judgment to bear on Board decisions.

Nomination and Remuneration Committee

The Company does not have an existing Nomination and Remuneration Committee as recommended in Recommendation 2.4. As the whole Board only consists of three (3) members, it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

The responsibilities of a Nomination and Remuneration Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. Currently the Board as a whole performs this role.

Board renewal and succession planning

The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except a Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election. The Company has not adopted a policy in relation to the retirement or tenure of directors.

The appointment of the Company Secretary is a matter for the Board. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report.

Evaluation of the performance of the Board, its committees and individual directors

The performance of the Board and individual directors are evaluated in accordance with the Performance Evaluation Policies introduced via Board Charter on 1 March 2007. The objective of this evaluation will be to provide best practice corporate governance to the Company. Board Performance Evaluation Policy is available at the Company's website.

Induction and education

When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.

Access to information and advice

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board has adopted a Code of Conduct which applies to all directors and officers of the Company. It sets out United Uranium's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendation 3.1.

Securities Trading Policy
The Dealing Rules for Employees and Directors sets out the rules relating to dealings by employees and directors in securities issued by the Company. Directors and employees may only trade in the Company's securities during prescribed trading windows and only then if they are not in possession of inside information. All directors and employees are required to seek approval before trading in the Company's securities during the trading windows.

The Code of Conduct and a summary of the Dealing Rules for Employees and Directors are available on United Uranium's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee
Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. Below is a summary of the role and responsibilities of an Audit Committee.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of three (3) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit committee consisting primarily of Independent Directors.

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

External auditor
The Audit and Risk Committee or as at the date of this report the full Board of the company reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

The Company's independent external auditor is Bentley's Audit and Corporate Advisory (WA) Pty Ltd ("Bentley's"). The appointment of Bentley's was ratified by members at the Annual General Meeting held on 26 November 2008.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Continuous Disclosure Policy sets out the key obligations of the directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.
The Continuous Disclosure Policy is available on United Uranium's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Shareholder Communications Policy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders. The Policy reinforces the Company's commitment to promoting investor confidence by requiring:

(m) compliance with the continuous disclosure obligations;
(n) compliance with insider trading laws;
(o) compliance with financial reporting obligations;
(p) compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Company;
(q) communication with shareholders in a clear, regular, timely and transparent manner; and
(r) response to shareholder queries in a prompt and courteous manner.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 6.1.
The Shareholder Communications Policy is available on United Uranium's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk Management Policy
United Uranium recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

Risk oversight
The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of three (3) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. At the date of this report the full Board of the Company is responsible for establishing policies on risk oversight and management.

Reporting and assurance
In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

As detailed in responsibilities of the Audit Committee the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

The Risk Management Policy is available on the United Uranium website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Nomination and Remuneration Committee
The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies as set out in the Nomination and Remuneration Committee Charter. The Charter reflects the matters set out in the commentary and guidance for Recommendation 8.1.

As the whole Board only consists of three (3) members, the Company does not have a Nomination and Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the board.

Non-executive directors' remuneration policy

The structure of non-executive directors' remuneration is clearly distinguished from that of executives.

Remuneration for non-executive directors is fixed. Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

Executive directors' remuneration policy

As noted previously, executive directors are employed pursuant to employment agreements. Summaries of these employment agreements are set out in the Remuneration Report.

Further details regarding the remuneration arrangements of the Company are set out in the Remuneration Report.

The checklist below summarises the Company's compliance with the Recommendations.

Principles	**Recommendations**	**Compliance** **Yes/No**	**Reference/ Explanation**
Pr 1	**Lay solid foundations for management and oversight**		
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	Yes	Website and Page 42
Rec 1.2	Companies should disclose the process for evaluation the performance of senior executives.	Yes	Website and Page 42
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	Website and Page 42
Pr 2	**Structure the board to add value**		
Rec 2.1	A majority of the board should be independent directors.	No	Website and Page 42
Rec 2.2	The Chairman should be an independent director.	No	Website and Page 42
Rec 2.3	The roles of chairman and chief executive officer should not be exercised by the same individual.	Yes	Website and Page 42
Rec 2.4	The board should establish a nomination committee	No	Website and Page 43
Rec 2.5	Companies should disclose the process of evaluating the performance of the board, its committees and individual directors.	Yes	Website and Page 43

Principles	Recommendations	Compliance Yes/No	Reference/ Explanation
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2	Yes	Website and Page 43
Pr 3	**Promote ethical and responsible decision making**		
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in the company's integrity - the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	Website and Page 43
Rec 3.2	Companies should establish a policy concerning trading in company securities by directors, officers and employees and disclose the policy or a summary of that policy.	Yes	Website and Page 44
Rec 3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.		
Pr 4	**Safeguard integrity in financial reporting**		
Rec 4.1	The board should establish an audit committee.	No	Website and Page 44
Rec 4.2	The audit committee should be structured so that it: - consists only of non-executive directors; - consists of a majority of independent directors; - is chaired by an independent chair, who is not the chair of the board; and - has at least three members.	No	Website and Page 44
Rec 4.3	The audit committee should have a formal charter.	Yes	Website and Page 44
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	Website and Page 44

Principles	**Recommendations**	**Compliance** **Yes/No**	**Reference/ Explanation**
Pr 5	**Make timely and balanced disclosure**		
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	Yes	Website and Page 44,45
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	Website and Page 44,45
Pr 6	**Respect the rights of shareholders**		
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website and Page 45
Rec 6.2	Company should provide the information indicated in the Guide to reporting on Principle 6.	Yes	Website and Page 45
Pr 7	**Recognise and manage risk**		
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Website and Page 45
Rec 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Website and Page 45
Rec 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Website and Page 45
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	Website and Page 45

Principles	Recommendations	Compliance Yes/No	Reference/ Explanation
Pr 8	**Remuneration fairly and responsibly**		
Rec 8.1	The board should establish a remuneration committee.	No	Website and Page 45,46
Rec 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Website and Page 46
Rec 8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	Website and Page 46

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of equity securities in the company as at 15 September 2009 were as follows:

	Class of Equity Securities
Number Held as at 15 September 2009	**Fully Paid Ordinary Shares**
1-1,000	13
1,001 - 5,000	90
5,001 – 10,000	185
10,001 - 100,000	202
100,001 and over	47
Totals	**537**

Holders of less than a marketable parcel:- fully paid shares 103

Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as at 15 September 2009:

Shareholder	**Number**
Cheng Rong Wang	4,750,000
Xibo Ma	3,340,000
Xing Yan	2,650,000

Unquoted Securities

The Company has issued the following unquoted securities:

Class of Equity Security	**Number**	**Number of Security Holders**
40 cents options expiring 30 June 2010	3,000,000	3

Voting Rights

<u>Ordinary Shares</u>

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

Twenty Largest Shareholders

The names of the twenty largest ordinary fully paid as at 15 September 2009 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	Held of Issued Ordinary Capital (%)
Cheng Rong Wang	4,750,000	12.688
Xibo Ma	3,340,000	8.922
Xing Yan	2,650,000	7.079
Western Investment Holding Pty Ltd	1,500,000	4.007
Kam Lan Choo	1,450,000	3.873
Jian Hua Han	1,313,800	3.509
Kelmine Pty Ltd	1,100,000	2.938
You Lian Zheng	1,076,601	2.876
United Mining Resources Pty Ltd	1,000,000	2.671
Austhong International Group Pty Ltd	1,000,000	2.671
You Lian Zheng	900,000	2.404
Shriver Nominees Pty Ltd	720,000	1.923
Paso Holdings Pty Ltd	693,500	1.853
FM104.9 Network Pty Ltd	650,000	1.736
Xiuzhen Liu	416,704	1.113
M&K Korkidas Pty Ltd	410,000	1.095
Stephen Brockhurst	350,003	0.935
Bessarlie Pty Ltd	350,000	0.935
HSBC Custody Nominees (Australia) Ltd	324,000	0.865
Stoneham Holdings Aust Pty Ltd	300,000	0.801
TOTAL	**24,294,608**	**64.894%**

SCHEDULE OF MINERAL TENEMENTS

Project	**Tenement**	**Equity**
Pine Creek	EL 24815	80%
McArthur	EL 25839	80%
Birrindudu	ELA 25837	80%
Wiso	EL 25835	80%
Wiso	ELA 25836	80%
Wiso	ELA 25840	80%
Dunmarra	EL 25838	80%