Golden Deeps Ltd

ACN: 054 570 777

ANNUAL REPORT

2009

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DIRECTORS

Alexander Clemen
Michael Norburn
David Zukerman

AUDITORS

Grant Thornton (WA) Partnership
10 Kings Park Road
West Perth WA 6005

COMPANY SECRETARY

Norman Grafton

BANKERS

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

REGISTERED OFFICE

1st Floor, 8 Parliament Place
West Perth WA 6005

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SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St. Georges Terrace
Perth WA 6000

Investor Enquiries: 1 300 557 010
Facsimile: (08) 9323 2033

SOLICITORS

Blakiston and Crabb
1202 Hay Street
West Perth WA 6005

STOCK EXCHANGE LISTING

Golden Deeps Ltd is listed on the Australian Securities Exchange.

ASX code for shares: GED

EXPLORATION

Golden Deeps' work programme for 2008-2009 has concentrated on a critical evaluation of the Company's existing projects in Western Australia as well as the evaluation of a number of other opportunities both in Australia and overseas. GED's focus will remain on gold but has also expanded to include copper.

A review of the Company's operations is detailed below:

1. BLUE FUNNEL (M 16/19), WESTERN AUSTRALIA

The Blue Funnel open pit is located on the Zuleika Shear, approximately 17 kilometres to the northeast of Kundana, and was mined in the late 1980s for **205,579 t @ 3.22 gpt Au**. There is potential for additional resources below the existing pit floor, and requires further investigation.

The company has been approached by several parties during the year, with a view to either acquiring or joint venturing into the Blue Funnel project. A review of the project by one of those parties is continuing.

2. TWIN HILLS (M 29/21), WESTERN AUSTRALIA

The Twin Hills project is located 27 kilometres to the northeast of Menzies in the Eastern Goldfields. The historic Twin Hills mine hosted high-grade gold mineralisation and shows the potential for additional resources at depth and along strike.

A detailed review of both the near mine and regional potential continues over the project area.

3. GARDEN GULLY (M 15/675), WESTERN AUSTRALIA

In the course of 2009, GED concluded an agreement with Focus Minerals Ltd under which it sold its 100% interest in the Garden Gully Mining Lease 15/675 at Coolgardie, WA in return for $75,000 in cash and an ongoing royalty equal to $1.00 per tonne of ore mined from the tenement.

4. PROJECT GENERATION

The Company is currently assessing a number of opportunities, both in Australia and overseas for possible joint venture or acquisition. Evaluations presently focus on gold and copper opportunities in Victoria, New South Wales and Western Australia. In addition the company has been reviewing several copper projects in southern Africa.

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems, who is a member of The Australasian Institute of Geoscientists. Mr. Putt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Timothy Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Your Directors present their report on the consolidated entity consisting of Golden Deeps Ltd and its controlled entities, for the year ended 30 June 2009.

DIRECTORS

The following persons were Directors of Golden Deeps Ltd during the financial year and up to the date of this report:

Alex Clemen
Michael Norburn
David Zukerman

The Directors each held 500,000 options in the Company as at the date of this report.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Company and its controlled entities are the exploration for mineral deposits and investments.

RESULTS

The consolidated loss for the financial year after providing for income tax amounted to $346,561 (2008: $1,173,757).

DIVIDENDS

No amounts have been paid or declared as payable during the course of the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are actively engaged in seeking new opportunities. Refer to Review of Operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this financial report.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The Directors and Company Secretary were in office for the entire period. Set out below are their qualifications, experience, special responsibilities and holdings of shares and options:

DIRECTORS

(i) Alexander Clemen, BSc (Hons), FAusIMM

Mr Clemen is a qualified geologist with over thirty years experience in this field. He has worked for several large, international mining companies in various parts of the world and has experience in exploring for gold, base metals, industrial minerals and diamonds. During the past three years he has also served as a Director of Sabre Resources Ltd and Metals Australia Ltd.

(ii) Michael Norburn, BSc (Hons)

Mr Norburn graduated from the University of Birmingham with an honours degree in engineering and has worked for over twenty five years in the resource industry in Australia, the Middle East and Africa.

(iii) David Zukerman

Mr Zukerman has an accounting and finance background. He has held a number of public company directorships in Australia and Asia during the past twenty five years and during the past three years he has also served as a Director of Metals Australia Ltd, Sabre Resources Ltd, and was formerly a Director of Tiger Resources Ltd.

COMPANY SECRETARY

Norman Grafton FCPA, FCIS was appointed Company Secretary on 4 October 2006. He has extensive experience in both Australian and international commerce, having previously been based in Singapore, Indonesia, Papua New Guinea and Jamaica. Prior to returning to Australia he was Director of Finance and Company Secretary of the largest agro-industrial operation in Jamaica, on secondment from a major UK firm of corporate managers. During the last three years, he held a Directorship in Orchid Capital Limited.

DIRECTORS' INTEREST IN CONTRACTS

No Director has an interest, whether directly or indirectly, in a contract or proposed contract with the Company.

REMUNERATION REPORT (AUDITED)

2009

Key Management Personnel	Short-term Benefits		Share-based Payment	
	Directors Fees	Consulting Fees	Options	Total
	$	$	$	$
A Clemen	14,000	-	-	14,000
M Norburn	14,000	-	-	14,000
D Zukerman	-	25,003	-	25,003
	28,000	25,003	-	53,003

2008

Key Management Personnel	Short-term Benefits		Share-based Payment	
	Directors Fees	Consulting Fees	Options	Total
	$	$	$	$
A Clemen	14,000	-	43,500	57,500
M Norburn	14,000	-	43,500	57,500
D Zukerman	-	26,346	43,500	69,846
	28,000	26,346	130,500	184,846

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

The Company does not have any officers or senior executives, other than the Directors.

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company.

Directors receive benefits in the form of share-based payments, although no such payments were made in the year under review. However, in the previous year, shareholders approved the grant of 500,000 unlisted options to each of the Directors at a cost of 0.1 cents per option. The options are exercisable at 12 cents per option at any time up to their expiration date of 30 September 2011.

Board policy on the remuneration for this exploration company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship. No Director, executive or employee has an employment contract.

Being an exploration company with no earnings, a relationship is yet to be established between an emolument policy and the company's performance.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of directors during the year ended 30 June 2009 and the numbers of meeting attended were:

Name	Eligible to Attend	Attended
A Clemen	5	5
M Norburn	5	5
D Zukerman	5	5

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Norburn retired by rotation as a director at the Annual General Meeting held on 12 November 2008 and was re-elected.

At the forthcoming Annual General Meeting, Mr Zukerman retires by rotation as a director and will offer himself for re-election.

RELEVANT INTEREST OF SHARES IN THE COMPANY

The Directors held no relevant interests in shares of the Company as at 30 June 2009.

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

INDEMNIFYING OFFICERS OR AUDITOR

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

PROCEEDINGS ON BEHALF OF THE 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 those proceedings.

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

AUDIT COMMITTEE

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001* is set out on page 34.

NON AUDIT SERVICES

During the year under review, Grant Thornton also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the company, Grant Thornton (WA) Partnership for audit and non-audit services provided during the year are set out in Note 6 to the Financial Statements.

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

D N Zukerman
DIRECTOR

Dated this twenty ninth day of September 2009
Perth, Western Australia

GOLDEN DEEPS LTD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue					
Interest earned		139,336	174,523	139,336	174,523
Sale of tenement		75,000	-	-	-
		214,336	**174,523**	**139,336**	**174,523**
Expenses					
Loss/(profit) on share trading	4	-	224,001	-	224,001
Depreciation		1,541	2,563	1,541	2,563
Management fees		202,978	198,754	202,978	198,754
Exploration expenses		44,327	15,177	21,800	-
Directors fees and services		53,003	54,346	53,003	54,346
Other operating costs		50,548	54,281	50,548	54,281
Option issues expensed		-	609,000	-	609,000
Provision for non recovery of loan and expenditure incurred by subsidiary		-	-	(52,473)	15,177
Occupancy costs		208,500	190,158	208,500	190,158
Provision for rehabilitation		-	-	-	-
		560,897	**1,348,280**	**485,897**	**1,348,280**
Profit/(Loss) before income tax		**(346,561)**	**(1,173,757)**	**(346,561)**	**(1,173,757)**
Income tax	5	**-**	**-**	**-**	**-**
Profit/(Loss) after income tax	16	**(346,561)**	**(1,173,757)**	**(346,561)**	**(1,173,757)**

Earnings per share	Note	**2009 (cents)**	**2008 (cents)**
Basic earnings/(loss) per share	18	(0.9)	(3.1)

Diluted earnings per share has no effect as compared to the Basic earnings per share.

The statement above should be read in conjunction with the accompanying notes

GOLDEN DEEPS LTD
BALANCE SHEET
AS AT 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT ASSETS					
Cash and cash equivalents	8	1,936,797	2,193,602	1,936,797	2,193,602
Trade and other receivables	9	42,292	28,549	42,292	28,549
TOTAL CURRENT ASSETS		1,979,089	2,222,151	1,979,089	2,222,151
NON-CURRENT ASSETS					
Plant and equipment	10	1,031	2,572	1,031	2,572
Exploration	11	-	-	-	-
Other financial assets	12	133,000	133,000	133,000	133,000
TOTAL NON-CURRENT ASSETS		134,031	135,572	134,031	135,572
TOTAL ASSETS		**2,113,120**	**2,357,723**	**2,113,120**	**2,357,723**
CURRENT LIABILITIES					
Trade and other payables	13	169,429	67,471	169,429	67,471
Provisions for rehabilitation		428,000	428,000	428,000	428,000
TOTAL CURRENT LIABILITIES		597,429	495,471	597,429	495,471
TOTAL LIABILITIES		**597,429**	**495,471**	**597,429**	**495,471**
NET ASSETS		**1,515,691**	**1,862,252**	**1,515,691**	**1,862,252**
EQUITY					
Issued capital	14	9,155,316	9,155,316	9,155,316	9,155,316
Share option reserve	15	871,060	871,060	871,060	871,060
Accumulated losses	16	(8,510,685)	(8,164,124)	(8,510,685)	(8,164,124)
TOTAL EQUITY		**1,515,691**	**1,862,252**	**1,515,691**	**1,862,252**

The statement above should be read in conjunction with the accompanying notes

GOLDEN DEEPS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

CONSOLIDATED ENTITY

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2007	**9,155,316**	**255,060**	**(6,990,367)**	**2,420,009**
Grant of options	-	616,000	-	616,000
Loss for the year	-	-	(1,173,757)	(1,173,757)
Balance as at 30 June 2008	**9,155,316**	**871,060**	**(8,164,124)**	**1,862,252**
Loss for the year	-	-	(346,561)	(346,561)
Balance as at 30 June 2009	**9,155,316**	**871,060**	**(8,510,685)**	**1,515,691**

PARENT ENTITY

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2007	**9,155,316**	**255,060**	**(6,990,367)**	**2,420,009**
Grant of options	-	616,000		616,000
Loss for the year	-	-	(1,173,757)	(1,173,757)
Balance as at 30 June 2008	**9,155,316**	**871,060**	**(8,164,124)**	**1,862,252**
Loss for the year	-	-	(346,561)	(346,561)
Balance as at 30 June 2009	**9,155,316**	**871,060**	**(8,510,685)**	**1,515,691**

The accompanying notes form part of these financial statements

GOLDEN DEEPS LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cashflow from operating activities					
Payments to suppliers		(454,177)	(495,053)	(401,704)	(479,876)
Interest received		122,372	165,308	122,372	165,308
Sale of tenement		75,000	-	-	-
Net cash outflow from operating activities	17	(256,805)	(329,745)	(279,332)	(314,568)
Cashflow from investing activities					
Sale of shares		-	600,999	-	600,999
Repayment of loan for proposed investment		-	500,000	-	500,000
Advances to subsidiary		-	-	(52,473)	(15,177)
Funds received on behalf of subsidiary		-	-	75,000	-
Net cash inflow/(outflow) from investing activities		-	1,100,999	22,527	1,085,822
Cashflow from financing activities					
Grant of options		-	7,000	-	7,000
Net cash inflow from financing activities		-	7,000	-	7,000
Net increase/(decrease) in cash and cash equivalents held		(256,805)	778,254	(256,805)	778,254
Cash and cash equivalents at the beginning of the financial year		2,193,602	1,415,348	2,193,602	1,415,348
Cash and cash equivalents at the end of the financial year	8	**1,936,797**	**2,193,602**	**1,936,797**	**2,193,602**

The above statement of cash flows should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial report of Golden Deeps Ltd (the Company) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 29 September 2009.

Golden Deeps Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are mineral exploration and investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has also been prepared on an accruals basis and on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) New accounting standards and interpretations which may impact the Company not yet adopted

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

AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [ASSB 5, AASB 6, AASB 102, AASB 107, AASB 119, 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 Group's Board for the purpose 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 2007-8: 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 Group. 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 2008-1: Amendments to Australian Accounting Standards – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to ASSB 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.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial Statements.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Golden Deeps Ltd and its subsidiary ('the Group').

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.
Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Golden Deeps Ltd has control.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately for the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(e) Interest in joint venture operation

The Group's interest in any joint venture operation is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

(f) Foreign currency translation

Both the functional and presentation currency of Golden Deeps Ltd and its subsidiary is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated financial report are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries would be translated into the presentation currency of Golden Deeps Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.
The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(g) Property, plant and equipment

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

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

Plant and equipment – over 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(h) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination’s synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(i) Recoverable amount of assets

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

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. that date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or conversion in the market place.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(*ii) Held-to-maturity investments*
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables, including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale-investments
Available-for-sale-investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate economic component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(k) Exploration and Development Expenditure

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

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognized 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 Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits.

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.

(n) Provisions

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Share-based payment transactions

(i) Equity settled transactions:
The Group provides benefits to Directors, management personnel and consultants in the form of share-based payments whereby personnel render services in exchange for options to purchase shares.

The cost of these equity-settled transactions was measured by reference to the fair value of the equity instruments at the date on which they were granted. The fair value was determined using the Black Scholes formula.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Golden Deeps Ltd (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Cash settled transactions:
The Group does not provide benefits to employees in the form of cash-settled share based payments.

Any cash-settled transactions would be measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

(p) Revenue

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(q) 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 the 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 can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 credits 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,

- in respect of deductible temporary differences associated 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 and not in the income statement.

(r) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

3. Significant Accounting Judgments, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments include:

(a) Classification of and value of investments

The Group has decided to classify investments in listed securities as "held for trading" investments and movements in fair value are recognised directly in the Income Statement. The fair value of listed shares has been determined by reference to published price quotations in an active market.

(b) Provision for investments in and loans to subsidiaries

Investments in and loans to subsidiaries are fully provided for until such time as subsidiaries are in a position to repay loans.

(c) Exploration expenditure

The Group determines whether exploration expenditure is impaired on at least an annual basis based on historical information and best available current information. This requires an estimation of the recoverable amount as discussed in note 2 (k)

(ii) Significant accounting estimates and assumptions include:

(a) Provision for rehabilitation

Where applicable, the Group makes provision for material restoration obligations. The amount recognised includes the cost of reclamation and site rehabilitation after taking into account any restoration works which are carried out during exploration. The provision for rehabilitation costs is determined from an estimate of future costs which may be incurred in rehabilitating exploration sites.

(b) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 10.

4. Revenue

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Proceeds on sale of shares	-	600,999	-	600,999
Cost of shares sold	-	(434,705)	-	(434,705)
Cumulative change in fair value of investments held for trading	-	(390,295)	-	(390,295)
(Loss)/profit on share trading	-	(224,001)	-	(224,001)

5. Income Tax

	Consolidated		Parent Entity	
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
The prima facie tax payable on profit from ordinary activities before income tax at 30%:	(103,968)	(352,127)	(103,968)	(352,127)

Add:				
Tax effect of:				
Other non-allowable items	3,931	187,283	3,931	187,283
Other assessable items	-	117,089	-	117,089
Provisions	-	(1,050)	-	(1,050)
Deferred tax asset not brought to account	100,037	51,145	100,037	51,145
	103,968	354,467	103,968	354,467
Less:				
Tax effect of:				
Capital raising costs	-	(2,400)	-	(2,400)
Other assessable items	-	60	-	60
	-	(2,340)	-	(2,340)
Income tax attributable to entity	-	-	-	-
Unrecognised deferred tax assets				
- Tax losses: operating losses	1,300,441	847,677	964,503	847,677
- Temporary differences	1,060,227	-	1,060,227	-
- Temporary differences equity	2,400	4,800	2,400	4,800
	2,363,068	852,477	2,027,130	852,477
Unrecognised deferred tax liabilities	(5,089)	-	(5,089)	-

The benefits will only be obtained if:-

(i) The companies derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
(ii) The companies continue to comply with the conditions for deductibility imposed by the Law; and
(iii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

6. Auditor's Remuneration

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Amounts received or due and receivable by the Company's auditors for:-				
Auditing the Company's financial statements	16,760	16,698	16,760	16,698
Other services to the Company	3,000	3,561	3,000	3,561
	19,760	20,259	19,760	20,259

7. Key Management Personnel

(a) **Details of Key Management Personnel are:**

Key Management Person	**Position**
A Clemen	Non executive Director
M Norburn	Non executive Director
D Zukerman	Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report

(b) **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

	Balance 1 July 2008	**Granted as Compensation**	**Options Exercised**	**Net Change Other**
A Clemen	500,000	-	-	-
M Norburn	500,000	-	-	-
D Zukerman	500,000	-	-	-
Total	1,500,000	-	-	-

Number of Options Held by Key Management Personnel

	Balance 30 June 2009	**Total Vested 30 June 2009**	**Total Exer-cisable 30 June 2009**	**Total Unexer-cisable 30 June 2009**
A Clemen	500,000	500,000	500,000	-
M Norburn	500,000	500,000	500,000	-
D Zukerman	500,000	500,000	500,000	-
Total	1,500,000	1,500,000	1,500,000	-

8. Cash and Cash Equivalents

	Consolidated		**Parent Entity**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Represented by:				
Bank deposit maturing within three months	1,650,000	700,000	1,650,000	700,000
Bank deposit maturing after three months	-	1,300,000	-	1,300,000
Cash at bank	286,797	193,602	286,797	193,602
	1,936,797	2,193,602	1,936,797	2,193,602

9. Trade and Other Receivables

Current

Represented by:				
Other debtors	42,292	28,549	42,292	28,549

10. Plant and Equipment

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Plant and Equipment, at cost	4,627	11,934	4,627	11,934
Less: cost of items scrapped	-	(6,767)	-	(6,767)
accumulated depreciation	(3,596)	(2,595)	(3,596)	(2,595)
	1,031	2,572	1,031	2,572
Movement:				
Opening written down value	2,572	5,135	2,572	5,135
Additions	-	-	-	-
Depreciation	(1,541)	(2,563)	(1,541)	(2,563)
Closing written down value	1,031	2,572	1,031	2,572

11. Exploration Expenditure

Opening balance	-	-	-	-
Exploration expenditure	44,327	15,177	21,800	-
Exploration expenditure written off	(44,327)	(15,177)	(21,800)	-
	-	-	-	-

The company's exploration properties may be subject to claim(s) under native title, or contain sacred sites or sites of significance to Aboriginal people. As a result exploration properties or areas within the tenement may be subject to exploration and/or mining restrictions or incur a liability for compensation. It is not possible to quantify these restrictions and liabilities at this time.

12. Other Financial Assets

Non-Current

Investment in subsidiary, at cost	-	-	1,028,327	1,028,327
Less: provision for diminution	-	-	(1,028,327)	(1,028,327)
Loans to subsidiary	-	-	2,072,763	2,125,236
Less: provision for non-recovery	-	-	(2,072,063)	(2,125,236)
Deposit guarantees	133,000	133,000	133,000	133,000
	133,000	133,000	133,000	133,000

13. Trade and other Payables

Current

Payables	169,429	67,471	169,429	67,471

14. Issued Capital

There have been no movements in ordinary share capital of the Company during the last two years

Date	Details	Number of Shares	Issue Price (cents)	Amount $
1 July 2007	**Balance**	**38,445,322**		**9,155,316**
30 June 2008	**Balance**	**38,445,322**		**9,155,316**
30 June 2009	**Balance**	**38,445,322**		**9,155,316**

Capital Management
Management controls the capital of the group in order to maintain a good debt to equity ratio and to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.
There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

15. Share Option Reserve

Date	Details	Number of Options	Unit Price (cents)	Amount $
1 July 2007	**Balance**	**2,000,000**		**255,060**
9 August 2007	Grant of options	5,500,000	8.8	484,000
13 December 2007	Grant of options to Directors	1,500,000	8.8	132,000
30 June 2008	**Balance**	**9,000,000**		**871,060**
30 June 2009	Expiry of options	2,000,000		-
30 June 2009	**Balance**	**7,000,000**		**871,060**

Should the options not be exercised, capital gains tax may be assessed against the funds contributed.

16. Accumulated Losses

	Consolidated		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Accumulated losses at the beginning of the year	(8,164,124)	(6,990,367)	(8,164,124)	(6,990,367)
Loss for year	(346,561)	(1,173,757)	(346,561)	(1,173,757)
Accumulated losses at the end of the financial year	(8,510,685)	(8,164,124)	(8,510,685)	(8,164,124)

17. Cashflow Information

	Consolidated 2009	Consolidated 2008	Parent Entity 2009	Parent Entity 2008
Operating profit/(loss) after income tax	(346,561)	(1,173,757)	(346,561)	(1,173,757)
Revaluation of investments	-	390,295	-	390,295
Surplus on sale of shares	-	(166,294)	-	(166,294)
Grant of options	-	609,000	-	609,000
Depreciation of plant & equipment	1,541	2,563	1,541	2,563
Provision for doubtful debts	-	-	52,473	15,177
Decrease/(increase) in receivables	(13,743)	753	(13,743)	753
(Decrease)/increase in trade & other payables	101,958	7,695	101,958	7,695
Net cash used by operating activities	(256,805)	(329,745)	(204,332)	(314,568)

18. Earnings per share

	2009 Number	2008 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	38,445,322	38,445,322

Options to purchase ordinary shares not exercised at June 30, 2008 have not been included in the determination of basic earnings per share. Diluted profit per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.

	2009	2008
Profit/(loss) per share - cents	(0.9)	(3.1)

19. Financial Instruments

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-Interest Bearing		TOTAL	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	0.00% - 7.83%	0.00% - 8.05%				
Financial Assets	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	1,936,797	893,602	-	-	1,936,797	893,602
Bank deposit over 3 months	-	1,300,000	-	-	-	1,300,000
Receivables	133,000	133,000	42,292	28,549	175,292	161,549
Total Financial Assets	**2,069,797**	**2,326,602**	**42,292**	**28,549**	**2,112,089**	**2,355,151**
Financial Liabilities						
Trade and other payables	-	-	(169,429)	(67,471)	(169,429)	(67,471)
Net Financial Assets	**2,069,797**	**2,326,602**	**(127,137)**	**(38,922)**	**1,942,660**	**2,287,680**

Reconciliation of Financial Assets to Net Assets

	Consolidated	
	2009	**2008**
	$	**$**
Net financial assets	**1,942,660**	**2,287,680**
Exploration expenditure	-	-
Equipment	1,031	2,572
Provision for rehabilitation	(428,000)	(428,000)
Net assets	**1,515,691**	**1,862,252**

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investments in bank bills up to 90 days, accounts receivable and accounts payable, investments in listed and unlisted securities, and loans to subsidiaries. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group has no exposure to foreign currency risks. The Group's credit risk is minimal, as being an exploration company, no goods are sold, or services provided, for which consideration is claimed. Risk management on the Group's investments is achieved by maintaining a close watch on market conditions as they apply to the investee companies.

(e) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis
At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group		**Parent Entity**	
	2009 $000	**2008 $000**	**2009 $000**	**2008 $000**
Change in profit				
- Increase in interest rate by 2%	32	40	32	40
- Decrease in interest rate by 2%	(32)	(40)	(32)	(40)
Change in Equity				
- Increase in interest rate by 2%	32	40	32	40
- Decrease in interest rate by 2%	(32)	(40)	(32)	(28)

20. Investment in controlled entities

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Equity Holding (%)**		**Book Value of Investment**		**Contribution to Consolidated Result**	
			2009 %	**2008 %**	**2009 $**	**2008 $**	**2009 $**	**2008 $**
Cerep Pty Ltd	Australia	Ordinary	100	100	-	-	52,473	(15,177)
Lynx Resources SA (Project terminated in 2009)	Madagascar	Ordinary	0	100	-	-	-	-

21. Related Parties

Wholly owned subsidiary Cerep Pty Ltd has been loaned $2,072,763 to year end, to conduct exploration, a reduction of $52,473 from the balance of $2,125,236, which was outstanding at the beginning of the year.

All transactions with Directors are disclosed in Note 7.

22. Segment Reporting

The group operates in the resources industry in Western Australia, and no longer operates in Madagascar.

	Australia		Consolidated	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Revenue	214,336	775,522	214,336	775,522
Share of net profit/(loss)	(346,561)	(1,173,757)	(346,561)	(1,173,757)
Income tax expense	-	-	-	-
Net profit/(loss) after tax	(346,561)	(1,173,757)	(346,561)	(1,173,757)
Segment assets	2,113,120	2,357,723	2,113,120	2,357,723
Segment liabilities	(597,429)	(495,471)	(597,429)	(495,471)
Net assets	1,515,691	1,862,252	1,515,691	1,862,252

23. Commitments

(i) Mining Tenements

As part of ongoing activities, the consolidated entity is required to commit to minimum expenditures to retain its interest in its mining tenements. Over the next five years this amounts to $105,000, as follows:

Year Ending 30 June	Amount $
2010	21,000
2011	21,000
2012	21,000
2013	21,000
2014	21,000
	105,000

(ii) Management Agreement

The Company has an agreement with a management service company for the provision of services at $214,259 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 14 November 2007 for a five year term.

24. Contingent Liabilities

No contingent liability exists for termination benefits under service agreements with directors or persons who take part in the management of the company. There are no contingent liabilities as at 30 June 2009.

25. Share based payment plan

No options were granted to Directors and consultants during the year. However, during the previous year, the Company granted the following options to Directors and consultants:

(1) 1,500,000 unlisted options to Directors, at an issue price of 0.1 cents each, an exercise price of 12 cents each, and expiring on 30 September 2011. The options were fair-valued at 8.8 cents per option, and vested immediately at date of grant.

The fair value of the options granted was calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	12 cents
Weighted average life of options	3.8 years
Underlying share price	8.5 cents
Expected volatility	167 %
Risk free interest rate	6.75%

(2) 5,500,000 unlisted options to consultants, at an issue price of 0.1 cents each, an exercise price of 12 cents each, and expiring on 30 September 2011. The options were fair-valued at 8.8 cents per option, and vested immediately at date of grant.

The fair value of the options granted was calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	12 cents
Weighted average life of options	3.8 years
Underlying share price	8.5 cents
Expected volatility	167%
Risk free interest rate	6.75%

None of the above options had been exercised up to 30 June 2009.

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

The life of option is based on the historical exercise patterns, which may not eventuate in the future.

The expense recognised in respect of the options issued during the year is shown in the table below.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Expense arising from equity settled share-based payment transactions for:				
(a) Directors	-	130,500	-	130,500
(b) Consultants	-	478,500	-	478,500
	-	609,000	-	609,000

26. Summary of Options Granted

The following table sets out the number and exercise price of, and movements in, share options granted during the year.

	2009		2008	
	Number	**Exercise Price (cents)**	**Number**	**Exercise Price (cents)**
Outstanding at beginning of the year	9,000,000	11.6 (Average)	2,000,000	10.0
Granted during the year	-	-	7,000,000	12.0
Expired on 30 June 2009	2,000,000	10.0	-	-
Outstanding at end of the year	7,000,000	12.0	9,000,000	11.6 (Average)

The outstanding balance as at 30 June 2009 was comprised of 7,000,000 options over ordinary shares, with an exercise price of 12 cents each, exercisable at any time up to 30 September 2011.

The weighted average remaining contractual life for the share options outstanding at 30 June 2009 was 2.25 years (2008: 2.75 years).

The exercise price for options outstanding at the end of the year was 12 cents (2008: 10 cents and 12 cents).

No options were granted during the year.

27. Events Subsequent to Balance Date

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 29 are in accordance with the *Corporations Act 2001*:

   (a) comply with Accounting Standards, 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 consolidated group.

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 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.

D N Zukerman
DIRECTOR

Dated this twenty ninth day of September 2009
Perth,
Western Australia

Grant Thornton

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Independent Auditor's Report
To the Members of Golden Deeps Limited

Report on the Financial Report

We have audited the accompanying financial report of Golden Deeps 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, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2.(b), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 opinions.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of Golden Deeps Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 5 of the directors' report 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 Golden Deeps Limited for the period ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P W WARR
Partner

Perth, 29 September 2009

Grant Thornton

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF GOLDEN DEEPS LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Golden Deeps Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 29 September 2009

INTRODUCTION

Golden Deeps Ltd ACN 054 570 777 ("the Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.goldendeeps.com :

Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- the appointment of the Company's Corporate Manager, Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and ultimately is responsible for communications with shareholders and arranging Board performance evaluation.

Corporate Manager

The Corporate Manager, appointed by a contractual arrangement with the Company, is responsible for running the affairs of the Company under the supervision and direction of the Board. In carrying out its responsibilities the Corporate Manager must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Company Secretary

The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All Directors are to have access to the Company Secretary.

Performance evaluation

The Chairman and/or the Corporate Manager are responsible for reviewing the performance of each executive at least once every calendar year with reference to the terms of their employment contract.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 1.

Principle 2 - Structure the Board to add value

Composition of the Board

The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

Independent Directors

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

The Company will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

Chairman

While the Chairman should be a non-executive director who is independent and who should not also be the chief executive officer of the Company, the Company has not formally appointed a Chairman, preferring to rely upon Mr Zukerman as its Executive Director to fulfil this role. Mr Zukerman does not satisfy the Independence Criteria. The Board believes that Mr Zukerman is the most appropriate person for the position of Chairman because of his extensive experience.

Although the Board recognises the importance of the need for the division of responsibilities between the Chairman and the Managing Director, the existing structure, whereby Mr Zukerman carries out the duties of both roles, is considered appropriate to the Company's present circumstances. It provides a unified structure, which the Board believes is important given the

Company's present stage of corporate development. Mr Zukerman has been a significant force in the current direction of the Company, and has provided strong and effective leadership to the Board.

The Chairman's other positions should not be such that they are likely to hinder the effective performance of their role of Chairman of the Company.

Independent decision- making

All directors - whether independent or not - should bring an independent judgement to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he is independent or the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.

Independent advice

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search for, and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills and experience.

In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them as a non-executive director. Re-appointment of directors is not automatic.

Induction and education

The Board will implement an induction program to enable new directors to gain an understanding of:

the Company's financial, strategic, operational and risk management position;

the rights, duties and responsibilities of the directors;

the roles and responsibilities of senior executives; and

the role of any Board committees in operation.

Directors will have reasonable access to technical seminars or equivalent to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.

Access to information

The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 2.

Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Policy for trading in Company securities

The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.

The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 3.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management

The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient. All Directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes must be implemented to perform the following audit and risk management functions:

(1) external audit function:

(a) review the overall conduct of the external audit process including the independence of all parties to the process;

(b) review the performance of the external auditors;

(c) consider the reappointment and proposed fees of the external auditor; and

(d) where appropriate seek tenders for the audit and where a change of external auditor is recommended arrange submission to shareholders for shareholder approval;

(2) reviewing the quality and accuracy of published financial reports;

(3) reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;

(4) reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and

(5) any other matters relevant to audit and risk management processes.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 4.

Principle 5: Make timely and balanced disclosure

Disclosure Policy

The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.

The Disclosure Policy ensures that:

all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and

Company announcements are subjected to a vetting and authorisation process designed to ensure they:

(a) are released in a timely manner;

(b) are factual;

(c) do not omit material information; and

(d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 5.

Principle 6: Respect the rights of shareholders

Communication with Shareholders

The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by mail or email.

The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

(a) placing the full text of notices of meeting and explanatory material on the website;

(b) providing information about the last two years' press releases or announcements plus at least three years of financial data on the website.

General Meetings

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 6.

Principle 7: Recognise and manage risk

Creation and implementation of Company risk management policies

It is the responsibility of the Corporate Manager to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Board.

The Corporate Manager must report to the Board annually regarding the design, implementation and progress of the risk management policies and internal control systems.

Audit and Risk Management

As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.

Review by the Board

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.

When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Corporate Manager

The Corporate Manager is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports

The Chief Executive Officer and the Chief Financial Officer are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

(a) that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and

(b) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Reporting

The Company will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 7.

<u>Principle 8: Remunerate fairly and responsibly</u>

Director and senior executive remuneration policies

The Company's remuneration policy is structured for the purpose of:

(a) motivating senior executives to pursue the long-term growth and success of the Company; and

(b) demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

(a) attracting and retaining senior executives and Directors; and

(b) not paying excessive remuneration.

Executive Directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

Executive Directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Non-executive Directors' remuneration should be formulated with regard to the following guidelines:

(a) non-executive Directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;

(b) non-executive Directors should not be provided with retirement benefits other than superannuation.

No Director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

Remuneration Committee

The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues which would otherwise be considered by a committee.

Reporting

The Company, will, in the corporate governance statement section of its Annual Report, include the recommended information set out in the ASX Corporate Governance Principles in relation to the Guide to reporting on Principle 8.

Appendix A – Code of Conduct

Introduction

1 This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's shareholders and the broader community.

Responsibilities to shareholders

2 The Company aims:

2.1 to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and

2.2 to comply with systems of control and accountability which the Company has in place as part of its corporate governance.

Responsibilities to clients, employees, suppliers, creditors, customers and consumers

3 The Company will comply with all legislative and common law requirements which affect its business.

Employment practices

4 The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

5 The Company will recognise, consider and respect environmental, native title and cultural heritage issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

Responsibility to the individual

6 The Company recognises and respects the rights of individuals and will comply with the applicable laws regarding privacy and confidential information.

Obligations relative to fair trading and dealing

7 The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

8 Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

9 The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairman in the case of a Board member, the Corporate Manager

or Chief Executive Officer (or equivalent) in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

Compliance with the Code of Conduct

10 Any breach of compliance with this Code of Conduct is to be reported directly to the Chairman.

Periodic review of Code

11 The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct may be made at any time to the Chairman.

Appendix B – Policy for trading in Company securities

Introduction

1 The Company recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company's directors, senior executives, employees and consultants (**Relevant Persons**).

Communication

2 This policy will be communicated to all Relevant Persons and will be placed on the Company website.

Trading restrictions

3 Trading by Relevant Persons in the Company's securities is subject to the following limitations:

3.1 No trading in Company securities shall take place during the seven days preceding release of each quarterly report, half-yearly financial report, and annual financial report of the Company.

3.2 No trading in the Company's securities shall take place directly or indirectly where it is known, or ought reasonably to have been known by the person intending to trade, that information exists that has not been released to the ASX and where that information is of a type that reasonably could be expected to encourage buying or selling were that information known by others.

3.3 No trading shall take place in Company securities unless prior notice is given to the Chairman and approval is obtained from him.

Hardship

4 During a period specified in paragraph 3.1, Relevant Persons may, after obtaining the Chairman's consent, trade the Company's securities to the extent reasonably necessary to avoid or ameliorate documented hardship and suffering or as required by other extenuating circumstances.

Directors' trading and disclosures

5 Within one day of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised in writing to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

6 All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

Appendix C - Disclosure Policy

Disclosure requirements

1 The Company recognises its duties pursuant to the continuous disclosure rules of the ASX Listing Rules and Corporations Act to keep the market fully informed of information which may have a material affect on the price or value of the Company's securities.

2 Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors, officers and employees

3 The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

4 Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Corporate Manager, Chairman or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorised Disclosure Officer

5 The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:

5.1 the Company Secretary or

5.2 in the absence of the Company Secretary, a designated Executive Director, who is authorised to act in that capacity by the Board.

Responsibilities of Authorised Disclosure Officer

6 Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:

6.1 monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;

6.2 ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;

6.3 requesting a trading halt in order to prevent or correct a false market;

6.4 providing education on these disclosure policies to the Company's directors, officers and employees; and

6.5 ensuring there are vetting and authorisation processes designed to ensure that Company announcements:

6.5.1 are made in a timely manner;

6.5.2 are factual;

6.5.3 do not omit material information;

6.5.4 are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

7 An Authorised Disclosure Officer must be available to communicate with the ASX at all reasonable times, and is responsible for providing contact details and other information to ASX to ensure such availability.

Measures to avoid a false market

8 In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

9 If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

10 If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

ASX Announcements

11 Company announcements of price-sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

11.1 The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.

11.2 Proposed announcements must be approved by the Chairman or in his absence, urgent announcements may be approved by such other person expressly authorised by the Board.

11.3 Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.

11.4 Wherever practical, all announcements must be provided to the directors, Corporate Manager and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

12 The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such

information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairman and Corporate Manager as soon as possible.

External communications and Media Relations

13 The Chairman, Company Secretary and such other person approved by the Board are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairman, Company Secretary or such other approved person.

14 All requests for information from the Company must be referred to the Authorised Disclosure Officer who will provide them to the Chairman, Company Secretary or Corporate Manager.

Breach of disclosure policy

15 Serious breaches of this disclosure policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

16 Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach and any disciplinary action for the Company to take.

Board Structure

Name of Director	Year Appointed	Executive	Non-Executive	Independent	Seeking re-election at 2009 AGM
A Clemen	2000	NO	YES	YES	NO
M Norburn	2006	NO	YES	YES	NO
D Zukerman	2003	YES	NO	NO	YES

Additional information included in accordance with listing requirements of the Australian Securities Exchange Limited.

1. SHAREHOLDING

(a) Distribution of Shareholders as at 25 September 2009:

Size of Holding	Number of Holders	Shares Held	%
1 - 1,000	112	36,651	0.10
1,001 - 5,000	56	141,966	0.37
5,001 - 10,000	57	502,073	1.31
10,001 - 100,000	110	4,547,325	11.83
100,001 - and over	50	33,217,307	86.39
	385	38,445,322	100.00

(b) The twenty largest shareholders as at 25 September 2009 representing 69.25% of paid up capital were:

Name of Holder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Metals Australia Ltd	5,000,000	13.01
Coniston Pty Ltd	4,150,000	10.79
Kalgoorlie Mine Management Pty Ltd	4,000,000	10.40
ANZ Nominees Ltd <Cash Income A/C>	3,320,342	8.64
Graham G & Thelma J Walker <Walker Super A/c>	1,318,521	3.43
Paso Holdings Pty Ltd	923,927	2.40
Arthur Carbo	800,000	2.08
Heaver Group Ltd	600,000	1.56
Herlequin Investments Ltd	600,000	1.56
L C Asia Ltd	600,000	1.56
Nelbent Finance Ltd	600,000	1.56
Tripura Ltd	600,000	1.56
Graham G & Thelma J Walker	600,000	1.56
Tromso Pty Ltd	595,091	1.55
Brian G Benger	585,000	1.52
Toltec Holdings Ltd	551,155	1.43
Robert G & Karen F Paddon	470,000	1.22
Pio Services Ltd	458,464	1.19
Clapsy Pty Ltd	451,615	1.17
Ellemar Pty Ltd <KB Investment Fund A/c>	400,000	1.04
Total	26,624,115	69.25

(c) Substantial Shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

	Shares Held	**% Interest**
Coniston Pty Ltd together with group member Kalgoorlie Mine Management Pty Ltd	8,150,000	21.19
Metals Australia Ltd	5,000,000	13.01

(d) There exist 194 shareholders with unmarketable parcels of shares.

(e) Options

(ii) As at 25 September 2009, there were eight optionholders with a total of 7,000,000 options exercisable at 12 cents each, on or before 30 September 2011.