Adamus Resources Limited

Adamus Resources Limited
ABN 80 094 543 389

And Controlled Entities

Annual Report
For the Year Ended 30 June 2009

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Corporate Directory

Non-Executive Chairman
Mr John D Hopkins

Managing Director / CEO
Mr Mark T Bojanjac

Executive Director / COO
Mr Mark A Connelly

Non-Executive Directors
Dr Antony Harwood
Mr Peter N Tredger
Mr Peter Rowe

Company Secretary
Mr Ian J Cunningham

Principal & Registered Office
Level 2, 45 Richardson Street
WEST PERTH WA 600
Telephone: +61 8 9322 5943
Facsimile: +61 8 9322 5907
Email: info@adamusresources.com.au

Auditors
Stantons International
Level 1, 1 Havelock Street
WEST PERTH WA 6005

Stock Exchange Listings
Australian Securities Exchange
(Primary Listing)
Code: ADU

TSX Venture Exchange
(Secondary Listing)
Code: ADU

Frankfurt Stock Exchange
(Open Market)
Code: AXM

Share Registrars
Computershare Registry Services Pty Ltd
Level 2, 45 St Georges Tce
PERTH WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9
Tel: +604 661 9400 ext 4223
Fax: +604 661 9401

Bankers
National Australia Bank
50 St Georges Terrace
PERTH WA 6000

Southern Ashanti Gold Project

Southern Ashanti Gold Project is a gold deposit located in south-western Ghana being developed as an open pit mine.

Managing Director's Review

Over the past year the team at Adamus Resources Limited ("Adamus" or the "Company") has been highly effective in advancing the Southern Ashanti Gold Project ("Southern Ashanti Project" or "Project") towards development. A number of significant milestones were achieved which led to the Directors of Adamus resolving to proceed with development of the Southern Ashanti Project, subject to receipt of project financing on terms acceptable to the Company.

Achievements included:

- a 7% increase in gold Mineral Resources to 2.1 million ounces
- a 31% increase in Ore Reserves to over 1 million ounces
- the issue of the Environmental Permit by the Environmental Protection Agency of Ghana ("EPA")
- a 44% increase in exploration tenure to 665km^2
- completion of a current 2009 Optimised Feasibility Study ("OFS") demonstrating enhanced Project economics

The Environmental Permit was granted in December 2008. It was the final required approval to commence mining at the Southern Ashanti Project and followed the granting of Mining Licences in April 2008. These permits and approvals were obtained with the full support and cooperation of the Ghanaian government agencies. Through open dialogue and a collaborative approach between the Company and the government agencies a strong working relationship was established. This has been recognised by the Ghana government who intend to adopt the approach taken by Adamus as their working model to improve their business permitting processes going forward.

Market conditions were volatile on all levels during the last 12 months. The changed conditions combined with an increase in estimated ore reserves to 1.07Moz warranted an up to date OFS to reflect the changes in both market conditions and technical parameters.

The OFS revealed significantly improved Project economics. The ore reserve increase along with further detailed engineering studies have shown that an increase in milling throughput and a redesign of the processing circuit can produce significant operating unit cost reductions. Key estimates and outcomes from the OFS (at a US$900 gold price) included:

- estimated US$100m cash generated from first 2 years of operations
- Up to 2.1m tonnes annual ore throughput, on oxide ore
- 100,000 ounces annual production
- 10 year proven initial mine life
- US$343m net operating cash generated pre CapEx and tax
- US$95m CapEx depending on contract EPCM or Fixed Price
- Year 1 and 2 cash costs average US$370 / oz
- Life-of-mine cash costs of US$425 / oz

The future profitability of the Southern Ashanti Project is expected to be enhanced substantially by the exploration of further mineable ore reserves within trucking distance of the proposed mill site. The Company has identified a number of key areas and targets for potential additions to the current ore reserve estimate for the Project within the next 12 - 24 months.

Since the decision to proceed was taken, Adamus has been expanding the skill and knowledge base of management, particularly in the area of mine development and operations. The following appointments have already been made:

- Mr Peter Rowe, former head of Anglogold Ashanti Australia was appointed as an Independent Non Executive Director. Mr Rowe is a mining focused engineer with over 35 years international experience.

- Mr Jeremy Langford has been appointed as Project Manager Construction. Mr Langford is a Mechanical Engineer with previous mining construction experience in West Africa, including the on-time and on-budget project delivery of the US$300m greenfields project of the Sabodala Gold Mine in Senegal.
- Mr Craig Wilson has been appointed as Project Manager Infrastructure. Mr Wilson is a Mining Engineer with immediate previous Project Management experience in Ghana, which included the design and construction of infrastructure, roads and open pits immediately adjacent to the Southern Ashanti Project.

These additional high level project management appointments provide Adamus with the accomplished West African expertise required to manage the build of our project.

More recently the Company announced that a new 3.5 MW SAG mill, supplied by Outotec Pty Ltd, is to be delivered well ahead of the OFS estimated schedule and below previous cost estimates. The mill contract has a 45 to 50 week build time and Adamus anticipates installation of the SAG mill in late Q3, 2010 potentially paving the way for gold production by the end of 2010.

Looking forward, the finalisation of project debt finance and final selection of a contractor to construct the processing plant are the next major objectives to ensure that the Company stays on target to achieve first gold pour at the Southern Ashanti Project by year end 2010.

Market conditions over the past year have been challenging and highly volatile however the Company's ability to raise capital funds during this time demonstrates the energy of the management team and the strength of the Project. The capital raisings during the year together with the recent A$40m placement have substantially enhanced the number of quality institutional investors on the Company's share register.

It is at this time that I would like to take the opportunity to thank you, our loyal shareholders, for your continued support. Shareholders have to date supported consolidation of the project tenure, its exploration to bankable standard and competent feasibility work. We look forward to delivering you tangible value from gold production.

Mark Bojanjac
Managing Director

Project Summary

The Southern Ashanti Project comprises the greenfields development of an open cut mining operation, a process plant and related infrastructure to mine and process ore from the defined ore reserves of the Salman, Anwia and Bokrobo deposits. The Project is situated on the southern extension of the Ashanti Gold Belt, in south-western Ghana, West Africa, approximately 280km west of Ghana's capital city Accra. The Ashanti Gold Belt is host to over 60Moz of gold. The tenements themselves lie just 40km south of the world class deposits of Bogosu (3.3Moz) and Prestea (10.7Moz).

The Project consists of a largely contiguous block of granted tenure covering a total of approximately 462km^2, with options over additional landholdings to increase the total holding up to 665km^2. Adamus owns 90% of the project with the Ghanaian government holding a 10% free carried interest.

Historically the deposit has had no formal mining with the exception of the Salman-Akanko pit chain, with non-mechanised mining conducted in the 1890's and again in the 1930's. However the deposits do have a history of exploration; since the 1980's a number of companies including BHP Billiton, Resolute Mining, SEMAFO Inc, SAMAX Gold Inc and Ashanti Goldfields Corporation have all undertaken various exploration studies and work. Adamus acquired the Salman concession in 2002, the Akanko (Salman North) in 2003, the Anwia concessions in 2004 and Anwia South in 2006. The Company then acquired options over the Edum Banso and Hotopo concessions in 2008 ("Newmont option"), and options over the Moydow and Asheba concessions in 2009.

The excellent location of the Project provides access to all necessary infrastructure to develop a state-of-the-art mining project adhering to the highest environmental standards. Infrastructure includes:

- well maintained, paved roads;
- grid power; and
- port facilities at Takoradi, approximately 80 kilometres by road to the east.

Well endowed with natural resources, Ghana has roughly twice the per capita output of the poorest countries in West Africa. Gold and cocoa production are major sources of foreign exchange. The domestic economy continues to revolve around gold which accounts for about 42% of GDP. Ghana maintains a stable political environment.

The Company's project area hosts both the Salman and Anwia Deposits containing a mineral resource of **30.2Mt @ 1.78 g/t for 1,750,000oz gold (Measured and indicated)** and **6.98Mt @1.62g/t for 362,000oz gold (Inferred)**. Approximately 85% of the mineral resource estimate is in the JORC measured and indicated categories.

Summary of Southern Ashanti Gold Project Ore Reserve Estimate

Category	Tonnage (Mt)	Grade Au (g/t)	Contained Ounces Au ('000)
Proved Ore	13.52	1.96	854
Probable Ore	3.02	2.21	214
Total Ore	**16.54**	**2.01**	**1,068**

Notes: Mineral resource estimation calculated by Multiple Indicator Kriging methodologies as detailed in the Feasibility Study announcement dated 14 June 2007 and technical reports dated 31 October 2007, 21 August 2008 and 17 August 2009 ('Study Reports'). The ore reserve estimation has been prepared by Mining Resources Pty Ltd using cost estimates derived from third party contractor and consultant quotations and based on a gold price of US$900oz. All metallurgical recoveries for conventional CIL and CIP circuits are based on testwork as previously detailed in the Study Reports. For further details please also refer to announcement of 10 June 2009.

Summary of Southern Ashanti Gold Project Mineral Resource Estimate @ 0.8g/t Au COG

Deposit	Category	Tonnage (Mt)	Grade Au (g/t)	Contained Ounces Au
Combined Salman and Anwia-Bokazo	Measured	20.3	1.84	1,202,000
Combined Salman and Anwia-Bokazo	Indicated	9.9	1.73	552,000
Total	**Measured & Indicated**	**30.2**	**1.78**	**1,750,000**
	Inferred	**6.98**	**1.62**	**362,000**

Notes :

1. *The Measured and Indicated mineral resource estimate is inclusive of current Ore Reserves*
2. *Au cut-off grade 0.8g/t. For further details on the key assumptions, parameters and methods used to estimate the mineral resource please refer to the Study Reports.*
3. *For further details please also refer to announcement of 10 June 2009.*

Project Update

To date Adamus has successfully completed the following:

- Finalised all Project Approvals with the granting of the EPA Environmental Permit in late 2008;
- Updated the Ore Reserve Estimate in April 2009;
- Finalised the OFS using the updated Ore Reserve estimate and costs;
- Enhanced the exploration potential of the Project by adding approximately 203km^2 of new tenements to the Project; and
- Given the go ahead to commence project build and mining operations.

Adamus' main focus during the year was to finalise the drilling of the Bokrobo deposit, undertake deeper drilling along the Salman Trend mineralisation and to advance the final approvals and permitting for the Project. Due to the increase in mineral resources from exploration it was decided to completely update the Feasibility Study to reflect the new project economics. The interim results of the update indicated that a larger milling capacity was warranted and this was incorporated into the OFS that was released in early June 2009. The Project economics are now considerably enhanced with greater mill throughput, lower processing costs and decreased waste to ore stripping ratios, all adding to significantly improved estimated cash flows and a longer project life.

Based on the results from the OFS, the Directors of Adamus resolved in early June 2009 to proceed with the development of the Southern Ashanti Project, subject to receipt of project financing on terms acceptable to the Company.

Estimated Capital and Operating Costs

Total Capital Costs	US $80 - 95 million
Cash Operating costs Years 1 – 2	US $370 per ounce
Cash Operating costs Life of Mine	US $425 per ounce

Initial Key Project Statistics

Estimated Production Life of Mine	16 million tonnes 1,068,000 ounces contained
Annual Production Level	1.8 million tonnes year 1 decreasing to 1.6mtpa year 6 100,000 ounces
Expected Production Start	18 months from financing, targeted late 2010

Note: Assumptions used in the economic model include a gold price of US$900 per ounce. Ore Reserve estimates have been calculated using a gold price of US$900 for the purposes of obtaining potential financing.

Project Management and Staff

In July 2009 Adamus appointed Mr Peter Rowe, former head of Anglogold Ashanti Australia, as an Independent Non-Executive Director to the Board. Mr Rowe is a mining focused engineer with over 35 years international experience and his appointment will provide the Board with additional technical expertise, particularly in the area of mine development and operation.

Since then, Adamus has begun assembling a strong owners' team to manage the Project development, commencing with the appointment of 2 Project Managers, announced in August 2009, both with considerable experience in West Africa and for greenfield mining projects.

Adamus is currently in detailed pricing negotiations with engineering firms to build the process plant and related facilities. It is expected that the EPCM contract will be awarded in the December quarter of 2009 which will provide a project build plan targeting a first gold pour by the end of 2010.

Managing Risk

There are risks in every business and the mining industry has its own inherent risks. Understanding them and managing them proactively are a key part of Adamus' strategy for the development of the Project. Like others in the mining industry, Adamus faces the unique challenges of mining risk associated with engineering, mine and processing development, inflationary cost increases, power, permitting and approvals, legal issues and relationships with the local communities. All of these will continue to exist and could adversely impact project development.

In 2009, the main risk management concerns relating to the Project included:

- employee & contractor safety;
- challenges of developing relationships with communities impacted by development and of gaining the community trust needed to earn the social acceptance to build the project;
- impacts on the environment; and
- rising costs of new project development, in particular costs related to plant & equipment and consumables.

Community Development

Adamus adopts a social and moral responsibility to assist the local communities through development of skills and investment in education and training and local projects. It recognises that a sustainable business requires the support of all stakeholders to ensure that the operations are successful.

Adamus' vision is to establish a partnership with the community through mutual respect. Identifying and assisting, where possible, with basic needs of potable water, roads and education has and should continue to deliver significant benefit to the local community.

Adamus has had a presence in Ghana since 2002 and has strived to maintain excellent relationships with local communities and remains committed to ensure that its operations provide long term positive benefits to the various local communities where the company conducts its exploration activities and planned mine operations.

In 2006, Adamus established a Community Consultative Committee (CCC) made up of representatives of local government authorities, traditional councils, farmers and Company representatives. The mandate of this Committee is to provide an open and transparent forum for discussion and debate on issues affecting local communities, meetings are well attended and minutes taken.

The forum has been active in matters pertaining to crop compensations, resettlement, local employment opportunities and community dialogue for the project development.

The Company has undertaken many initiatives aimed at assisting local communities including:

- skills based training programs in collaboration with local community technical institutes;
- provision of fresh water to the Nkroful Agricultural Secondary School;
- upgrade and maintenance of roads for various villages;
- hand dug water wells and repairs to these;
- provision of schools buildings and materials for buildings; and
- sporting equipment.

Adamus has also signed off on its Environmental, Health & Safety and Social Responsibility Policies in July 2007, and updated in July 2009 which reflects the Company's commitment to the Environment, Health and Safety as well as its Social Responsibility in the community.

Exploration Overview

As in previous years there was a considerable upgrade to the Mineral Resources with a corresponding 31% overall increase in the Project Ore Reserve estimate. This increase was mainly due to the inclusion of the Bokrobo mineralisation.

Exploration during the year focussed on both enhancing the current Project Ore Reserves in the area directly adjacent and under the currently defined pits and generating new prospects that will add to future Mineral Resources.

The focus of diamond and RC drilling undertaken during the year was the delineation and upgrading of the previously identified Bokrobo mineralisation to measured and indicated status so that the mineralisation could be included in updated Project economics. Deeper drilling of the Salman Trend mineralisation was also undertaken to further quantify the depth potential of the sulphide material. Unfortunately the early onset of the wet season resulted in this programme being cut short, however the holes that were drilled have extended the base of the sulphide resource some 50-80 metres. The holes have demonstrated that the continuity of the mineralisation is very good and that the depth potential of the trend is excellent and that it may produce similar depths as found in the geologically similar zones further north along the Ashanti Belt. These zones have been explored and mined to depths in excess of 1km.

Project Exploration

Salman Central / South

Drilling at Salman during the period was primarily designed to test the depth potential of the sulphide mineralisation while also infilling some near surface zones. Due to a major mechanical failure of the diamond drill rig then the early onset of the wet season the final series of 400m deep diamond holes could not be drilled but significant results were obtained to depths of 200m which indicates that the mineralisation continues to that depth with wide zones of excellent grade material. A selection of significant intersections of greater than 1g/t are provided in the table below.

Significant Intersections – Salman Central

Hole ID	East	North	RL	AZI	DIP	EOH	Intercept From	Intercept To	Au ppm
SNRC841	584140.934	552177.523	67.666	90	-60	130	93	108	15m @1.68ppm
SNRC846	584193.949	552000.427	55.893	90	-60	84	36	40	4m @33.92ppm
							65	71	6m @2.75ppm
SNRCD845B	584168.532	552152.404	68.565	90	-60	110.5	79	85	6m @1.10ppm
SNRCD847	584075.557	552153.277	46.685	90	-60	200.5	123	131	8m @3.50ppm
SNRCD872	584123.456	552126.055	54.269	90	-60	118	93	104	11m @1.90ppm
SNDD842	584120	551800	72.02	90	-60	221.9	23.9	26.9	3m @4.42ppm
							118	136	18m @5.60ppm
							151	155	4m @6.44ppm
							170	174	4m @2.79ppm
SNDD850	584151.043	551599.019	32.727	90	-45	70.4	43.5	47.4	3.9m @6.00ppm
SNRC851	584226.283	551978.263	42.143	90	-60	100	72	75	3m @4.79ppm
SNRC854	584104.349	551551.497	42.422	90	-60	150	10	16	6m @1.97ppm
							62	81	19m @1.57ppm
							86	105	19m @3.58ppm
SNRC855	584099.585	551523.931	48.499	90	-60	72	16	26	10m @1.67ppm
SNRC859	584160.124	551926.232	37.11	90	-60	100	45	52	7m @3.89ppm
SNRC861	584087.422	551477.119	46.771	90	-60	93	68	76	8m @1.53ppm
							80	87	7m @5.19ppm
SNRC863	584078.39	551325.35	35.24	90	-60	65	1	8	7m @3.85ppm
SNRC865	584126.058	551573.314	37.361	90	-60	96	39	52	13m @2.96ppm
							61	78	17m @1.83ppm
SNRC870	584175.251	551801.761	70.923	90	-80	118	2	14	12m @7.12ppm
							59	68	9m @5.37ppm
SNRC874	584124.023	551350.925	32.183	90	-60	42	5	11	6m @1.34ppm
SNRC876	584125.307	551325.389	44.404	90	-60	60	39	49	10m @2.27ppm
SNRC877	584126.133	551275.781	53.559	270	-60	102	40	48	8m @2.035ppm
							90	102	12m @1.16ppm
SNRC881	583900.896	551351.69	42.805	90	-60	100	75	79	4m @7.45ppm
SNRC882	583916.898	551376.217	51.532	90	-60	72	60	64	4m @3.14ppm
SNRC884	584124.672	551573.482	37.395	90	-80	114	71	81	10m @1.53ppm
SNRC885	584103.21	551551.495	42.559	90	-80	132	107	123	16m @5.6ppm
							129	130	1m @15.28ppm
SNRCD830	584158.385	551694.316	65.734	90	-60	149.2	32	49	17m @2.41ppm
							53	60	7m @1.32ppm
							98	102	4m @2.87ppm
SNRCD848	584151.152	551776.097	71.487	90	-60	196.1	15	21	6m @1.31ppm
							80	87	7m @4.71ppm
SNRCD852	584113.663	551725.412	72.366	90	-60	172.6	73.2	79.2	6m @2.56ppm
							91	97.2	6.2m @1.71ppm
							100.2	104	3.8m @3.11ppm
							143	144	1m @18.78ppm

SNRCD853	584127.786	551624.666	41.164	90	-60	111.1	65	73	8m @3.75ppm
							93	95	2m @4.09ppm
SNRCD856	584148.771	551751.453	71.26	90	-60	195.3	28	40	12m @1.04ppm
							50	51	1m @11.30ppm
							74	77	3m @6.47ppm
							133	134	1m @7.59ppm
							141	142	1m @5.51ppm
							154	179	25m @3.14ppm
SNRCD858	584159.151	551926.36	37.087	90	-60	164.7	44	45	1m @6.39ppm
							104	105	1m @5.52ppm
							109	116	7m @1.29ppm
							148	157	9m @1.19ppm
SNRCD860	584154.959	551897.304	45.076	90	-60	179.2	33	46	13m @2.07ppm
							58	60	2m @13.36ppm
							86	96	10m @1.43ppm
							158	163	5m @1.33ppm
SNRCD864	584106.494	551602.006	42.349	90	-60	161.7	0	4	4m @4.26ppm
							65	69	4m @1.94ppm
							77	84	7m @2.56ppm
							101	108	7m @1.96ppm
							113	122	9m @3.96ppm
SNRCD866	584122.89	551651.176	49.272	90	-60	127.7	72	76	4m @2.28ppm
							100	108	8m @2.46ppm

Bokrobo

The Bokrobo mineralisation is located some 2 km south of Anwia and is adjacent to the main bitumen road to site. Drilling during the previous field season allowed a measured and indicated mineral resource to be calculated this year which was subsequently upgraded to an ore reserve. The mienarl resource at Bokrobo currently stands at 1.23mt @ 3.11g/t Au. Significantly, the lower portion of the mineral resource is hosted within a stockworked granite unlike any other mineralisation currently identified within the Project. The granite hosted zone forms wide intersections of low to medium grade. These zones are open at depth and although recovery is expected to be excellent they have not been included in Ore Reserve calculations as results from metallurgical testwork have not been received.

The current Bokrobo mineral resource estimate is summarised below :

Lower Cut	Measured			Indicated			Measured + Indicated			Inferred		
	Tonnes	Grade Au (g/t)	Oz Au	Tonnes	Grade Au (g/t)	Oz Au	Tonnes	Grade Au (g/t)	Oz Au	Tonnes	Grade Au (g/t)	Oz Au
0.8	674,000	3.18	68,973	560,000	3.03	54,592	1,234,000	3.11	123,565	1,135,000	1.57	57,425

The current Bokrobo ore reserve estimate is summarised below:

Gold Price	Proven			Probable			Combined Reserve		
	Tonnes	Grade Au (g/t)	Oz Au	Tonnes	Grade Au (g/t)	Oz Au	Tonnes	Grade Au (g/t)	Oz Au
US$900	698,000	3.14	70,532	320,000	4.35	44,772	2,018,000	3.52	115,254

Teberru

Exploration also continued to test the depth potential of other zones along the Salman Trend with the drilling of a line of holes below the currently designed Teberru open pit. The current pit is quite shallow and the results of the drilling revealed the excellent width of the known Teberru mineralisation continues deeper as wide zones of excellent grade. Further drilling of this zone and others along strike will be undertaken during the forthcoming year. Results of the drilling are detailed below

Significant Interceptions – Teberru

Hole	East	North	RL	AZI	DIP	EOH	From	To	Intercept
SNRC893	584448.939	553948.906	20.93	90	-60	67	44	52.0	8m@3.68ppm
SNRC894	584324.614	553950.307	40.63	90	-60	96	20	24.0	4m@4.12ppm
							72	84.0	12m@3.31ppm
SNRC895	584475	553625	15.7	90	-60	51	0	4.0	4m@0.73ppm
							32	36.0	4m@0.79ppm
SNRC896	584460	553600	13.5	90	-60	60	4	8.0	4m@1.45ppm
							40	52.0	12m@6.88ppm
SNRC897	584473.629	553824.774	23.034	90	-60	66	40	51.0	11m@4.11ppm
SNRC898	584449.337	553847.574	24.642	90	-60	100	3	4.0	1m@1.60ppm
							53	73.0	20m@2.55ppm
							60	76.0	16m@2.59ppm
SNRC899	584472.448	553848.008	24.377	90	-60	60	39	53.0	14m@3.20ppm
SNRC900	584475.605	553772.86	21.704	90	-60	52	40	52.0	12m@2.98ppm
SNRC901	584448.851	553774.019	22.487	90	-60	80	60	72.0	12m@3.98ppm
SNRC903	584445.758	553800.741	23.297	90	-60	96	60	76.0	16m@5.10ppm
SNRC904	584448.045	553876.304	25.21	90	-60	80	7	8.0	1m@1.05ppm
SNRC905	584425.235	553898.645	26.538	90	-60	105	71	75.0	4m@1.28ppm
SNRC906	584450.055	553902.805	24.262	90	-60	98	44	48.0	4m@2.40ppm
							54	63.0	9m@3.88ppm
SNRC907	584304.248	553901.37	34.15	90	-60	81	66	68.0	2m@0.80ppm
SNRC908	584447.728	553726.569	19.202	90	-60	96	60	70.0	10m@3.31ppm
							60	72.0	12m@2.79ppm
SNRC909	584452.9	554025		90	-60	70.0	12	20	8m@1.62ppm

Exploration Notes: (1) HQ/NQ core holes with RC pre-collars; (2) Sawn half core submitted for assay, normally in one metre intervals; (3) Assaying conducted by Transworld Laboratories, Tarkwa, Ghana using industry standard 50g lead collection fire assay with AAS finish; (4) Reference standards, field duplicates and blank samples are routinely inserted at 1:20 and assays of quality control samples are routinely monitored; (5) Assays are reported to 3 significant figures within the limits of 0.01g/t analytical precision; (6) Lower intersection cut-off grade 1g/t Au; and (7) Maximum included internal dilution 4m.

Prospect Exploration

Soil geochemical programs continued throughout the year with the aim of providing a focus for detailed follow-up exploration. The majority of the work undertaken this year was located to the east of the Salman Trend centred on the Avrebo area. The best results from the areas covered include Avrebo East, Fantikrom and Avrebo West where soil anomalies of greater than 1ppm over strike lengths of greater than 500m were identified. Follow up work will be undertaken in the forthcoming year.

New Exploration Areas

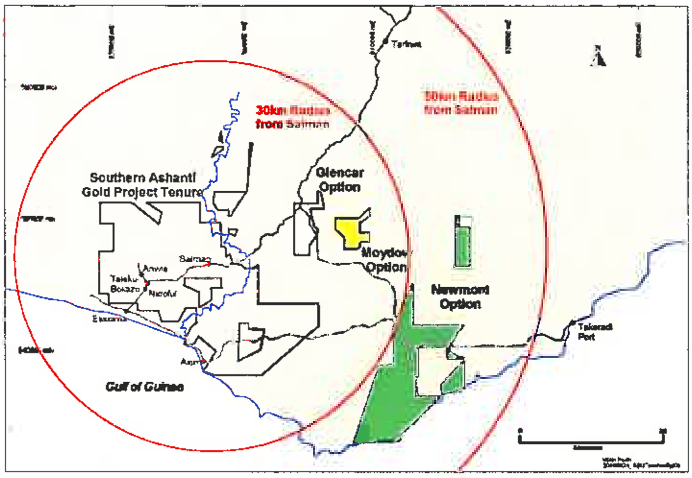
During the year the overall area of the Southern Ashanti Project was increased by approximately 203km^2 to 665km^2 with the addition of ground acquired from Newmont, Glencar Mining and Moydow Mines.

Details of the acquisitions are provided below :

• Newmont Option (Banso and Hotopo licences) area	162km^2
• Moydow option (Kanyankaw licence) area	17.5km^2
• Glencar option (Asheba licence) area	24km^2
Total increase	203.5km^2
Total Project area	665km^2

All of the areas have had limited exploration undertaken, however the work that has been undertaken indicates that all have the potential of producing near surface, broad, supergene mineralisation overlying deeper narrower mineralisation. Work has commenced on the tenements with detailed mapping and geochemistry being undertaken.

Initial results from sampling of a new road cutting at Kanyankaw on the Moydow option area included 88m @1.16g/t, 24m @ 0.70g/t and 10m @ 2.46g/t. These results indicate that the tenement has an excellent possibility of providing further resources for the Project.



Enhancement of staff training and skills improvement has resulted in a high calibre team of exploration personnel who have successfully improved the understanding of the known deposits and added numerous new targets to those that already require follow-up work. The potential of the project area to provide new exploration targets has been continually demonstrated

Reports/Announcements referred to herein can be accessed via the Adamus Resources website – www.adamusresources.com.au.

Caution Regarding Forward Looking Information.
Certain statements included in this report including information regarding Adamus' plans with respect to its mineral properties, constitute forward-looking information. Forward-looking information includes, among other things, statements regarding expected operations. Forward-looking information is based upon a number of estimates and assumptions made by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable by the Company, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Investors are cautioned that forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.

Adamus Resources Limited
ABN 80 094 543 389

And Controlled Entities

Annual Financial Report
For the Year Ended 30 June 2009

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Corporate Directory

NON-EXECUTIVE CHAIRMAN
Mr John D Hopkins

MANAGING DIRECTOR / CEO
Mr Mark T Bojanjac

EXECUTIVE DIRECTOR / COO
Mr Mark A Connelly

NON-EXECUTIVE DIRECTORS
Dr Antony Harwood
Mr Peter N Tredger
Mr Peter Rowe

COMPANY SECRETARY
Mr Ian J Cunningham

PRINCIPAL & REGISTERED OFFICE
Level 2, 45 Richardson Street
WEST PERTH WA 6005
Telephone: +61 8 9322 5943
Facsimile: +61 8 9322 5907

AUDITORS
Stantons International
Level 1, 1 Havelock Street
WEST PERTH WA 6005

STOCK EXCHANGE LISTINGS
Australian Securities Exchange
(Primary Listing)
Code: ADU

TSX Venture Exchange
(Secondary Listing)
Code: ADU

Frankfurt Stock Exchange
(Open Market)
Code: AXM

SHARE REGISTRARS
Computershare Registry Services Pty Ltd
Level 2, 45 St Georges Tce
PERTH WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, BC V6C 3B9
Tel: +604 661 9400 ext 4223
Fax: +604 661 9401

BANKERS
National Australia Bank
50 St Georges Terrace
PERTH WA 6000

Directors' Report

Your Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2009.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

- John David Hopkins
- Mark Trevor Bojanjac
- Mark Anthony Connelly
- Peter Newland Tredger
- Antony Harwood
- Peter Rowe*

* Appointed 30th July 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Principal activities

The principal activity of the economic entity during the financial year was mineral exploration.

There were no significant changes in the nature of the economic entity's principal activities during the financial year.

3. Review of operations

The economic entity continued to focus on advancing the Southern Ashanti Gold Project located in Ghana, West Africa.

The full details of operations and current activities for the company are detailed in the Annual Report Project Summary, Project Update and Exploration Overview.

4. Operating results

The consolidated accounting loss of the economic entity for the financial year after providing for income tax amounted to $15,598,119 (2008: $20,943,979 loss).

5. Changes in state of affairs

The following significant change in the state of affairs of the economic entity occurred during the financial period:

- Ore reserve upgrade to 1.07 million oz announced on 16 April 2009
- The Company raised $6,590,000 through the issue of 20,300,000 shares to fund ongoing exploration and development activities.

6. Subsequent events

On 14 July 2009 the Company announced the issue of 5,190,000 shares at $0.225 each, which represented a partial conversion of Macquarie options. The options were originally issued under the terms of the convertible loan facility agreement dated 29 January 2009 between Macquarie Bank Limited and Adamus ("Facility"). The proceeds from the option conversion were applied against the balance outstanding under the Facility.

On 10 August 2009 the Company announced the issue of 115 million shares at $0.35 each to raise gross proceeds of $40.25 million. The funds are to be used to advance the development of the Southern Ashanti Gold Project and for general working capital purposes.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Directors' Report (continued)

7. Future developments

The economic entity will continue its mineral exploration activity on the Southern Ashanti Gold Project with the object of defining additional mineral resource and ore reserve ounces at the same time as progressing the development of the SAGP now that all mining approvals have been secured.

8. Environmental issues

The economic entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

9. Dividends

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

10. Options

At the date of this report, the unissued ordinary shares of Adamus Resources Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
1 November 2007	31 October 2010	$0.65	2,500,000
4 December 2007	30 November 2010	$0.75	925,000
7 February 2008	31 March 2011	$0.75	500,000
19 March 2008	30 September 2010	$0.75	250,000
19 March 2008	30 September 2010	$0.90	250,000
19 March 2008	30 September 2010	$1.10	250,000
14 April 2008	31 March 2011	$0.75	2,400,000
28 January 2009	27 January 2011	$0.225	5,921,111
12 February 2009	31 January 2012	$0.30	400,000
31 March 2009	30 March 2011	$0.225	11,111,111
1 July 2009	30 June 2012	$0.50	150,000

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

Details of options issued, exercised and lapsed during the financial year are found in Note 16 (b). Since the end of the financial year no options have been issued or have lapsed, and there were no ordinary shares issued as a result of the exercise of options.

11. Indemnification of officers and auditors

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

- Except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal;
- Since the beginning of the financial year the Company has paid insurance premiums of $36,915 in respect of directors and officers liability and corporate reimbursement, for directors and officers in the Company. The insurance premiums relate to:
  - indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer of the Company or any related corporation, first made against the director or officer during the period of insurance; and
  - any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer of the Company or any related corporation, first made against them jointly or severally during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual Officer of the Company.

Directors' Report (continued)

12. Information on Directors and Company Secretary

John D Hopkins Qualifications	**Non-Executive Chairman** LLB, FAICD
Experience	Mr Hopkins has more than 25 years experience as a public company Director for both Australian and Canadian public listed gold companies. He is currently the Chairman of two other ASX listed companies, Exoma Energy Limited and Dragon Mountain Gold Limited. Prior to becoming a professional Director, Mr Hopkins was a lawyer, specialising in the areas of corporate and natural resources law.
Interests in Shares and Options	300,000 options exercisable on or before 31 March 2011 at 75 cents 20,000 fully paid ordinary shares
Other Directorships	During the last three years Mr Hopkins has also served as a Director of the following other Australian listed companies: Chemeq Limited Evans & Tate Limited Exoma Energy Limited + Matilda Minerals Limited North Australian Diamonds Limited Top End Uranium Limited Dragon Mountain Gold Limited + + denotes current directorship

Mark T Bojanjac Qualifications	**Managing Director / CEO** B Comm, CA
Experience	Mr Bojanjac joined the board on 10 August 2001. He is a Chartered Accountant and holds a Bachelor of Commerce degree. Mr Bojanjac has over 18 years experience in developing public companies specialising in the gold resource sector. He was a founding Director of Gilt-Edged Mining Limited which discovered one of Australia's highest grade gold mines, was Managing Director of a public company which successfully developed and financed a 2.4m oz gold resource in Mongolia and co-founded a 3m oz gold project in Ghana. Mr Bojanjac is also a Director of Nickelore Limited, an Australian listed company actively exploring mineral assets.
Interests in Shares and Options	950,000 fully paid ordinary shares 1,000,000 options exercisable on or before 31 October 2010 at 65 cents
Other Directorships	During the last three years Mr Bojanjac has also served as a Director of the following other Australian listed companies: Nickelore Limited + Gryphon Minerals Limited + denotes current directorship

Directors' Report (continued)

12. Information on Directors and Company Secretaries (continued)

Mark A Connelly Qualifications	**Executive Director / COO** B Bus, MAusIMM, MAICD
Experience	Mr Connelly joined Adamus Resources in February 2007 as Chief Operating Officer and subsequently joined the board on 9 March 2007. Mr Connelly holds a Bachelor of Business degree and has held various senior management positions for a number of resource companies, including 5 years with Newmont Mining Corporation, Denver, USA and 12 years with Inmet Mining Corporation, Toronto, Canada. Mr Connelly has extensive experience with the development and operation of mining projects for a variety of commodities, including gold, base metals and other resources in Australia, Canada, USA, Ghana & Turkey.
Interests in Shares and Options	1,500,000 options exercisable on or before 31 October 2010 at 65 cents
Other Directorships	During the last three years Mr Connelly has not served as a Director of any other Australian listed companies.

Peter N Tredger Qualifications	**Non Executive Director** B.A.Sc., MBA, P.Eng.
Experience	Mr Tredger is a professional engineer with 37 years of mining industry experience, including executive management positions with Thompson Creek Metals Company Inc. from 2006 to 2008, Blue Pearl Mining Inc. (now Thompson Creek) from 2004 to 2006, Glencairn Gold Corp. (now B2Gold Corp.) from 2002 to 2004, and Wheaton River Minerals Ltd. (now Goldcorp Inc.) from 1992 to 2001. Previously, Mr Tredger was an independent mining consultant, and for 11 years was employed by Amax Inc. in a variety of technical and management positions, prior to which he was an exploration geologist. Mr Tredger has more than 20 years experience as a public company Director for several Canadian listed mining companies.
Interest in Shares and Options	300,000 options exercisable on or before 31 March 2011 42,215 fully paid ordinary shares
Other Directorships	During the last three years Mr Tredger has not served as a Director of any other Australian listed companies.

Antony Harwood Qualifications	**Non Executive Director** BSc (Hons) cum laude and PhD degrees from the University of Wales, UK
Experience	Dr Harwood is currently the CEO and President for Montero Mining and Exploration Ltd, a Canadian company with assets in Canada and Tanzania. Prior to joining Montero Mining, he was the CEO and President for Africo Resources Ltd, a position he held for 3 years. Prior to joining Africo, he was Vice-President Generative Exploration (Africa-Eurasia) for Placer Dome Inc, for 8 years. He opened Placer's African office in Johannesburg in 1998 and subsequent to that the company acquired interests in 2 gold mines in Africa. Prior to joining Placer, Dr Harwood founded a consulting company that operated for 10 years and also lectured at universities in South Africa and the UK.
Interest in Shares and Options	300,000 options exercisable on or before 31 March 2011
Other Directorships	During the last three years Dr Harwood has not served as a Director of any other Australian listed companies.

Directors' Report (continued)

12. Information on Directors and Company Secretaries (continued)

Peter Rowe* Qualifications	**Non Executive Director** B Chem Eng
Experience	Mr Rowe is a mining focused engineer with recognised international experience gained over a 35 year career, based mainly in Australia and South Africa. He has managed complex large scale mining and metallurgical operations and projects and has in-country experience in Ghana. Previously, Mr Rowe was the Project Director of the Fimiston Expansion (Kalgoorlie Superpit), General Manager of the Boddington Gold Mine and of the Boddington Expansion Project, and Managing Director and CEO of Bulong Nickel. In 2004 he headed up AngloGold Ashanti Australia before moving to Johannesburg where he served as AngolGold's Executive Vice President – Business Effectiveness until his retirement earlier this year.
Interest in Shares and Options	Nil
Other Directorships	During the last three years Mr Rowe has also served as a Director of the following other Australian listed companies: Millennium Minerals Limited + Ammtec Limited + IronClad Mining Limited + Red 5 Limited + + denotes current directorship

Ian Cunningham Qualifications	**Company Secretary** B.Com, LLB, CA
Experience	Mr Cunningham is a Chartered Accountant and holds a Bachelor of Commerce degree and Bachelor of Laws degree. Mr Cunningham has a corporate advisory background with Deloitte in Australia and the UK, during which time he provided general corporate, capital raising, valuation, transaction and strategic advice to a range of listed and unlisted clients.
Interests in Shares and Options	660 Fully paid ordinary shares 250,000 options exercisable on or before 30 November 2010 at 75 cents 400,000 options exercisable on or before 31 January 2012 at 30 cents

* Appointed 30th July 2009

Directors' Report (continued)

13. Remuneration report (audited)

This remuneration report outlines the directors and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Details of key management personnel

(i) Directors

John David Hopkins	Chairman	
Mark Trevor Bojanjac	Chief Executive Officer	
Mark Anthony Connelly	Chief Operating Officer	
Peter Newland Tredger	Director (Non-Executive)	
Antony Harwood	Director (Non-Executive)	
Peter Rowe	Director (Non-Executive)	Appointed 30th July 2009

Remuneration committee

The Remuneration Committee of the Board of Directors is responsible for making specific recommendations to the full Board with respect to the remuneration of the directors and executives.

The Remuneration Committee periodically reviews the compensation paid to executives, based on such factors as time commitment, level of responsibility and comparative remuneration levels within the industry with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing director and executive team.

Remuneration philosophy

The performance of the company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain appropriately skilled directors and executives.

To this end, the company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract qualified and experienced executives;
- Link executive rewards to length of service, experience and overall performance of the company; and
- Equity participation is a cost effective and efficient incentive given the Company's pre-production status.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Directors' Report (continued)

13. Remuneration report (audited) (continued)

Non-Executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. Additional fees are not paid for participation on sub-committees, such as the Audit Committee or Remuneration Committee.

Non-executive directors have long been encouraged by the Board to hold shares in the Company. Accordingly, the non-executive directors of the Company can participate in the Adamus Employee Option Plan.

The remuneration of non-executive directors for the year ended 30 June 2009 and 30 June 2008 is detailed in tables 1 and 2 respectively of this report.

Executive remuneration

Objective

Generally, compensation is provided by the Company to its executive officers, by way of salary and stock option grants. The overall objective is to ensure that executive compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives.

Structure

Fixed remuneration consists of base cash remuneration and statutory superannuation entitlements. Longer term discretionary remuneration consists of stock option grants. Remuneration levels are based on an overall assessment of both individual and Company performance.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interest to those of its shareholders. In addition, equity participation is a cost effective and efficient incentive as compared to cash bonuses or increased remuneration, particularly given the Company's pre-production status. Accordingly, all executives and employees are entitled to participate in the Adamus Employee Option Plan. Generally, the ability to exercise an option is conditional upon the holder remaining in the Company's employment. There are presently no other non-cash benefits available to directors or employees. Directors and employees are eligible to receive a discretionary bonus, subject to individual and Company performance. There is no separate profit-sharing or bonus plan.

The contracts for service between the company and directors and executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, directors and executives are paid employee benefit entitlements accrued to date of retirement. The company may terminate the contracts without cause by providing one month's written notice. Termination payments (if applicable) are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Directors' Report (continued)

13. Remuneration report (audited) (continued)

Employment Contracts

John Hopkins

Terms of Appointment – commencing on 8 February 2006 until the date of resignation, retirement or removal in accordance with the Company's Constitution, the Corporations Act or ASX Listing Rules.

Annual directors fees, inclusive of statutory superannuation, for the year ended 30 June 2009 were $80,000. Remuneration reviewed annually by the Remuneration Committee.

Mark Bojanjac

Terms of Agreement – commencing on 9 September 2004 until the date of termination in accordance with the terms of the Agreement.

Base remuneration, inclusive of statutory superannuation, for the year ended 30 June 2009 was $350,000. Remuneration reviewed annually by the Remuneration Committee.

Payment of termination benefits, other than in the event of resignation or dismissal for serious misconduct, are 6 months for the first 12 months of service plus 3 months for every subsequent year of service subject to limits set out in the Corporations Act 2001 and ASX Listing Rules.

Mark Connelly

Terms of Agreement – commencing on 9 March 2007 and revised July 2008 until the date of termination in accordance with the terms of the Agreement.

Base remuneration, inclusive of statutory superannuation, for the year ended 30 June 2009 was $300,000. Remuneration reviewed annually by the Remuneration Committee.

Payment of termination benefits, other than in the event of resignation or dismissal for serious misconduct, are 6 months for the first 12 months of service plus 3 months for every subsequent year of service, subject to a benefit cap of 12 months and the limits set out in the Corporations Act 2001 and ASX Listing Rules.

Peter Tredger

Terms of Appointment – commencing on 16 January 2008 until the date of resignation, retirement or removal in accordance with the Company's Constitution, the Corporations Act or ASX Listing Rules .

Annual directors fees for the year ended 30 June 2009 were $40,000. Remuneration reviewed annually by the Remuneration Committee.

Antony Harwood

Terms of Appointment – commencing on 23 January 2008 until the date of resignation, retirement or removal in accordance with the Company's Constitution, the Corporations Act or ASX Listing Rules

Annual directors fees for the year ended 30 June 2009 were $40,000. Remuneration reviewed annually by the Remuneration Committee.

Peter Rowe

Terms of Appointment – commencing on 30 July 2009 until the date of resignation, retirement or removal in accordance with the Company's Constitution, the Corporations Act or ASX Listing Rules

Annual directors fees for the year ended 30 June 2009 were nil. Remuneration reviewed annually by the Remuneration Committee.

Directors' Report (continued)

13. Remuneration report (audited) (continued)

Remuneration of Directors and Named Executives

Directors' remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Details of the nature and amount of emoluments of each director and executive officers

Table 1: Remuneration for the year ended 30 June 2009

	Short Term			Post-Employment		Equity	Other	Total	
	Salary & Fees $	Bonus $	Non-Monetary $	Super-annuation $	Long Service Leave $	Options $	Company Director's Insurance $	$	Remuner-ation Consisting of Options %
Non-Executive directors									
J D Hopkins	73,395	-	-	6,606	-	-	7,383	87,384	-
P Tredger	39,966	-	-	-	-	-	7,383	47,349	-
A Harwood	39,966	-	-	-	-	-	7,383	47,349	-
P Rowe *	-	-	-	-	-	-	-	-	-
Sub-total Non-Executive directors	**153,327**	-	-	**6,606**	-	-	**22,149**	**182,082**	
Executive directors									
M T Bojanjac	338,028	-	32,344	11,972	-	-	7,383	389,727	-
M A Connelly	275,229	-	6,820	24,771	-	-	7,383	314,203	-
Sub-total executive directors	**613,257**	-	**39,164**	**36,743**	-	-	**14,766**	**703,930**	
Totals	**766,584**	-	**39,164**	**43,349**	-	-	**36,915**	**886,012**	

*** Appointed 30th July 2009

Table 2: Remuneration for the year ended 30 June 2008

	Short Term			Post-Employment		Equity	Other	Total	
	Salary & Fees $	Bonus $	Non-Monetary $	Super-annuation $	Long Service Leave $	Options $	Company Director's Insurance $	$	Remuner-ation Consisting of Options %
Non-Executive directors									
J D Hopkins	73,395	-	-	6,605	-	14,435	7,337	101,772	14.2
P Tredger***	17,184	-	-	-	-	7,949	3,057	28,190	28.2
A Harwood****	16,570	-	-	-	-	7,949	3,057	27,576	28.8
G M Jones**	29,640	-	-	2,668	-	-	5,503	37,811	-
Sub-total Non-Executive directors	**136,789**	-	-	**9,273**	-	**30,333**	**18,954**	**195,349**	
Executive directors									
M T Bojanjac	300,000	-	-	8,550	-	327,278	7,337	643,165	50.9
M A Connelly	277,273	-	-	22,500	-	490,916	7,337	798,026	61.5
G R Brabham*	154,638	-	-	11,250	-	-	2,446	168,334	-
Sub-total executive directors	731,911	-	-	42,300	-	**818,194**	**17,120**	**1,609,525**	
Totals	**868,700**	-	-	**51,573**	-	**848,527**	**36,074**	**1,804,874**	

* Retired 9th November 2007
** Retired 14th April 2008
*** Appointed 16th January 2008
**** Appointed 23rd January 2008

There are no other executive officers that are not also Directors of the parent entity and disclosed in the above.

Directors' Report (continued)

13. Remuneration report (audited) (continued)

Options Granted as Part of Remuneration ^

30 June 2009	Terms and Conditions for each Grant							Vested	
	Granted number	Grant date	Value per option at grant date	Exercise price $	Expiry date	First Exercise Date	Last Exercise Date	Number	%
Directors									
M T Bojanjac	-	-	-	-	-	-	-	-	-
M A Connelly	-	-	-	-	-	-	-	-	-
J D Hopkins	-	-	-	-	-	-	-	-	-
P N Tredger	-	-	-	-	-	-	-	-	-
A Harwood	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

30 June 2008	Terms and Conditions for each Grant							Vested	
	Granted number	Grant date	Value per option at grant date	Exercise price $	Expiry date	First Exercise Date	Last Exercise Date	Number	%
Directors									
M T Bojanjac	1,000,000	1 Nov 07	$0.327	$0.65	31 Oct 10	1 Nov 07	31 Oct 10	1,000,000	100
M A Connelly	1,500,000	1 Nov 07	$0.327	$0.65	31 Oct 10	1 Nov 07	31 Oct 10	1,500,000	100
J D Hopkins	300,000	14 Apr 08	$0.126	$0.75	31 Mar 11	1 Nov 08	31 Mar 11	-	-
P N Tredger ***	300,000	14 Apr 08	$0.126	$0.75	31 Mar 11	14 Apr 09	31 Mar 11	-	-
A Harwood ****	300,000	14 Apr 08	$0.126	$0.75	31 Mar 11	14 Apr 09	31 Mar 11	-	-
Total	3,400,000	-	-	-	-	-	-	2,500,000	-

*** Appointed 16th January 2008
**** Appointed 23rd January 2008

During the year, no directors exercised options that were granted to them as part of their compensation.

The following table summarises the value of options granted, exercised or lapsed during the year to directors:

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	% Remuneration consisting of options
Directors				
J D Hopkins	-	-	-	-
M T Bojanjac	-	-	-	-
M A Connelly	-	-	-	-
P N Tredger	-	-	-	-
A Harwood	-	-	-	-
Total	-	-	-	-

^ For details on the valuation of the options, including models and assumptions used, please refer to Note 23

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

Directors' Report (continued)

14. Directors' Meetings

The following table set out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the numbers of meetings attended by each director (while they were a director or committee member). During the financial year, 23 Board meetings, 4 audit committee meetings and no remuneration committee meetings were held.

	Directors Meetings		Audit Committee		Remuneration Committee	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
J D Hopkins	23	23	4	4	-	-
M T Bojanjac	23	23	-	-	-	-
M A Connelly	23	23	-	-	-	-
P Tredger	23	23	4	3	-	-
A Harwood	23	20	4	4	-	-
P Rowe	-	-	-	-	-	-

15. Auditor Independence and Non-Audit Services

Auditor Independence

The auditor's independence declaration for the year ended 30 June 2009 has been received and is to be found on page 47.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, Stantons International. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	2009 $	2008 $
Stantons International or associated entity received or are due to receive the following amounts for the provision of non-audit services:		
- Tax Compliance Services	-	2,428

16. Managing risk

There are risks in every business and the mining industry has its own inherent risks. Understanding them and managing them proactively are a key part of Adamus' strategy for the development of the Project. Like others in the mining industry, Adamus faces the unique challenges of mining risk associated with engineering, mine and processing development, inflationary cost increases, power, permitting and approvals, legal issues and relationships with the local communities.

In 2009, the main risk management concerns relating to the Project included:

- employee and contractor safety;
- challenges of developing relationships with communities affected by development and of gaining the community trust needed to earn the social acceptance to build the project;
- impacts on the environment; and
- rising costs of new project development, in particular costs related to plant and equipment.

Directors' Report (continued)

17. Proceedings on behalf of Company

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

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

Signed in accordance with a resolution of Directors:

Mark T Bojanjac
Managing Director

29 September 2009, Perth

Income Statement
For the Year Ended 30 June 2009

	Notes	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Continuing operations					
Revenue	4	79,775	284,287	79,775	283,917
Employee benefits expense		(1,919,442)	(1,260,523)	(1,919,442)	(1,260,523)
Share based payment expense		(2,103,055)	(1,259,691)	(2,103,055)	(1,259,691)
Administration expenses	5	(795,755)	(684,446)	(779,469)	(682,621)
Corporate expenses	5	(776,161)	(1,734,039)	(776,161)	(1,734,039)
Depreciation expense	10	(53,000)	(41,707)	(34,144)	(40,511)
Amortisation expense	11	(25,740)	(7,899)	(25,740)	(7,899)
Premise expenses		(159,840)	(133,507)	(159,840)	(133,507)
Exploration (written off) / recoveries	12	(1,017,247)	(13,037,436)	(1,013,894)	(140,261)
Exploration expense		(682,455)	(428,244)	(689,835)	(201,146)
Foreign exchange loss		(7,936,062)	(2,639,060)	(405,812)	(59)
Provision for loss on loan to subsidiary		-	-	-	(14,112,084)
Loss from continuing operations before tax and finance costs		(15,388,982)	(20,942,265)	(7,827,617)	(19,288,424)
Finance costs		(209,137)	(1,714)	(208,289)	(1,714)
Loss before income tax		(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Income tax	7	-	-	-	-
Loss after tax from continuing operations		(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Net loss attributable to members of the parent		(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Earnings per share (cents per share)					
Basic loss for the year	19	(10.25)	(15.79)		

The above Income Statement is to be read in conjunction with the Notes to the Financial Statements

Balance Sheet
As at 30 June 2009

	Notes	Economic Entity		Parent Entity	
		2009 $	2008 $	2009 $	2008 $
ASSETS					
Current assets					
Cash and cash equivalents	21(a)	4,413,668	3,697,356	4,386,793	3,652,823
Trade and other receivables	8	26,267	62,311	16,050	62,044
Prepayments		-	4,713	-	4,713
Total current assets		4,439,935	3,764,380	4,402,843	3,719,580
Non current assets					
Other financial assets	9	16,000	23,000	39,977,138	33,993,277
Property, plant & equipment	10	85,891	95,518	61,141	93,649
Intangibles	11	38,611	64,351	38,611	64,351
Mineral exploration and evaluation	12	30,907,004	31,795,533	-	1,009,303
Total non current assets		31,047,506	31,978,402	40,076,890	35,160,580
TOTAL ASSETS		**35,487,441**	**35,742,782**	**44,479,733**	**38,880,160**
LIABILITIES					
Current liabilities					
Trade and other payables	13	729,784	1,427,202	479,274	551,144
Provisions	14	175,608	115,108	175,608	115,108
Total current liabilities		905,392	1,542,310	654,882	666,252
Non current liabilities					
Provisions	14	12,429	-	12,429	-
Loans	15	5,000,000	-	5,000,000	-
Total non current liabilities		5,012,429	-	5,012,429	-
TOTAL LIABILITIES		**5,917,821**	1,542,310	5,667,311	666,252
NET ASSETS		**29,569,620**	**34,200,472**	**38,812,422**	**38,213,908**
EQUITY					
Contributed equity	16	69,680,243	63,148,878	69,680,243	63,148,878
Reserves	17	6,912,109	2,476,207	3,942,769	1,839,714
Accumulated losses	18	(47,022,732)	(31,424,613)	(34,810,590)	(26,774,684)
TOTAL EQUITY		**29,569,620**	**34,200,472**	**38,812,422**	**38,213,908**

The above Balance Sheet is to be read in conjunction with the Notes to the Financial Statements

Statement of Changes in Equity
For the Year Ended 30 June 2009

	Notes	Economic Entity		Parent Entity	
		2009 $	2008 $	2009 $	2008 $
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR		34,200,472	37,318,661	38,213,908	40,109,117
Exchange differences on translation of foreign operations	17	2,332,847	430,861	-	-
Net income recognised directly in equity		2,332,847	430,861	-	-
Loss for the year		(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Total recognised income and expense for the year attributable to members of Adamus Resources Limited		(13,265,272)	(20,513,118)	(8,035,906)	(19,290,138)
Transactions with equity holders in their capacity as equity holders:					
Shares issued during the year	16(a)	6,590,000	17,007,000	6,590,000	17,007,000
Transaction costs	16(a)	(58,635)	(837,424)	(58,635)	(837,424)
Employees and consultants share options	17	2,103,055	1,225,353	2,103,055	1,225,353
		8,634,420	17,394,929	8,634,420	17,394,929
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		29,569,620	34,200,472	38,812,422	38,213,908

The above Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements

Cash Flow Statement
For the Year Ended 30 June 2009

	Note	Economic Entity		Parent Entity	
		2009 $	2008 $	2009 $	2008 $
Cash flows from operating activities					
Payments for exploration and evaluation		(4,206,168)	(8,822,254)	(1,137,741)	(629,263)
Payments for feasibility and development		(2,911,929)	(1,408,816)	-	-
Payments to suppliers and employees		(3,345,712)	(3,082,404)	(3,378,302)	(2,853,633)
Interest received		95,336	267,609	95,336	267,609
Interest paid		(153,855)	(1,714)	(153,007)	(1,714)
Net cash used in operating activities	21 (c)	(10,522,328)	(13,047,579)	(4,573,714)	(3,217,001)
Cash flows from investing activities					
Purchase of property, plant and equipment		(43,373)	(85,885)	(1,636)	(82,820)
Purchase of intangibles		-	(72,250)	-	(72,250)
Purchase of equity investments		-	-	-	-
Net cash used in investing activities		(43,373)	(158,135)	(1,636)	(155,070)
Cash flows from financing activities					
Loans to subsidiaries		-	-	(5,983,861)	(9,843,939)
Proceeds from finance facilities		5,000,000	-	5,000,000	-
Proceeds from issue of shares		6,560,000	17,007,000	6,560,000	17,007,000
Cost of capital raising		(58,635)	(837,424)	(58,635)	(837,424)
Payments for listing fees / investor relations		(219,352)	(693,727)	(208,184)	(693,727)
Net cash provided by financing activities		11,282,013	15,475,849	5,309,320	5,631,910
Net increase/(decrease) in cash and cash equivalents		716,312	2,270,135	733,970	2,259,839
Cash and cash equivalents at beginning of the year		3,697,356	1,427,221	3,652,823	1,392,984
Cash and cash equivalents at end of the year	21 (a)	**4,413,668**	**3,697,356**	**4,386,793**	**3,652,823**

The above Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements

Notes to the Financial Statements
For the Year Ended 30 June 2009

1. CORPORATE INFORMATION

The financial report of Adamus Resources Limited (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.

Adamus Resources Limited is a public company incorporated in Western Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Review of Activities in the Directors' Report.

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,* Australian Accounting Standards, and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial report has also been prepared on the accruals basis and historical cost basis, except for available-for-sale investments, which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

b) Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

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 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (applicable for annual reporting periods commencing from 1 January 2009).
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009).
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009).
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009).
- AASB 2008-1: Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from January 2009).
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project, No changes are expected to materially affect the Group.
- AASB 2006-8: Amendments to Australian Accounting Standards — Eligible Hedged items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

c) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Adamus Resources Limited and its subsidiaries as at 30th June each year (the "Group").

A controlled entity is any entity controlled by Adamus Resources Limited. Control exists where Adamus Resources Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Adamus Resources Limited to achieve the objectives of Adamus Resources Limited. A list of controlled entities at 30 June 2009 is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements all inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated in full.

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

d) **Significant accounting estimates and assumptions**

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

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

The Group measures the cost of cash-settled share-based payments 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.

Mineral exploration and evaluation

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

Inter-company loans and advances

The Company funds the operations of its subsidiaries through interest free loans and advances. The recoverability of these loans is dependent on the successful exploitation of the subsidiaries exploration assets. Provision for non recoverability is assessed by management annually.

Impairment of non financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include economic and political environments and the future exploration and development expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Going concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of $15,598,119 and net operating cash outflows of $10,522,328. The Directors believe the going concern basis is appropriate as historically, the Company's capital requirements have been financed by equity subscriptions. The Company expects to obtain future financing through a combination of equity and/or debt financing. There can be no assurance that the Company will obtain future financing. However, the Company has been successful to date in arranging financing and management is of the opinion that it will continue to do so.

f) Interest in joint venture operations

Where the Group has an interest in a joint venture operation it 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.

g) Foreign currency

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. Both the functional and presentation currency of Adamus Resources Limited and its Australian subsidiaries is Australian dollars (A$). The functional currency of the overseas subsidiaries is Ghanaian Cedis (GHS).

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 with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. 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 these overseas subsidiaries are translated into the presentation currency of Adamus Resources Limited 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.

h) Goods and services tax (GST)

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

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

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. 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.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

j) Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits:

- The Employee Share Option Plan (ESOP), which provides benefits to Directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by management using a Black-Scholes options pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Adamus Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 19).

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised:

- If the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit; or
- In relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

l) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

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.

m) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

n) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Class of fixed asset	Depreciation rate
Plant and equipment	40%
Office furniture	20%
Leasehold improvements	33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

p) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and benefits incidental to the ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset, over the term of the lease.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

q) 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. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units ("CGUs") expected to benefit from the combination's synergies. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the CGU, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in a subsequently period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

r) 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 that 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

t) 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain and the amount of the receivable can be measured reliably.

u) Exploration, evaluation and development expenditure

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

- such costs are expected to be recouped through successful development and exploitation, or from sale of the area; or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

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

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

v) Comparatives

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

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

3. SEGMENT INFORMATION

Primary reporting - Geographical segments

The economic entity operates predominantly in two geographical segments, Australia and Africa, and in one industry, mineral mining and exploration.

Secondary reporting - Business segments

All business activities relate to mineral mining and exploration.

Segment revenues

	External sales		Inter-segment		Other		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$
Exploration - Australia	-	-	-	-	-	-	-	-
Exploration - Africa	-	-	-	-	-	-	-	370
Other	-	-	-	-	-	-	-	-
Total of all segments	-	-	-	-	-	-	-	370
Eliminations							-	-
Unallocated							79,775	283,917
Consolidated							79,775	284,287

Segment results

	2009	2008
	$	$
Exploration - Australia	(930,092)	(140,261)
Exploration - Africa	(8,208,304)	(1,650,821)
Total of all segments	(9,138,396)	(1,791,082)
Eliminations	-	-
Unallocated	(6,459,723)	(19,152,897)
Loss before income tax expense	(15,598,119)	(20,943,979)
Income tax expense relating to ordinary activities	-	-
Loss after income tax expense	(15,598,119)	(20,943,979)

Segment assets and liabilities

	Assets		Liabilities	
	2009	2008	2009	2008
	$	$	$	$
Exploration - Australia	44,479,732	38,883,513	6,290,897	1,297,217
Exploration - Africa	21,252,681	21,698,324	30,359,040	25,645,711
Other	-	-	-	-
Total of all segments	65,732,413	60,581,837	36,649,937	26,942,928
Eliminations	(30,244,972)	(24,839,055)	(30,732,116)	(25,400,618)
Unallocated	-	-	-	-
Consolidated	35,487,441	35,742,782	5,917,821	1,542,310

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
4. REVENUE FROM CONTINUING OPERATIONS				
Interest income	79,321	283,917	79,321	283,917
Other income	454	370	454	-
Total	79,775	284,287	79,775	283,917

5. EXPENSES FROM CONTINUING OPERATIONS

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
a) Corporate expenses				
Australian listing fees	12,469	113,110	12,469	113,110
TSX listing fees	47,608	133,349	47,608	133,349
Investor relations	227,851	427,920	227,851	427,920
Consultants fees	332,766	373,763	332,766	373,763
Corporate advisory services	29,354	262,741	29,354	262,741
Public relations and business development	126,113	423,156	126,113	423,156
	776,161	1,734,039	776,161	1,734,039
b) Administrative expenses				
Communications expense	54,570	63,850	54,570	63,850
Lease payments – operating lease	11,392	10,981	11,392	10,981
Insurance	73,118	58,298	73,118	58,298
Other administrative expenses	656,675	551,317	640,389	549,492
	795,755	684,446	779,469	682,621

6. AUDITORS' REMUNERATION

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Remuneration of the auditor of the parent entity (Stantons International) for:				
Auditing services	60,607	37,046	60,607	37,046
Other services	-	2,428	-	2,428
Total	60,607	39,474	60,607	39,474

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

7. INCOME TAX

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Numerical reconciliation of income tax expense to prima facie tax payable				
Loss from ordinary activities before income tax expense	(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Prima facie tax benefit on loss from ordinary activities at 30% (2008: 30%)	(4,679,436)	(6,283,194)	(2,410,772)	(5,787,041)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Unrealised foreign exchange gains	2,257,616	791,718	1,457	-
- Write off of subsidiary loan	-	-	-	4,233,625
- Income accrual	4,805	(4,892)	4,805	(4,892)
- Share-based payments	630,917	367,606	630,917	367,606
- Sundry items	849	1,334	849	1,334
- Capital raising costs	(107,653)	(117,452)	(107,653)	(117,452)
- Capital exploration costs	302,791	(26,564)	302,791	(26,564)
- Provisions	40,884	(1,167)	40,884	(1,167)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,549,227	5,272,611	1,536,722	1,334,551
Income tax expense	-	-	-	-
Unrecognised temporary differences				
Deferred tax assets (at 30%)				
On income tax account				
Capital raising costs	191,006	281,068	191,006	281,068
Provisions	88,928	43,239	155,110	109,421
Carry forward tax losses	12,254,541	10,705,314	5,336,376	3,799,654
	12,534,475	11,029,621	5,682,492	4,190,143
Deferred tax liabilities (at 30%)				
Capital exploration costs	-	302,791	-	302,791

Potential future income tax benefits arising from tax losses have not been brought to account at 30 June 2009 because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as virtually certain. These benefits will only be obtained if:

- The company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affects the Company in realising the benefit from the deductions for the loss and exploration expenditure.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
8. TRADE AND OTHER RECEIVABLES				
Other receivables	26,267	62,311	16,050	62,044

At reporting date all of the receivables were current, and there were no receivables which are past due.

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
9. OTHER FINANCIAL ASSETS				
Investments carried at cost:				
Non-current				
Investment in subsidiaries (note 25)	-	-	12,198,415	12,198,415
Held-to-maturity investments carried at cost:				
Non-current				
Term deposit on security bond	16,000	23,000	16,000	23,000
Loans carried at cost:				
Non-current				
Loans to subsidiaries	-	-	27,762,723	21,771,862
	16,000	23,000	39,977,138	33,993,277
Disclosed in the financial statements as:				
Current other financial assets	-	-	-	-
Non-current other financial assets	16,000	23,000	39,977,138	33,993,277
	16,000	23,000	39,977,138	33,993,277
10. PROPERTY, PLANT AND EQUIPMENT				
Plant and equipment				
At cost	354,006	314,695	313,347	311,711
Accumulated depreciation	(268,115)	(219,177)	(252,206)	(218,062)
Total plant and equipment	85,891	95,518	61,141	93,649

Movements in carrying amounts

Movement in the carrying amounts of plant and equipment between the beginning and end of the current financial year:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Balance at the beginning of the year	95,518	51,340	93,649	51,340
Additions	43,373	85,885	1,636	82,820
Disposals	-	-	-	-
Depreciation expense	(53,000)	(41,707)	(34,144)	(40,511)
Carrying amount at the end of the year	85,891	95,518	61,141	93,649
11. INTANGIBLES				
Software				
At cost	72,250	72,250	72,250	72,250
Accumulated amortisation	(33,639)	(7,899)	(33,639)	(7,899)
Total Software	38,611	64,351	38,611	64,351

Movements in carrying amounts

Movement in the carrying amounts of intangibles between the beginning and end of the current financial year:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Balance at the beginning of the year	64,351	-	64,351	-
Additions	-	72,250	-	72,250
Disposals	-	-	-	-
Depreciation expense	(25,740)	(7,899)	(25,740)	(7,899)
Carrying amount at the end of the year	38,611	64,351	38,611	64,351

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

12. MINERAL EXPLORATION AND EVALUATION

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Exploration and evaluation expenditure				
Opening balance	31,795,533	37,188,287	1,009,303	920,756
Exploration costs	1,728,124	6,020,124	4,591	228,808
Engineering study & pre-development costs	2,334,268	3,581,085	-	-
Acquisition costs	-	-	-	-
(Write offs) / recoveries	(1,017,247)	(13,037,436)	(1,013,894)	(140,261)
FX on opening balances	(3,933,674)	(1,956,527)	-	-
Closing balance	30,907,004	31,795,533	-	1,009,303

The value of the economic entity's interest in exploration expenditure is dependent upon:

- The continuance of the economic entity's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The economic entity'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 tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
13. TRADE AND OTHER PAYABLES				
Current				
Trade creditors	194,560	1,215,932	194,560	470,669
Sundry creditors and accrued expenses	535,224	211,270	284,714	80,475
	729,784	1,427,202	479,274	551,144
14. PROVISIONS				
Current				
Provision for annual leave	175,608	115,108	175,608	115,108
Number of employees at year end	9	10	9	10
Non current				
Provision for long service leave	12,429	-	12,429	-
15. LOANS				
Non current loans (i)	5,000,000	-	5,000,000	-

Summary of borrowing arrangements:
(i) A convertible loan facility agreement was signed on 29 January 2009 between Macquarie Bank Limited ("Macquarie") and the Company. Facility termination date of 28 November 2010. Interest rate is BBSY plus a margin of 4% per annum. Under the agreement Macquarie was issued 22,222,222 options with an exercise price of $0.225 with an expiry date 24 months after issue. Any funds received from the conversion of options to be automatically applied towards repayment or prepayment of the Facility Outstanding, or if there is no Facility Outstanding then the funds will be paid to the Company.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
16. CONTRIBUTED EQUITY				
164,592,376 Fully paid ordinary shares (2008: 144,292,376)	69,680,243	63,148,878	69,680,243	63,148,878

a) Ordinary shares	2009 $	2008 $	2009 $	2008 $
Balance at beginning of financial year	63,148,878	46,979,302	63,148,878	46,979,302
Shares issued:				
- 12,250,000 on 17 July 2007	-	7,840,000	-	7,840,000
- 600,000 on 6 November 2007	-	420,000	-	420,000
- 50,000 on 13 November 2007	-	32,000	-	32,000
- 5,000,000 on 24 December 2007	-	3,450,000	-	3,450,000
- 9,615,000 on 29 April 2008	-	4,999,800	-	4,999,800
- 510,000 on 3 July 2008	-	265,200	-	265,200
- 6,800,000 on 30 Sep 2008	2,040,000	-	2,040,000	-
- 3,400,000 on 14 Oct 2008	1,020,000	-	1,020,000	-
- 100,000 on 27 Feb 2009	30,000	-	30,000	-
- 10,000,000 on 19 Jun 2009	3,500,000	-	3,500,000	-
	6,590,000	17,007,000	6,590,000	17,007,000
Transaction costs relating to share issues	(58,635)	(837,424)	(58,635)	(837,424)
Balance at end of financial year	69,680,243	63,148,878	69,680,243	63,148,878

Fully Paid	Economic Entity 2009 No of shares	Economic Entity 2008 No of shares	Parent Entity 2009 No of shares	Parent Entity 2008 No of shares
Balance at beginning of financial year	144,292,376	116,267,376	144,292,376	116,267,376
Shares issued:				
- 17 July 2007	-	12,250,000	-	12,250,000
- 6 November 2007	-	600,000	-	600,000
- 13 November 2007	-	50,000	-	50,000
- 24 December 2007	-	5,000,000	-	5,000,000
- 29 April 2008	-	9,615,000	-	9,615,000
- 3 July 2008 (were shares to be issued)	-	510,000	-	510,000
- 30 Sep 2008	6,800,000	-	6,800,000	-
- 14 Oct 2008	3,400,000	-	3,400,000	-
- 27 Feb 2009	100,000	-	100,000	-
- 19 Jun 2009	10,000,000	-	10,000,000	-
Total issued during the year	20,300,000	28,025,000	20,300,000	28,025,000
Balance at end of financial year	164,592,376	144,292,376	164,592,376	144,292,376

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

16. CONTRIBUTED EQUITY (continued)

b) Options

During the financial year, there were no ordinary shares issued as a result of the exercise of options. Details of options lapsed and issued during the financial year, along with the options outstanding at financial year end are listed below.

Options lapsed and expired during the year:

Date lapsed	Grant date	Date of expiry	Exercise price	No of options
31 October 2008	13 April 2005	31 October 2008	$0.70	100,000
31 January 2009	2 February 2006	31 January 2009	$0.86	300,000
30 October 2008	31 October 2006	30 October 2008	$0.86	750,000
30 June 2009	4 December 2007	30 November 2010	$0.75	75,000
30 June 2009	7 February 2008	31 March 2011	$0.75	450,000
TOTAL				1,675,000

Options issued during the year:

Grant date	Date of expiry	Exercise price	No of options
28 January 2009	27 January 2011	$0.225	11,111,111
11 February 2009	31 January 2012	$0.30	400,000
31 March 2009	30 March 2011	$0.225	11,111,111
TOTAL			22,622,222

Options outstanding at 30 June 2009:

Grant date	Date of expiry	Exercise price	No of options
12 September 2007	11 September 2009	$0.80	750,000
1 November 2007	31 October 2010	$0.65	2,500,000
4 December 2007	30 November 2010	$0.75	925,000
7 February 2008	31 March 2011	$0.75	500,000
19 March 2008	30 September 2010	$0.75	250,000
19 March 2008	30 September 2010	$0.90	250,000
19 March 2008	30 September 2010	$1.10	250,000
14 April 2008	31 March 2011	$0.75	2,400,000
28 January 2009	27 January 2011	$0.225	11,111,111
11 February 2009	31 January 2012	$0.30	400,000
31 March 2009	30 March 2011	$0.225	11,111,111
TOTAL			30,447,222

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

17. RESERVES

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Foreign currency translation reserve (i)	2,969,340	636,493	-	-
Share-based payments reserve (ii)	3,942,769	1,839,714	3,942,769	1,839,714
	6,912,109	2,476,207	3,942,769	1,839,714
Movements:				
Foreign currency translation reserve (i)				
Balance at beginning of financial year	636,493	205,632	-	-
Currency translation differences arising during the year	2,332,847	430,861	-	-
Balance at end of financial year	2,969,340	636,493	-	-
Share-based payments reserve (ii)				
Balance at beginning of financial year	1,839,714	614,361	1,839,714	614,361
Option expense	2,103,055	1,225,353	2,103,055	1,225,353
Balance at end of financial year	3,942,769	1,839,714	3,942,769	1,839,714

Nature and purpose of reserves

(i) *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2(g). The reserve is recognised in profit and loss when the net investment is disposed of.

(ii) *Share-based payments reserve*

The share-based payments reserve is used to recognise the fair value of options issued.

18. ACCUMULATED LOSSES

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Accumulated losses at beginning of financial year	(31,424,613)	(10,480,634)	(26,774,684)	(7,484,546)
Net loss attributable to members of the parent entity	(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Accumulated losses at end of financial year	(47,022,732)	(31,424,613)	(34,810,590)	(26,774,684)

19. EARNINGS PER SHARE

		Economic Entity	
		2009	2008
		$	$
(a)	Loss used in the calculation of basic and dilutive earnings per share	(15,598,119)	(20,943,979)
		Number	Number
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share:	152,147,596	132,625,540
(c)	Basic loss per share (cents per share)	(10.25)	(15.79)

(d) Effect of dilutive securities
There were no dilutive potential ordinary shares on issue at balance date. Accordingly, diluted loss per share has not been disclosed.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

20. COMMITMENTS AND CONTINGENCIES

Exploration Commitments

In order to maintain current rights of tenure to mining tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Not later than one year	3,890,000	1,200,848	-	10,000
Later than one year, but not later than five years	3,762,000	582,423	-	-
Later than five years	-	-	-	-
	7,652,000	1,783,271	-	10,000

If the economic entity decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Joint Venture Commitments

The economic entity has no joint venture commitments.

Operating Lease Commitments

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Plant and equipment				
Not later than one year	9,132	12,170	9,132	12,170
Later than one year, but not later than five years	14,459	1,014	14,459	1,014
Later than five years	-	-	-	-
	23,591	13,184	23,591	13,184
Property lease				
Not later than one year	38,264	134,794	38,264	134,794
Later than one year, but not later than five years	-	33,698	-	33,698
Later than five years	-	-	-	-
	38,264	168,492	38,264	168,492

Contingent Liabilities

The economic entity is not aware of any contingent liabilities which existed as at the end of the financial year or have arisen as at the date of this report.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

21. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Cash at bank and in hand	192,867	929,922	165,992	885,389
Deposits at call	4,220,801	2,767,434	4,220,801	2,767,434
	4,413,668	3,697,356	4,386,793	3,652,823

b) Cash balances not available for use

The Group has bank guarantees of $16,000 held as deposit on Australian mining tenements. The bank guarantees will be released on surrender, expiry or transfer of the tenements.

c) Reconciliation of loss for the period to net cash flows from operating activities

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(Loss) after income tax	(15,598,119)	(20,943,979)	(8,035,906)	(19,290,138)
Non-cash flows in operating loss				
Depreciation	53,000	41,707	34,144	40,511
Amortisation	25,740	7,899	25,740	7,899
Loss on sale of fixed assets	-	-	-	-
Write back receivables	-	(9)	-	-
Write down of investment in subsidiary	-	-	-	-
Provision for loss on loan to subsidiary	-	-	-	14,112,084
Exploration costs written off	1,017,247	13,564,863	1,013,894	140,261
Foreign exchange (gain)/loss	7,530,247	2,111,633	-	-
Share based payments expense	2,133,055	1,259,690	2,133,055	1,259,690
Cash flows not in operating loss				
Payments for exploration and evaluation	(3,134,124)	(8,621,109)	(58,317)	(428,117)
Payments for feasibility and pre-development	(2,911,929)	(1,408,816)	-	-
Payments for listing fees / investor relations	219,352	693,727	208,184	693,727
Changes in assets and liabilities				
Decrease/(Increase) in operating receivables and prepayments	40,758	(10,675)	50,707	(10,408)
Increase/(Decrease) in trade and other creditors and accruals	29,516	240,353	(18,144)	240,353
Increase/(Decrease) in provisions	72,929	17,137	72,929	17,137
Net cash inflows / (outflows) from Operating Activities	(10,522,328)	(13,047,579)	(4,573,714)	(3,217,001)

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

22. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks, and aging analysis for credit risk.

The Group and the parent entity hold the following financial instruments:

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	4,413,668	3,697,356	4,386,793	3,652,823
Trade and other receivables	26,267	62,311	16,050	62,044
Other financial assets	16,000	23,000	39,977,138	33,993,277
	4,455,935	3,782,667	44,379,981	37,708,144
Financial liabilities				
Trade and other payables	729,784	1,427,202	479,274	551,144
Non current loan	5,000,000	-	5,000,000	-
	5,729,784	1,427,202	5,479,274	551,144

a) Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures in Ghana, West Africa.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group has not formalised a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements and retains the right to withdraw from the foreign exploration commitments after the minimum expenditure targets have been met.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2009		2008	
	USD	GHS	USD	GHS
	$	$	$	$
Cash and cash equivalents	4,117	7,380	3,746	39,404
Trade payables	107,434	29,061	842,005	-

The carrying amounts of the parent entity's financial assets and liabilities are denominated in Australian dollars.

Group sensitivity
Based on the financial instruments held at 30 June 2009, had the Australian dollar weakened / strengthened by 10% against the Ghanaian Cedi with all other variables held constant, the Group's post-tax loss for the year would have been \$3.5m lower / \$3.5m greater (2008 - \$3.2m lower / \$2.4m greater), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated borrowings in the subsidiaries. Equity would have been \$2.1m higher / \$1.7m lower (2008 - \$2.8m higher / \$1.6m lower) had the Australian dollar weakened / strengthened by 10% against the Ghanaian Cedi, arising mainly from restating subsidiary balance sheets at period end.

Parent entity sensitivity
The parent entity's post-tax profit for the year would have been unaffected by movements in the Australian dollar against the US dollar as all financial instruments held by the parent entity are in Australian dollars.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

22. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Group's main interest rate risk arises from short term bank treasury bills and long term borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term obligations with the floating interest rate. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

As at the reporting date, the Group had the following variable rate cash and cash equivalents and borrowings outstanding:

	2009		2008	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
ECONOMIC ENTITY	%	$	%	$
Financial assets				
Cash on hand	0.00%	3,123	0.00%	8,660
Cash at bank	1.16%	189,744	4.39%	921,262
Bank treasury bills	3.20%	4,220,801	7.64%	2,767,434
		4,413,668		3,697,356
Financial liabilities				
Non current loans	7.08%	5,000,000	-	-
		5,000,000		-
PARENT ENTITY				
Financial assets				
Cash on hand	0.00%	3,123	0.00%	8,660
Cash at bank	1.16%	189,744	4.39%	921,262
Bank treasury bills	3.20%	4,220,801	7.64%	2,767,434
		4,413,668		3,697,356
Financial liabilities				
Non current loans	7.08%	5,000,000	-	-
		5,000,000		-

Group sensitivity

At 30 June 2009, if interest rates had changed by -/+ 80 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $5,163 higher/lower (2008 : -/+ change of 80 bps $2,104 lower/higher), mainly as a result of lower/higher interest payable on the non current loan.

Parent entity sensitivity

The parent entity's main interest rate risk arises from bank treasury bills with variable interest rates. At 30 June 2009, if interest rates had changed by -/+ 80 basis points from the year-end rates with all other variables held constant, post-tax profit would have been $5,163 higher/lower (2008 : -/+ change of 80 bps $2,104 lower/higher) as a result of lower/higher interest payable on the non current loan.

b) Credit risk

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

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 38.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

22. FINANCIAL INSTRUMENTS (continued)

b) Credit risk (continued)

The credit quality of financial assets that are neither past, due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at bank and short-term deposits				
Counterparties with external credit rating (Moody's)				
B	4,410,295	3,675,557	4,386,354	3,648,135
*Counterparties without external credit rating**	3,373	21,799	-	-
	4,413,668	**3,697,356**	**4,386,354**	**3,648,135**
Trade receivables				
*Counterparties without external credit rating***				
Group 1	-	-	-	-
Group 2	-	7,521	-	7,521
Group 3	-	-	-	-
Total trade receivables	-	7,521	-	7,521

* This represents funds held with Ankobra West Rural Bank Ltd in Ghana.
** Group 1 – new customers (less than 6 months)
Group 2 – existing customers (more than 6 months) with no defaults in the past
Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Other receivables
Over 50% of the Group's other receivables at reporting date represent tax receivables.

c) Liquidity risk

The Group manages liquidity risk by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank treasury bills.

Maturities of financial liabilities
The tables below analyse the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group As at 30 June 2009	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Non-derivatives							
Non-interest bearing	-	-	-	-	-	-	-
Variable rate	-	-	5,000,000	-	-	5,000,000	5,000,000
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	-	-	**5,000,000**	-	-	**5,000,000**	**5,000,000**

As at 30 June 2008, the Group had no drawn borrowings or external financial liabilities other than trade payables.

Parent As at 30 June 2009	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
Non-derivatives							
Non-interest bearing	-	-	-	-	-	-	-
Variable rate	-	-	5,000,000	-	-	5,000,000	5,000,000
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	-	-	**5,000,000**	-	-	**5,000,000**	**5,000,000**

As at 30 June 2008, the Parent had no drawn borrowings or external financial liabilities other than trade payables.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

23. SHARE BASED PAYMENT PLAN

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of and movements in share options issued during the year:

	2009 No.	2009 WAEP	2008 No.	2008 WAEP
Outstanding at the beginning of the year	9,500,000	0.75	2,950,000	0.76
Granted during the year	22,622,222	0.23	8,350,000	0.74
Lapsed during the year	(525,000)	0.75	(650,000)	0.76
Exercised during the year	-	-	(650,000)	0.70
Expired during the year	(1,150,000)	0.85	(500,000)	0.64
Outstanding at the end of the year	30,447,222	0.36	9,500,000	0.75
Exercisable at the end of the year	29,047,222	0.33	5,400,000	0.73

The outstanding balance as at 30 June 2009 is represented by:

Grant date	Date of expiry	Exercise price	No of options outstanding	No of options vested
12 September 2007	11 September 2009	$0.80	750,000	750,000
1 November 2007	31 October 2010	$0.65	2,500,000	2,500,000
4 December 2007	30 November 2010	$0.75	925,000	925,000
7 February 2008	31 March 2011	$0.75	500,000	500,000
19 March 2008	30 September 2010	$0.75	250,000	250,000
19 March 2008	30 September 2010	$0.90	250,000	250,000
19 March 2008	30 September 2010	$1.10	250,000	250,000
14 April 2008	31 March 2011	$0.75	2,400,000	1,000,000
28 January 2009	27 January 2011	$0.225	11,111,111	11,111,111
12 February 2009	31 January 2012	$0.30	400,000	400,000
31 March 2009	30 March 2011	$0.225	11,111,111	11,111,111

The remaining contractual life for the share options outstanding as at 30 June 2009 is between 0.4 and 2.8 years (2008: 0.3 and 2.8 years). The range of exercise prices for options outstanding at the end of the year was $0.23 – $1.10 (2008: $0.65 – $1.10).

The weighted average fair value of options granted during the year was $0.226 (2008: $0.195). The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2008:

	2009 $0.23	2009 $0.30	2009 $0.23	2008 $0.80	2008 $0.65	2008 $0.75	2008 $0.75	2008 $0.75	2008 $0.90	2008 $1.10	2008 $0.75
Dividend yield (%)	0	0	0	0	0	0	0	0	0	0	0
Expected volatility (%)	65	65	65	65	65	65	65	65	65	65	65
Risk-free interest rate (%)	3.0	3.0	3.3	6.3	6.8	6.4	6.6	6.2	6.2	6.2	6.0
Expected life of options (years)	2.00	2.97	2.00	2.00	3.00	2.99	3.15	2.55	2.55	2.55	2.96
Option exercise price ($)	0.225	0.30	0.225	0.80	0.65	0.75	0.75	0.75	0.90	1.10	0.75
Weighted average share price at grant date ($)	0.17	0.24	0.36	0.10	0.33	0.19	0.17	0.11	0.09	0.08	0.13

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The fair value of the cash-settled options is measured at the grant date using the Black-Scholes options pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in profit or loss.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

24. KEY MANAGEMENT PERSONNEL COMPENSATION

a) Details of key management personnel

The Directors and other members of key management personnel of the Group during the financial year were:

Directors

Mr J D Hopkins	Non-Executive Chairman
Mr M T Bojanjac	Managing Director / CEO
Mr M A Connelly	Executive Director / COO
Mr P Tredger	Non-Executive Director
Mr A Harwood	Non-Executive Director

b) Key management personnel compensation (by category)

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Short-Term	805,748	868,700	805,748	868,700
Post Employment	43,349	51,573	43,349	51,573
Equity	-	848,527	-	848,527
Other	36,915	36,074	36,915	36,074
	886,012	1,804,874	886,012	1,804,874

b) Options holdings of key management personnel (consolidated)

30 June 2009	Balance 1 July 08	Granted as remuneration	Options exercised	Net change other	Balance 30 June 09	Vested at 30 June 09	Vested and exercisable
Directors							
J D Hopkins	550,000	-	-	(250,000)	300,000	300,000	300,000
M T Bojanjac	1,500,000	-	-	(500,000)	1,000,000	1,000,000	1,000,000
M A Connelly	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000
P N Tredger	300,000	-	-	-	300,000	300,000	300,000
A Harwood	300,000	-	-	-	300,000	300,000	300,000
Total	4,150,000	-	-	(750,000)	3,400,000	3,400,000	3,400,000

30 June 2008	Balance 1 July 07	Granted as remuneration	Options exercised	Net change other	Balance 30 June 08	Vested at 30 June 08	Vested and exercisable
Directors							
J D Hopkins	250,000	300,000	-	-	550,000	250,000	250,000
M T Bojanjac	500,000	1,000,000	-	-	1,500,000	1,500,000	1,500,000
M A Connelly	-	1,500,000	-	-	1,500,000	1,500,000	1,500,000
G R Brabham *	1,000,000	-	(600,000)	(400,000)	-	-	-
G M Jones **	500,000	-	-	(500,000)	-	-	-
P N Tredger ***	-	300,000	-	-	300,000	-	-
A Harwood ****	-	300,000	-	-	300,000	-	-
Total	2,250,000	3,400,000	(600,000)	(900,000)	4,150,000	3,250,000	3,250,000

* Retired 16th January 2008
** Retired 14th April 2008
*** Appointed 16th January 2008
**** Appointed 23rd January 2008

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

24. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

c) Shareholdings of key management personnel (consolidated)

30 June 2009	Balance 1 July 08	Granted as remuneration	Options exercised	Net change other	Balance 30 June 09
Directors					
J D Hopkins	20,000	-	-	-	20,000
M T Bojanjac	950,000	-	-	-	950,000
M A Connelly	-	-	-	-	-
P N Tredger	42,215	-	-	-	42,215
A Harwood	-	-	-	-	-
Total	1,012,215	-	-	-	1,012,215

30 June 2008	Balance 1 July 07	Granted as remuneration	Options exercised	Net change other	Balance 30 June 08
Directors					
J D Hopkins	-	-	-	20,000	20,000
M T Bojanjac	950,000	-	-	-	950,000
M A Connelly	-	-	-	-	-
G R Brabham *	-	-	600,000	-	600,000 +
G M Jones **	-	-	-	-	-
P N Tredger ***	-	-	-	42,215	42,215
A Harwood ****	-	-	-	-	-
Total	950,000	-	600,000	62,215	1,612,215

* Retired 16th January 2008
** Retired 14th April 2008
*** Appointed 16th January 2008
**** Appointed 23rd January 2008
\+ Balance of shares held at date of resignation

d) Loans to key management personnel (consolidated)

There were no loans to Key Management Personnel during the year.

e) Other transactions and balances with key management personnel

There were no other transactions and balances with key management personnel during the year.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

25. RELATED PARTY INFORMATION

The consolidated financial statements include the financial statements of Adamus Resources Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2009	% Equity Interest 2008	Investment ($) 2009	Investment ($) 2008
Castlegem Pty Ltd	Australia	100	100	-	-
African Gold Properties Limited	British Virgin Islands	100	100	667,208	667,208
Adamus Investment Enterprises Pty Ltd	Australia	100	100	650,000	650,000
Semafo (Ghana) Limited	Ghana	100	100	4,917,594	4,917,594
Adamus Holdings Pty Limited	Australia	100	100	2,573,008	2,573,008
Adamus Resources Limited (Ghana)	Ghana	100	100	-	-
Akanko Mining Limited	Ghana	89	89	-	-
Nkroful Mining Limited	Ghana	100	100	3,390,605	3,390,605

Adamus Resources Limited is the ultimate Australian parent entity.

The following table provides the balance of the total amounts owed by related parties and amounts owed to related parties for the relevant financial year.

Related Party		Amounts Owed by Related Parties $	Amounts Owed to Related Parties $
Consolidated Subsidiaries			
Castlegem Pty Ltd	2009	623,585	-
	2008	630,965	-
African Gold Properties Limited	2009	-	-
	2008	-	-
Adamus Investment Enterprises Pty Ltd	2009	-	-
	2008	-	-
Semafo (Ghana) Limited [1]	2009	3,841,503	-
	2008	4,092,356	-
Adamus Holdings Pty Limited [2]	2009	2,419,352	-
	2008	2,709,091	-
Adamus Resources Limited (Ghana)	2009	19,910,968	-
	2008	14,652,300	-
Akanko Mining Limited	2009	-	-
	2008	-	-
Nkroful Mining Limited [3]	2009	3,936,708	-
	2008	3,315,906	-

[1] The amount owed by Semafo (Ghana) Limited comprises an amount of $2,902,727 (2008: $2,902,727) owed to Adamus Resources Limited and an amount of $938,776 (2008: $1,189,629) owed to Adamus Resources Limited (Ghana).

[2] The amount owed by Adamus Holdings Pty Limited comprises an amount of $1,476,180 (2008: $1,476,180) owed to Adamus Resources Limited and an amount of $943,172 (2008: $1,232,911) owed to Adamus Resources Limited (Ghana).

[3] The amount owed by Nkroful Mining Limited comprises an amount of $3,476,875 (2008: $2,737,303) owed to Adamus Resources Limited and an amount of $459,833 (2008: $578,603) owed to Adamus Resources Limited (Ghana).

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2009

25. RELATED PARTY INFORMATION (continued)

	2009 $	2008 $
Directors and director-related entities		
Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.		
Transactions with related entities		
Director related entities		
An aggregate amount was paid, or was due and payable to Forrest Corporate Pty Ltd, a company controlled by Mr Mark Bojanjac for the provision of corporate financial and management consulting services to the economic entity.	205,000	205,000
An aggregate amount was paid, or was due and payable to Marcon Services Pty Ltd, a company controlled by Mr Mark Connelly for the provision of corporate financial and management consulting services to the economic entity.	-	27,273
The above amounts are included in Directors emoluments disclosed in the remuneration report.		

26. SUBSIDIARIES

	Country of Incorporation	Percentage Owned 2009 %	2008 %
Parent entity:			
Adamus Resources Limited	Australia		
Subsidiaries of Adamus Resources Limited:			
Castlegem Pty Ltd	Australia	100	100
African Gold Properties Limited	British Virgin Islands	100	100
Adamus Investment Enterprises Pty Ltd	Australia	100	100
Semafo (Ghana) Limited	Ghana	100	100
Adamus Holdings Pty Limited	Australia	100	100
Adamus Resources Limited (Ghana)	Ghana	100	100
Akanko Mining Limited	Ghana	89	89
Nkroful Mining Limited	Ghana	100	100

27. EVENTS SUBSEQUENT TO REPORTING DATE

On 14 July 2009 the Company announced the issue of 5,190,000 shares at $0.225 each, which represented the conversion of Macquarie options. The options were originally issued under the terms of the convertible loan facility agreement dated 29 January 2009 between Macquarie Bank Limited and Adamus ("Facility"). The proceeds from the option conversion were applied against the balance outstanding under the Facility.

On 10 August 2009 the Company announced the issue of 115 million shares at $0.35 each to raise gross proceeds of $40.25 million. The funds are to be used to advance the development of the Southern Ashanti Gold Project and for general working capital purposes.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 43 are in accordance with the Corporations Act 2001:

    (a) comply with Accounting Standards and the Corporations Regulations 2001; and

    (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and economic entity;

2. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

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.

Mark T Bojanjac
Executive Director

29 September 2009, Perth

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADAMUS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Adamus Resources Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, 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.

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

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Adamus Resources 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.

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 11 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 Adamus Resources Limited for the year ended 30 June 2009 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International

J P Van Dieren
Director

West Perth, Western Australia
29 September 2009

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

29 September 2009

Board of Directors
Adamus Resources Limited
Level 2
45 Richardson Street
WEST PERTH WA 6005

Dear Directors

RE: ADAMUS RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Adamus Resources Limited.

As the Audit Director for the audit of the financial statements of Adamus Resources Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)

JP Van Dieren
Director

Corporate Governance Statement

The Board of Directors of Adamus Resources Limited is responsible for the corporate governance practices of the Company. This statement sets out the main corporate governance practices that were in operation throughout the financial year.

The ASX Listing Rules require listed companies to include in their annual report a statement disclosing the extent to which they have complied with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 2nd Edition" which are as follows:

Principle 1. Lay solid foundations for management and oversight
Principle 2. Structure the board to add value
Principle 3. Promote ethical and responsible decision making
Principle 4. Safeguard integrity in financial reporting
Principle 5. Make timely and balanced disclosure
Principle 6. Respect the rights of shareholders
Principle 7. Recognise and manage risk
Principle 8. Remunerate fairly and responsibly

(**the Principles and Recommendations**).

The Recommendations are not prescriptive so that if a company considers that a Recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to follow it. Where a company has not followed all the Recommendations, the annual report must identify which Recommendations have not been followed and give reasons for not following them.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The principal responsibilities or functions of the Board are as follows:

- To set the goals and objectives for the Company, and to ensure a strategic planning process is in place to progress towards achievement of those goals and objectives.
- To monitor progress against goals and objectives and to ensure that corrective action is taken when necessary.
- Establishing and monitoring policies directed to ensuring that the Company complies with statutory requirements.
- To ensure that where practicable effective risk management measures are in place.
- To ensure that the Board itself operates effectively to enhance the performance of the Company.
- To ensure that the Managing Director and senior executive team of the Company are of high calibre, appropriately rewarded and have clear understanding of their responsibilities and delegated authority.
- To ensure that the Company maintains a high reputation with all stakeholders and communicates effectively with them.

STRUCTURE THE BOARD TO ADD VALUE

Board Composition

At the end of the financial year the Board comprised three non–executive Directors including the independent Chairman, and two executive Directors including the Managing Director. The two executive directors are responsible for the corporate and operational requirements of the Company and also assist with the promotion of the Company.

The Directors are subject to election by shareholders. All Directors, apart from the Managing Director, are subject to re-election by rotation within every three years. The Company's Constitution provides that one-third of the Directors retire by rotation at each AGM. Those Directors who are retiring may submit themselves for re-election by shareholders, including any Director appointed to fill a casual vacancy or as an addition to the existing Directors since the date of the previous AGM.

Subsequent to year-end the Company has appointed an additional independent non-executive Director. The Board's size and composition is considered appropriate for the Company at its present stage of development and given the breadth of its membership; most issues can be decided at Board level without the need for separate committees.

Details of the skills, experience and expertise relevant to the position of Director by each Director in office at the date of this report, and their terms of office are included in the "Information on Directors and Company Secretary" section of the Directors' Report.

Independence of non-executive directors

The Board considers an independent Director to be a non-executive Director who meets the criteria for independence included in the Principles and Recommendations. All non-executive Directors, including the Chairman, are regarded as independent.

Independent professional advice

With the prior approval of the Chairperson, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Board performance review

During the reporting period an evaluation of the Board was carried out on an informal basis. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including quantitative measures of performance.

Director remuneration

Details of the Company's remuneration policies are included in the Remuneration Report section of the Directors' Report.

Nomination Committee

The functions to be performed by a nomination committee under the Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board has adopted a written Board Code of Conduct which applies to the Directors of the Company. The Board has also adopted a written Code of Ethics and Conduct which applies to Directors and employees of the Company and supplements the Board Code of Conduct.

The Company is dedicated to delivering outstanding performance for investors and employees. In achieving this objective, all Directors, officers and employees are expected to act with honesty, integrity and responsibility and maintain a strong sense of corporate social responsibility. In maintaining its corporate social responsibility the Company will conduct its business ethically and according to its values, consider the environment and ensure a safe, equal and supportive workplace.

Trading Policy

The Board has adopted a policy in relation to dealings in the securities of the Company which applies to all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities and Directors and employees are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. The Chairman, or in his absence, the Company Secretary, must be notified of any proposed transaction and must give clearance for the transaction to proceed.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

The Company has an Audit Committee which operates under a charter approved by the Board. The Audit Committee assists the Board in discharging its responsibilities to ensure that the Company complies with appropriate and effective accounting, auditing, internal control, business risk management, compliance and reporting practices.

The functions and specific responsibilities of the Audit Committee include the following:

- approving changes to accounting policies and reviewing the impact of changes in Accounting Standards when they are foreseen and when they occur;
- determining that satisfactory arrangements are in place for external auditing of financial affairs;
- ensuring systems are in place and operating effectively to identify, assess, monitor and manage risks to which the company is exposed;
- determining that adequate systems of internal control and procedures have been instituted; and
- reviewing any financial matters, transactions and policies or address any other matters referred to the Committee by the Board.

The Audit Committee comprises at least three Directors, the majority of which shall be non-executive Directors. The members of the Audit Committee during the year were:

- John D Hopkins, Chairman
- Peter Tredger
- Antony Harwood

The qualifications and experience of each of the current members of the audit committee are listed in the "Information on Directors and Company Secretary" section of the Directors' Report. The external Auditors and the Company Secretary are invited to Audit Committee meetings at the discretion of the Audit Committee.

MAKE TIMELY AND BALANCED DISCLOSURE

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules and TSX Venture Exchange Policies, the Company has procedures in place to ensure that any price sensitive information is identified, reviewed by management and disclosed to ASX and the TSX Venture Exchange in a timely manner and that all information provided to ASX and the TSX Venture Exchange is immediately available to shareholders and the market on the Company's website.

Analysts and press briefings may be conducted following the release of major announcements and from time to time, briefings with major shareholders are conducted in order to promote a better understanding of the Company. In conducting briefings, the Company takes care to ensure that any price sensitive information included in the content of briefings has already been made available to all shareholders on the market.

RESPECT THE RIGHTS OF SHAREHOLDERS

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. Information is communicated to shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to Australian Securities Exchange and to the TSX Venture Exchange, including half-year audit reviewed accounts, year end audited accounts and an annual report;
- the Board ensures the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments; and
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals.

RECOGNISE AND MANAGE RISK

The Board is responsible for identifying the risks facing the company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. The Board will review and discuss strategic risks and opportunities arising from changes in the company's business environment regularly and on an as need basis. The board may delegate some of the abovementioned responsibility to committees of the board but maintain the overall responsibility for the process.

The Board receives regular reports about the financial condition and operating results of the consolidated group. The Managing Director and CFO annually provide a formal statement to the Board that in all material respects and to the best of their knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

REMUNERATE FAIRLY AND RESPONSIBLY

The Company has a Remuneration Committee which operates under a charter approved by the Board. The role of the Remuneration Committee is to provide support to the Board with respect to the Company's executive remuneration policies and practices. When required, the Remuneration Committee will review the appropriateness of existing remuneration levels using independent expert advice. The final decision on executive remuneration matters is determined by the full Board, after taking into account the recommendation of the Remuneration Committee.

The functions and specific responsibilities of the Remuneration Committee include the following:

- responsible for making specific recommendations to the Board on remuneration of Directors;
- responsible for reviewing and approving all equity based incentive plans;
- responsible for determining the executive remuneration policy; and
- undertake a review of the Managing Director's performance, at least annually.

The Remuneration Committee comprises at least three directors, the majority of which shall be non-executive directors. The members of the Remuneration Committee during the year were:

- John D Hopkins, Chairman
- Peter Tredger
- Antony Harwood

The qualifications and experience of each of the current members of the Remuneration Committee are listed in the "Information on Directors and Company Secretary" section of the Directors' Report. The Remuneration Committee may invite any executive Director, senior officer, other staff member or external advisors to attend all of part of a meeting of the Remuneration Committee.

A maximum amount of remuneration for non-executive directors is fixed by shareholders in general meeting and can be varied in that same manner. In determining the allocation the Board takes account of the time demands made on the directors together with such factors as fees paid to other directors and to the responsibilities undertaken by them.

DEPARTURES FROM COMPLIANCE WITH RECOMMENDATIONS

Pursuant to the ASX Listing Rules, the Company advises that it does not comply with the following Recommendations. Reasons for the Company's non–compliance are detailed below.

Recommendation 2.4 - The Board Should Establish a Nomination Committee

The functions to be performed by a nomination committee under the Recommendations are currently performed by the full Board and this is reflected in the written policy setting out the responsibilities of the Board. Having regard to the number of members currently comprising the Company's Board, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

Recommendation 2.6 - Provide Information Indicated in Guide to Reporting on Principle 2

One of the matters to be included in the corporate governance section of this Report pursuant to the Guide to reporting on Principle 2 is "the names of the members of the nominations committee and their attendance at meetings of the committee". As stated in the previous paragraph, the Board does not consider it appropriate for the Company to establish a nomination committee and therefore this information has not been included in the annual report. In all other respects, the Company has complied with the disclosure requirements contained in the Guide to reporting on Principle 2.

Recommendation 4.2: - The audit committee should be structured so that it is chaired by an independent chair, who is not chair of the Board

The Audit Committee comprises only non-executive independent directors. However the Chairman of Adamus is also the Chairman of the Audit Committee. Having regard to the current size and composition of the Company's Board, the Board considered it necessary for Mr Hopkins to chair the Audit Committee. The composition of the Audit Committee will be reviewed in the event of future changes to the composition of the Board.

Schedule of Mineral Tenements
as at 30 June 2009

Project	Tenement	Interest held by Adamus
Kimberley		
Bollinger	PL 80/1589	100%
Bollinger	PL 80/1590	100%
Bollinger	PL 80/1591	100%
Bollinger	PL 80/1592	100%
Bollinger	PL 80/1593	100%
Bollinger	PL 80/1594	100%
Bollinger	PL 80/1595	100%
Bollinger	PL 80/1596	100%
Tasmania		
Serpentine Ridge	E 18/2002	100%
Bonds Range	E 28/2002	40%*
Southern Ashanti		
Southern Ashanti	Salman PL	90%**
Southern Ashanti	Salman ML	90%**
Southern Ashanti	Ankobra PL	90%**
Southern Ashanti	Ankobra River PL	90%**
Southern Ashanti	Ebi-Teleku Bokazo PL	90%**
Southern Ashanti	Ebi-Teleku Bokazo ML	90%**
Southern Ashanti	Apa Tam PL	90%**
Southern Ashanti	Asanta PL	90%**
Southern Ashanti	Akanko PL	80%**
Southern Ashanti	Akanko ML	80%**
Southern Ashanti	Nkroful ML	90%**
Southern Ashanti	Mfuma PL	90%**

PL Prospecting Licence
E Exploration Licence
ML Mining Licence
ELA Exploration License Application
MLA Mining License Application
* Joint Venture partner, Bass Metals Limited, has earned a 60% interest in the tenements. This tenement was surrendered August 2009.
** Net of Government of Ghana statutory 10% free carried interest

Additional Shareholder Information

Shareholding

The distribution of members and their holdings of equity securities in the company at 28 September 2009 were as follows:

Number Held as at 16 September 2009	Fully Paid Ordinary Shares	30 Sep 10 Options	31 Oct 10 Options	30 Nov 10 Options	31 Mar 11 Options	27 Jan 11 Options	30 Mar 11 Options	31 Jan 12 Options	30 Jun 12 Options
1-1,000	59	-	-	-	-	-	-	-	-
1,001 - 5,000	247	-	-	-	-	-	-	-	-
5,001 - 10,000	193	-	-	-	-	-	-	-	-
10,001 - 100,000	402	-	-	5	-	-	-	-	-
100,001 and over	116	3	2	2	4	1	1	1	1
TOTALS	1,017	3	2	7	4	1	1	1	1

The number of shareholdings held in less than marketable parcels is 69.

Substantial Shareholders as at 28 September 2009

The names of the substantial shareholders listed in the holding company's register as at 28 September 2009:

Shareholder	Number
HSBC Custody Nominees (Australia) Limited	34,908,573
Macquarie Bank Limited	33,765,000
National Nominees Limited	32,751,790
ANZ Nominees Limited	25,138,623
JP Morgan Nominees Australia Limited	22,319,337
Citicorp Nominees Pty Limited	16,555,238

Restricted Securities

The Company has no securities subject to escrow.

Voting Rights

Ordinary Shares

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

Twenty Largest Shareholders

The names of the twenty largest fully paid shareholders as at 28 September 2009 are as follows:

Name	Fully Paid Ordinary Shares	Percentage %
HSBC Custody Nominees (Australia) Limited	34,908,573	12.3
Macquarie Bank Limited	33,765,000	11.9
National Nominees Limited	32,751,790	11.5
ANZ Nominees Limited	25,138,623	8.8
JP Morgan Nominees Australia Limited	22,319,337	7.8
Citicorp Nominees Pty Limited	16,555,238	5.8
Robert Gardner	10,885,834	3.8
Kim Resources Pty Ltd	10,450,000	3.7
Highhope Holdings Pty Ltd	10,155,749	3.6
Straits Mineral Investments Pty Ltd	10,000,000	3.5
Cogent Nominees Pty Limited	7,000,000	2.5
Helmsec Global Capital Limited	5,180,394	1.8
Hightime Investments Pty Ltd	4,660,000	1.6
Resource Capital Fund IV LP	3,400,000	1.2
Bellray Holdings Pty Ltd	2,085,237	0.7
Henderson International Pty Limited	1,500,000	0.5
Osiris Investment Partners LP	1,495,000	0.5
Stacey Radford	1,460,344	0.5
Station Capital Pty Ltd	1,274,936	0.4
Geared Investments Pty Ltd	1,250,000	0.4
	236,236,055	82.9