uramet
MINERALS LIMITED

ABN 16 124 251 396

ANNUAL REPORT 2010

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ABOUT URAMET

Uramet Minerals Limited (ASX code: URM) was listed on the Australian Securities Exchange on 19 June 2007, after acquiring the Australian exploration tenements of Elkedra Diamonds NL. The Company is currently exploring for gold in Guyana, South America (Ianna Gold Project), and for base metals, tungsten and uranium in the Northern Territory, Australia.

URAMET MINERALS LIMITED ("URAMET")

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FINANCIAL YEAR

Reference in this report to financial year or year means the period from 1 July 2009 to 30 June 2010.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held in November 2010. The final date and location will be advised in the Notice of Meeting, expected to be dispatched to shareholders in early October 2010.

ASX LISTING

The Company's shares are listed on the Australian Securities Exchange under the code URM.

CHAIRMAN'S REVIEW 2010

Dear Shareholder

Over the past year the Company's attention has shifted from base metal and uranium exploration in central Australia to more advanced gold exploration activities in Guyana, South America. This shift is in line with last year's stated objective to evaluate other opportunities with particular emphasis on more advanced exploration prospects.

The Ianna Exploration Joint Venture (the 'JV') was formed on 19 April 2010 to explore the Ianna Gold Project located in the North West region of Guyana. The Project area has a long history of artisanal mining but only limited exploration activity was carried out in the mid 1990's within the area. Uramet Minerals Limited ('Uramet') now plans to complete a systematic exploration campaign using current mineral resource estimation techniques. Exposed artisanal workings and data obtained from the 1995 historical exploration activities has provided the Company with highly prospective ready drill targets.

The immediate plan is to complete a 2,000 metre reverse circulation (RC) drilling program to confirm the potential for a large tonnage gold resource. If this initial program confirms the Company's anticipated potential of the Ianna Gold Project, then the drilling program will be extended to improve resource delineation.

Since commencement of the JV, Uramet has recruited on-site exploration staff, contracted in-country Guyana administrative support services and initiated the exploration program.

The Company has committed US$1 million to retain an initial 50% interest in the JV, and a call option expiring on 30 April 2012 allows Uramet to increase its interest to 75% at a cost of US$2.5 million. If this option is not exercised then Uramet will be deemed to have withdrawn from the JV. These conditions may require the Company to raise funds, however, this will be determined when exploration results come to hand and are fully evaluated.

Uramet's Australian exploration projects are the Box Hole Lead Zinc project, the Adnera and Wilora uranium projects, and the Millionaires Well tungsten project, all of which are located in the Northern Territory. In relation to the Box Hole and Wilora projects, the Company is continuing the search for joint venture partners to progress exploration work. The Adnera uranium and Millionaires Well tungsten projects still require some low cost exploration work to better understand their upside potential and depending on the outcome of this work, may also be offered up for joint venture. In summary, exploration work on Uramet's Northern Territory projects has been scaled back allowing the Company's resources to be focused on the Ianna Gold Project.

Considerable time and effort was expended over the past year evaluating new opportunities and the Board is very pleased with the outcome so far. The Ianna Gold Project is an exciting opportunity and could be a potential company maker. The initial drill program has been planned and, subject to the timely arrival of the drill rig on site, the drill program is now expected to commence around October in which case results should start to become available in November this year.

I thank our dedicated directors, staff and contractors who all worked most conscientiously throughout the year. It is through their efforts Uramet is now well positioned to deliver increased shareholder value in a relatively short period.

Finally, thank you to all our loyal shareholders for their continued support and we look forward to seeing many of you at our forthcoming annual general meeting.

Sam Randazzo
Executive Chairman

1. INTRODUCTION

The Company's principal focus during the latter half of the financial year has been on the Ianna Gold Project in Guyana South America which is held through the Company's 50% interest in the Ianna Exploration Joint Venture. It is the board's view that this project provides the best opportunity for near term improvements in shareholder value through exploration success.

The Company's decision to focus on Ianna has meant that only limited work has been done on continuing to confirm the potential of Company's Australian exploration assets in the Georgina Basin. Several tenement areas have been relinquished. Exploration expenditure in other areas has been fully provided for due to the cessation of active field work. Despite this, the Company is maintaining tenements in good order in several project areas including the Box Hole lead zinc project. The Company is actively seeking a joint venture partner to continue exploration in Box Hole following a report received from an independent expert in October 2009 recommending further exploration.

The net loss from operations for the year was $1,805,186. This loss was after expensing exploration expenditure of $122,071 and after raising a provision against Box Hole exploration expenditure of $859,501.

2. THE IANNA GOLD PROJECT – GUYANA SOUTH AMERICAN

The Ianna Joint Venture has mineral rights over a 54 km^2 suite of contiguous mining permits, including 13 km^2 under application, which are centred over the Ianna/Yakishuru gold mining district located within the well-known Guiana shield region of Guyana. Small-scale near-surface gold mining has until recently been undertaken by the Company's joint venture partner, SRM, within these permit areas.

The Ianna Joint Venture currently comprises ten mining permits and three mining permit applications. In addition, the Joint Venture has secured rights to a number of pre-existing small claims that lie within the Joint Venture's mining permits and straddle key areas of interest. To date there has been minimal exploration within these permit areas.

Uramet has already identified a number of drill ready targets, and plans are in place to undertake an initial drilling program to determine the potential for large tonnage resources. Given the strike lengths, as indicated by historical artisanal mining, trenching and minor drilling by previous companies, the potential for the delineation of large tonnage gold resources is strongly indicated.

Project Background

The Ianna project mining permits lie within the Guiana Shield, a palaeo-Proterozoic granite-greenstone terrane (2.2 billion years) forming the northern part of the Amazon Craton.

The gold mineralised structures at the Ianna project are usually related to granite stocks intruded into the north and south limbs of a WNW trending antiform at the contact of sediments in the core with overlying volcanic rocks in the limbs. The dominant mineralised trend is 100° - 110° which may reflect that of the regional primary layering. Uramet's preliminary assessment suggests the mineralised zones are located within an area measuring 4 km by 6 km.

Artisinal gold mining operations since the late 19th Century, together with more substantial mining of in-situ mineralisation over the past 10 years, have delineated linear zones of high-grade gold mineralisation (0.5 – 1.0oz per tonne), each of which may be traced along strike for between one hundred and seven hundred metres. Recent sluicing operations of surface material adjacent to these structures reveal that the highly auriferous material collected (as indicated by gold recovery) is from in-situ rocks which contain multiple stringers and stockworks of quartz and ironstone veinlets. This suggests that the primary material adjacent to the main zones is gold mineralised. Support for wide mineralised zones is also provided by trenching and diamond core drilling by Canarc Resource Corp in 1995 and by trenching carried out by the Company's joint venture partner SRM in 2009.

Since commencement of the Joint Venture in late April 2010, Uramet has recruited on-site exploration staff, contracted in-country Guyana administrative support services and initiated an exploration program.

By 30 June the Company had expended $483,000 in earn-in expenditure and in doing so had passed the threshold required to meet the first 12 month obligation and necessary to maintain its interest in the project.

The immediate plan is to complete a 2,000 metre reverse circulation (RC) drilling program to confirm the potential for a large tonnage gold resource. If the initial drilling program confirms this potential, drilling will be extended to delineate resources.

Activities undertaken within the Ianna Gold Project to date include the completion of a soil sampling program at Stone Hill 1 Prospect, the commencement of access and drill site preparation at Kings Ransom and Chow Wow Prospects, upgrade of the exploration camp facilities and servicing heavy equipment to ensure all is ready for the drilling program that is expected to commence in late October this year.

Consulting geologist, Mr Phil Fillis, who has over 30 years' experience in the exploration and mining industry, has been engaged to develop and oversee the exploration program for the Ianna Joint Venture. Mr Fillis has managed many gold exploration programs and technical audits worldwide including South America where the Ianna Joint Venture is located.

Trench at Kings Ransom Prospect

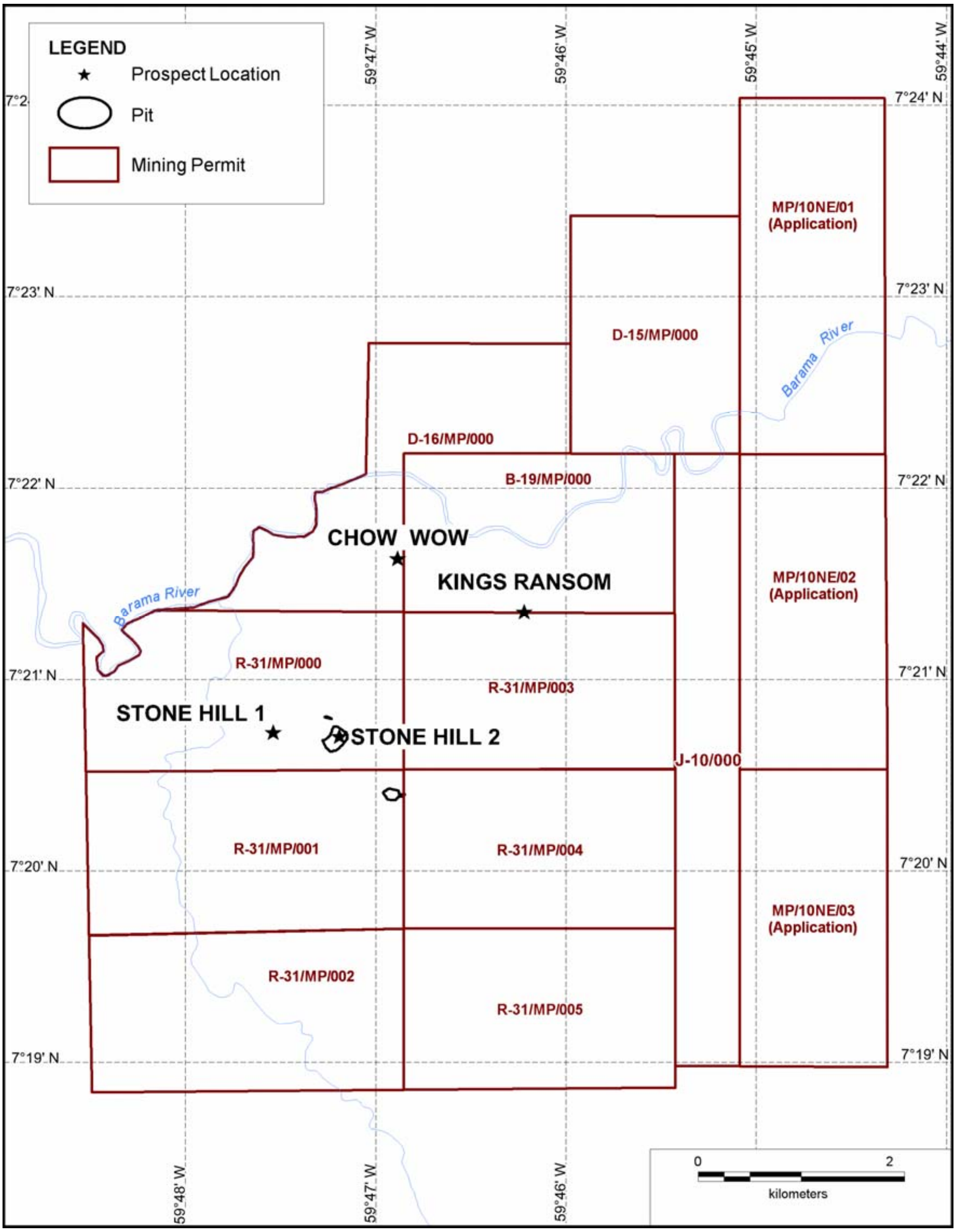
FIGURE 1: MAP OF SOUTH AMERICA SHOWING GUYANA LOCATION

Mr Fillis, who visited the Ianna project site in January 2010, noted in his preliminary review of past exploration data and inspection of the numerous artisanal and current SRM workings throughout the project area, that there are strong indications of wide zones of mineable grade gold mineralisation.

The key terms of the exploration Joint Venture Agreement are as follows:

1. Uramet to spend US$1M over two (2) years to earn a 50% interest in the project;
2. A call option expiring 30 April 2012, allows Uramet to acquire an additional 25% interest for US$2.5M. The Company must exercise this option to retain its interest in the project;
3. US$350,000 minimum expenditure by Uramet in first year (which was achieved prior to 30 June 2010);
4. Uramet must elect to continue with or withdraw from the joint venture by no later than 10 January 2011. An election to continue will require the issue of 1M options, expiring 2 years from the issue date, to the Company's joint venture partner, SRM, to subscribe for 1M ordinary Uramet shares at A$0.15 each; and
5. Uramet has been appointed manager of the joint venture.

FIGURE 2: IANNA GOLD PROJECT – MINING PERMITS AND LOCATION OF PROSPECTS



Uramet's initial exploration program will focus on the following four prospects located within the permit areas:

- Kings Ransom
- Chow Wow
- Stone Hill 1
- Stone Hill 2

Kings Ransom

The Kings Ransom Prospect was originally worked by artisan miners, with a shaft located in the eastern part of the prospect. Uramet's joint venture partner, SRM, undertook a trenching program in 2009, entailing eight trenches for 627m.

Significant assay results of these samples are presented in Figure 3 and Table 1.

FIGURE 3: MAP SHOWING SIGNIFICANT TRENCH RESULTS AT KINGS RANSOM

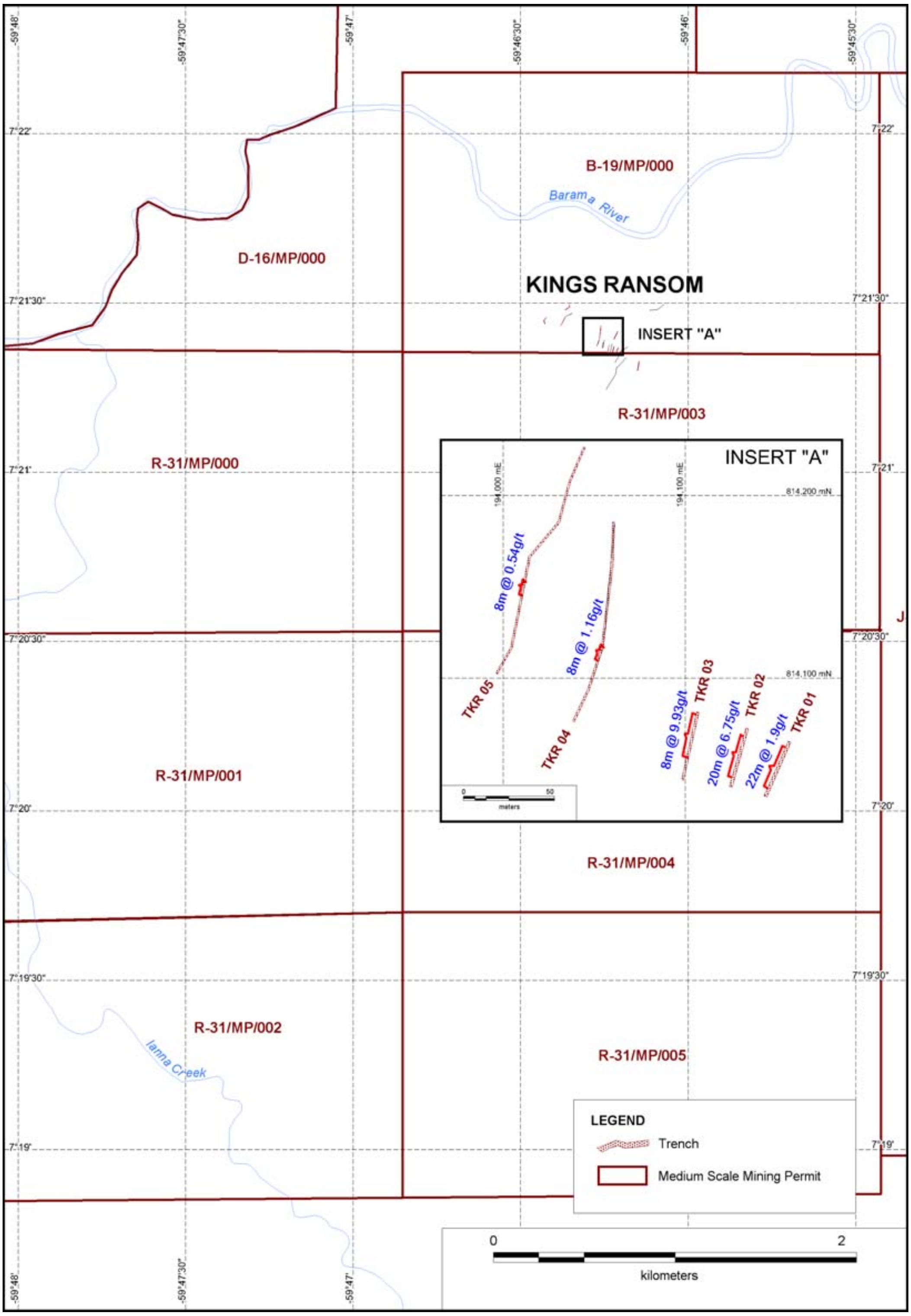


TABLE 1: SRM TRENCH RESULTS – KINGS RANSOM PROSPECT

Hole ID	Intercept metres	g/t Au
TKR01	22	1.90
TKR02	20	6.75
TKR03	21	9.93
TKR04	8	1.16
TKR05	8	0.54

The widths and grades of the SRM trenching results at the Kings Ransom prospect provide an excellent drill target. Access and drill site preparation has commenced, with RC drilling now planned for late September 2010. The drill program at Kings Ransom will aim to confirm depth extensions and strike continuity of the broad zones of gold mineralisation encountered in the SRM trenching.

Kings Ransom Prospect –Trench # 9 - fine quartz veining

Chow Wow

The prospect was first mined by artisan miners in the 1940's from a shaft reaching 20 – 25m in depth. SRM mined the prospect by open pit between 2006 and 2008. The current pit extents are approximately 70m in length and 40m in width, and 20 metres deep.

Mapping of the pit and surrounding area was undertaken during the June quarter to better define proposed drill hole locations. Mineralisation is associated with a stockwork of quartz veins and stringers, and presents an immediate drill target.

Quartz veins on the northern wall of the Chow Wow Pit

Stone Hill 1

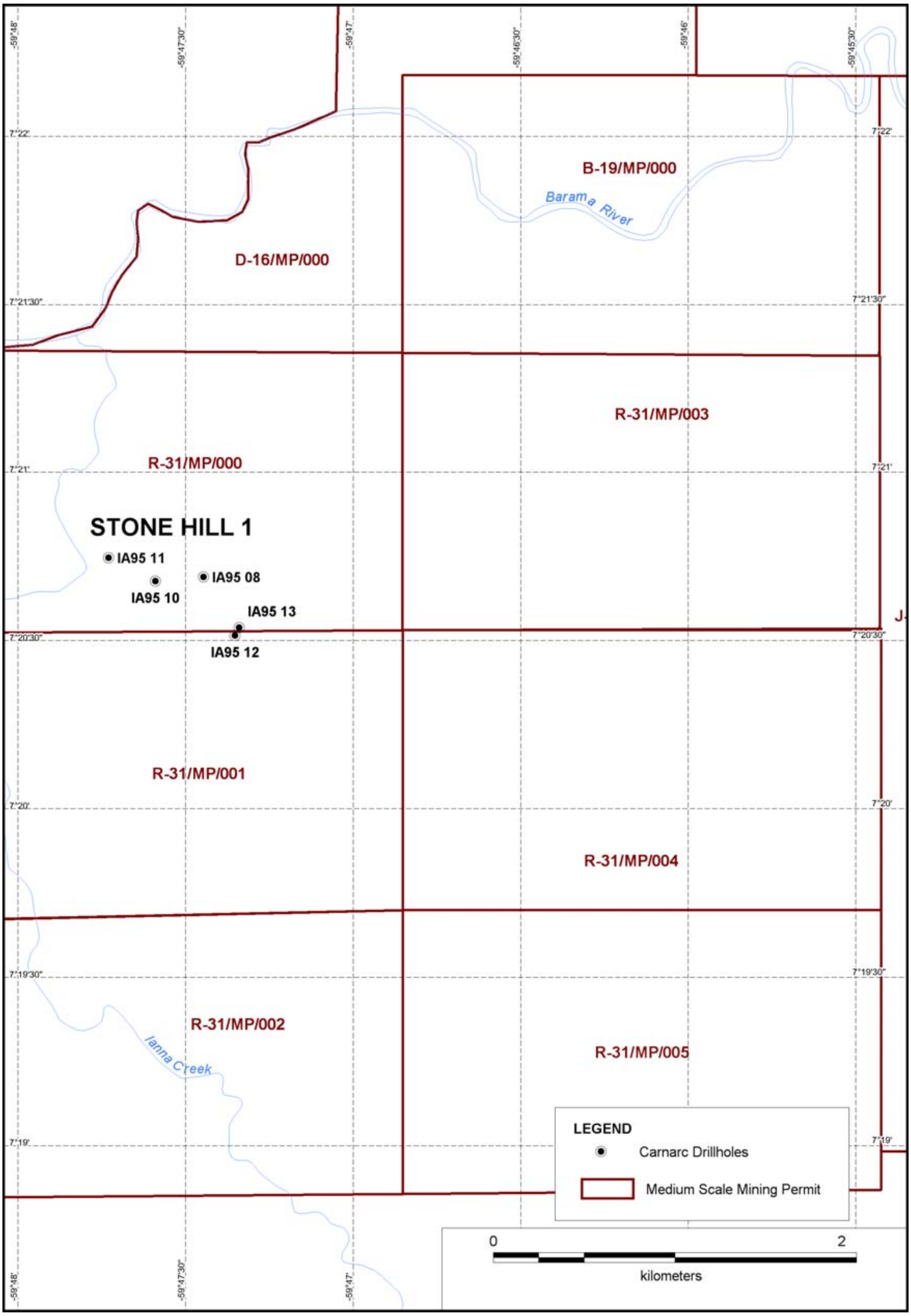
At the Stone Hill 1 Prospect exploration work was carried out by Canarc Resources between 1994 and 1995. This program comprised soil sampling and diamond core drilling. Significant drilling results reported in Canarc's press release of 8 September 1995 are presented below.

TABLE 2: SIGNIFICANT INTERCEPTS AS REPORTED BY CANARC

Hole	From	To	Intercept	g/t Au
IA95-08	15	39	24	1.25
IA95-10	60	63	3	2.86
IA95-11	0	119	119	0.62
incl	11	28	17	1.03
and	64	73	9	1.65
IA95-12	124	127	3	2.95
IA95-13	35	93	58	0.82
incl	35	50	15	1.84

(Note: the above results have not been verified by Uramet)

FIGURE 4: LOCATION OF CANARC DIAMOND DRILL HOLES AT THE STONE HILL PROSPECT



Note: Hole locations were sourced from a plan included in a progress report dated June 1995 by Roraima Gold Corporation (Canarc's JV partner at the time)

Other auriferous zones have been delineated at Stone Hill 1 with trenching and exploration pits by SRM and shallow workings by artisan miners.

The exact locations of the drill holes and soil sampling by Canarc have not been located on the ground due to regrowth of vegetation. A soil sampling program covering the soil anomalies obtained by Canarc has been completed. A total of 619 samples were collected and dispatched to a laboratory in Georgetown for sample preparation. Pulps were sent to a Laboratory in Vancouver for analysis.

A trenching program targeting the best soil anomalies has been planned for August and September 2010 to expose gold mineralised structures. The results from this trenching program will define proposed drill hole locations to be tested by RC drilling.

Uramet exploration manager, Paul Penna (left) and project geologist, Johnson Poshiwa, on site at Ianna Gold Project

Stone Hill 2

This Prospect was originally worked in the 1960's – 1970's by artisan miners who worked the main vein in two pits. SRM excavated the workings in 2006 to the current pit limits of 230m long (NE-SW) by 150m wide, and was the main gold producer for SRM. The potential strike and depth extensions to this pit present an excellent drill target.

FIGURE 5: AUSTRALIAN PROJECT AREAS AND TENEMENT POSITION AS AT 30 JUNE 2010

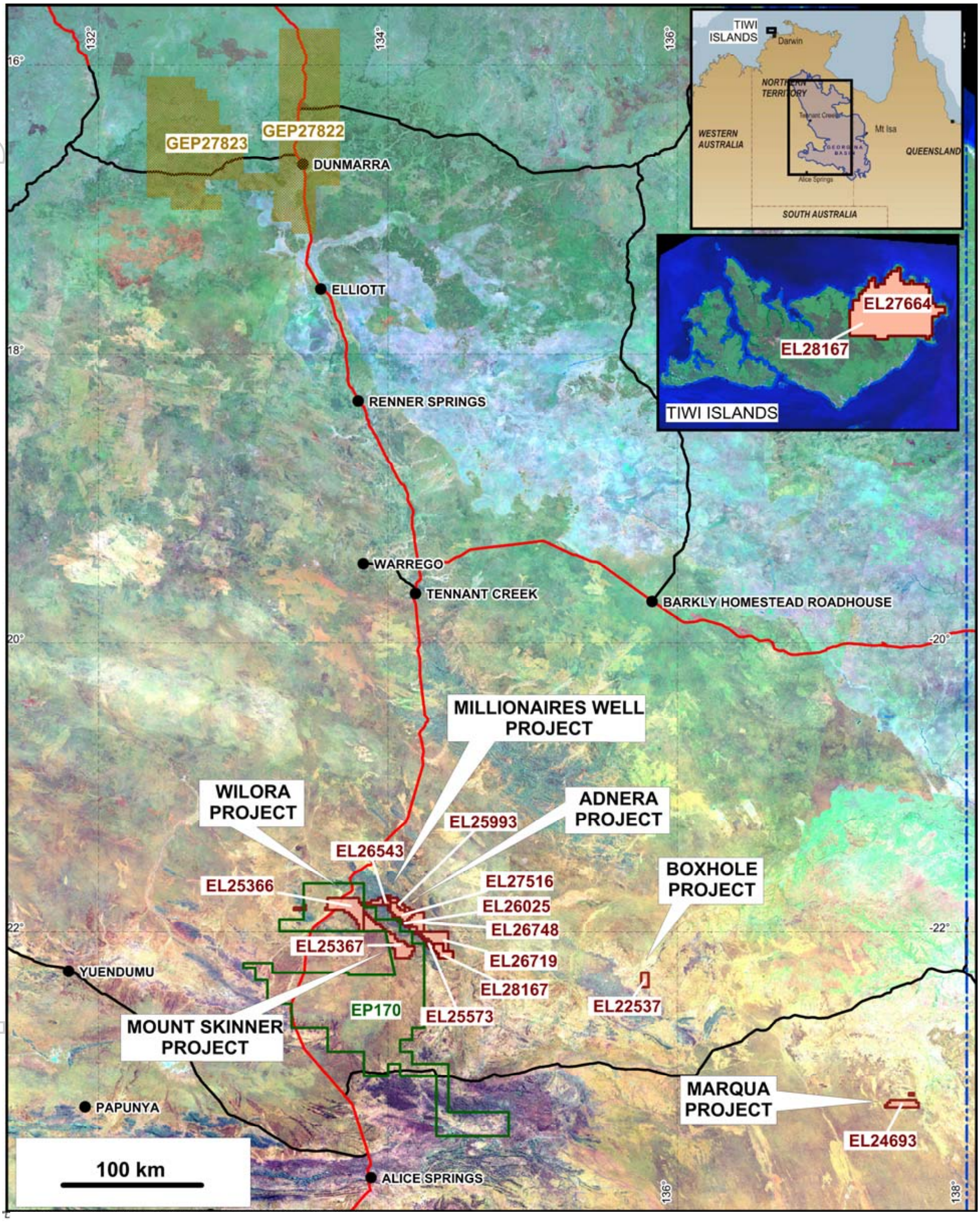
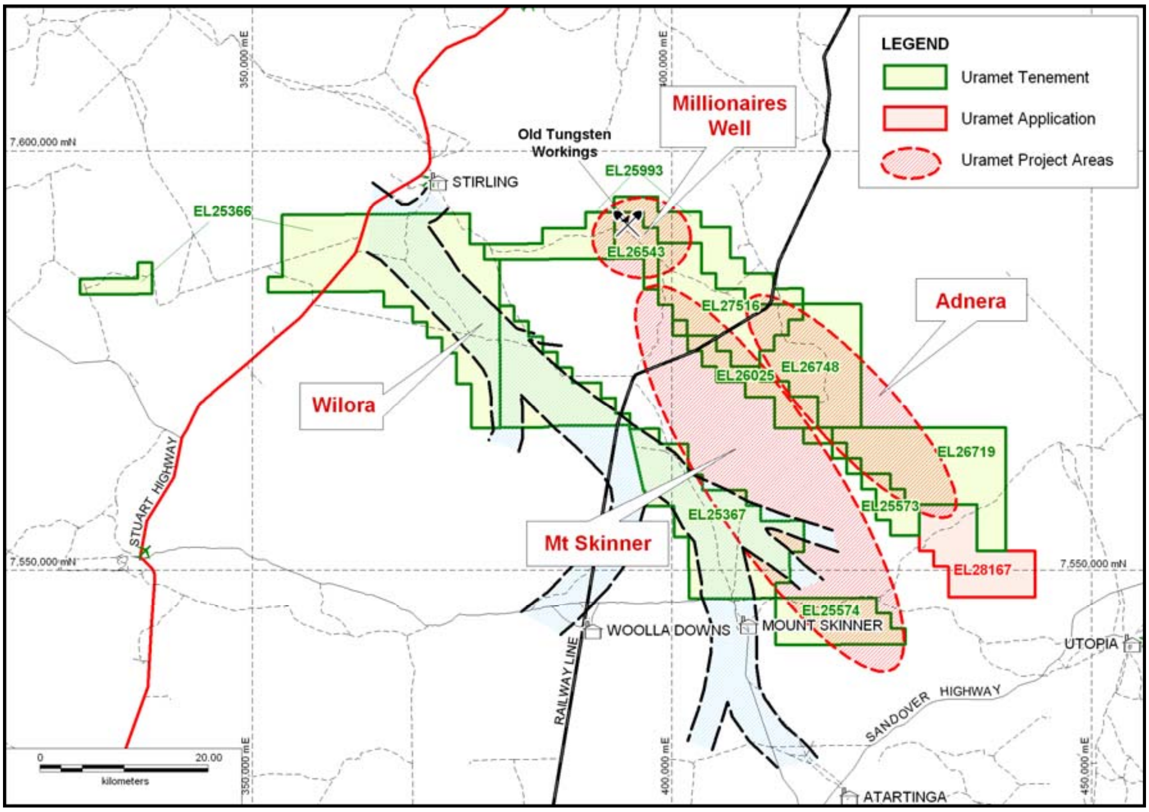


TABLE 3: AUSTRALIAN TENEMENT SUMMARY AT 30 JUNE 2010

Project	Commodity	Tenement Number	Area km^2
Box Hole	Lead-Zinc	EL 22537	57
Field River	Base Metals	EL 24693	126
Wilora	Uranium	EL 25366	356
Wilora/Mt Skinner	Uranium/Base Metals	EL 25367	320
Mt Skinner	Base Metals	EL 25573	41
Mt Skinner	Base Metals/Uranium	EL 26025	54
Millionaires Well	Tungsten	EL 25993	130
Millionaires Well	Tungsten	EL 26543	32
Adnera	Uranium	EL 26719	172
Adnera	Uranium	EL 26748	127
Adnera	Uranium	EL 27516	121
Adnera	Uranium	EL 28167(A)	99
			1,635

Abbreviations: EL = Exploration Licence, A = Application.

FIGURE 6: TENEMENT PLAN SHOWING THE LOCATION OF THE COMPANY'S AUSTRALIAN PROJECTS



3. AUSTRALIAN PROJECTS

Exploration work on Uramet's Northern Territory projects has been scaled back to prioritise progress on the Ianna Gold Project.

Box Hole Project – Lead Zinc

During the September 2009 quarter independent experts from geological and mining consultant group CSA Global Pty Ltd undertook a review of all available data. CSA are of the opinion that exploration has largely been focused closely within the area of outcropping mineralisation, with potential for mineralisation to occur in areas that to date have been inadequately tested. Also, that significant targets are likely to exist at deeper stratigraphic levels, with the known mineralisation possibly representing leakage from a more substantial mineralising system at depth.

The Company is seeking a joint venture partner to continue exploration in this project area. In the interim the Company has provided in full for exploration expenditure incurred to date.

Millionaires Well Project – Tungsten
A costeaning program aimed at identifying tungsten bearing quartz veins has been deferred until the next Northern Territory field season which starts in April/May 2011.

Adnera Project – Uranium
The extension of an auger soil sampling program has also been deferred until the next Northern Territory field season.

Wilora Project - Uranium
A detailed review of all available data was undertaken during the September 2009 quarter. The study suggests that further test work is recommended to ensure that uranium was not lost in the fine dust fraction during the drilling process within the paleochannel. Further test work required involves disequilibrium analysis and down-hole gamma probing.

Other Activities
The Company has made application for tenements in other Australian locations targeting bauxite, geothermal energy and methane contained within lignite.

4. CORPORATE

In May 2010 the Company announced the establishment of a sale facility for holders of unmarketable parcels of shares in the Company, being a parcel of shares with a value of less than $500. A total of 697 shareholders held unmarketable parcels at the time of sale and 1,316,568 shares were sold on 9 August 2010. This sale represented 2.02% of the Company's total issued shares.

On 19 August 2010 the Company announced that it intended to proceed with a share purchase plan (SPP). Under the terms of the SPP the Company plans to issue a maximum of 18,000,000 shares at 5 cents each to raise a maximum of $900,000.

5. COMPETENT PERSON'S APPROVAL

This Operations Review is issued with the prior written consent of Mr Paul Penna, Exploration Manager, a full time employee of Uramet Minerals Limited and a Member of the Australian Institute of Geoscientists with more than 5 years experience in the fields of activity reported. Mr Penna has read and gives his consent to the release of this report in this form.

Randazzo/.

S Randazzo
Executive Chairman

BOARD OF DIRECTORS

Mr Sam Randazzo, BBus, CA **Executive Chairman**

Mr Randazzo is a founding shareholder of the Company and oversaw the acquisition of the Company's Australian mining tenements from Elkedra Diamonds NL prior to the Company's listing in June 2007. Prior to this, he was the Executive Director of Elkedra Diamonds from June 2004 until its merger with Canadian company Vaaldiam Resources Ltd in November 2007. He was a founder of Elkedra's Chapada Diamond Project in Brazil. He has 30 years professional experience, having commenced his career with international accounting firm Arthur Young, after which he provided independent consulting services to a number of companies, operating predominantly in the international resources sector.

Mr Randazzo is a member of the Institute of Chartered Accountants in Australia.

Mr Don Best, Assoc. CE, CPEng FIEAust **Non-Executive Director**

Mr Best was the Executive Chairman of Uramet's foundation shareholder, Elkedra Diamonds NL until its takeover in November 2007. He has over 29 years experience in mineral project engineering, construction and project management. Prior to joining Elkedra, he held senior executive positions within Minproc Engineers. Mr Best has worked on major resource development projects for companies including North Limited and Rio Tinto involving project evaluation, detailed design and construction. He was instrumental in the successful development of the Chapada Diamond Project in Brazil.

Mr Best is a Chartered Professional Engineer and is a fellow of the Institute of Engineers in Australia.

Mr Richard Procter, BSc(Eng) MBA CEng MIMMM **Non-Executive Director**

Mr Procter is a mining engineer with over 30 years broad international experience covering corporate, investment, operations, contracting, consulting and project developments. These positions have included the leadership and management of base and precious metal mining assets (at both executive and general management level), development of bankable feasibility studies and their conversion into mining operations. Mr Procter has also held senior industry positions with engineering and consulting groups such as Bateman, Nedpac, Minproc and DevMin plus significant development and operational experience in producing base and precious metal companies such as Lonrho, Avocet, WMC and BHP Billiton. Mr Procter's international mining experience encompasses operations and projects in Africa, Australasia, Europe, South America, Middle East, China and Russia. Mr Procter continues to provide technical and strategic planning advice to mining and industrial companies.

Mr Procter is a Chartered Engineer (UK).

Mr Robert Duncan, BSc, FAusIMM, MAIG **Non-Executive Director**

Mr Duncan is an economic and exploration geologist with 40 years of continuous mineral exploration and mining project development experience in Australia and overseas in Russia, Kazakhstan, China and Central Africa. For approximately half this time, Mr Duncan was employed by multinational mining companies and for the remainder as an independent consultant to the industry in mineral exploration, project feasibility, mineral property valuation and ASX prospectus preparation.

Most recently he has managed the geological and mining aspects of the development of Lynas Corporation´s world class rare earths deposit in Western Australia.

Mr Duncan is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

COPORATE GOVERNANCE STATEMENT

The Company has in place corporate governance practices that are formally embodied in corporate governance policies and codes adopted by the Board ('the Policies'). The aim of the Policies is to ensure that the Company is effectively directed and managed, that risks are identified, monitored and assessed and that appropriate disclosures are made.

In preparing the Policies, the Directors considered the ASX Principles of Good Corporate Governance and Best Practice Recommendations ('the Recommendations'). The directors incorporated the Recommendations into the Policies to the extent that the directors considered the Recommendations were appropriate taking into account the Company's size, the structure of the Board, its resources and its proposed activities.

The Board has adopted the following:

Statement and Charters

1. Corporate Governance Statement
2. Board Charter
3. Audit Committee Charter
4. Remuneration Committee Charter

Policies and Procedures

1. Code of Conduct
2. Trading in Company Securities
3. Risk Management Policy
4. Shareholder Communication Strategy
5. Continuous Disclosure Policy
6. Safety Policy
7. Environmental Policy

Notwithstanding the small size of the Board and the Company, the Board has, in accordance with the policies, established various committees to better manage its responsibilities. These committees include the Audit and Compliance Committee and the Remuneration Committee, the latter comprising the Board. As the Company and its activities grow, the Board may implement additional corporate governance structures and committees.

The Company's corporate governance policies are available on the Company's website at www.uramet.com.au.

Company compliance or non compliance with ASX Principles

ASX Principle 1 Recommendation 1.1 requires that the Company formalise and disclose the functions reserved to the Board and those delegated to senior executives. The respective responsibilities of Board and management are specified in the Board Charter which can be found in the Corporate Governance section of the Company's website.

ASX Principle 1 Recommendation 1.2 requires that the Company disclose the process for evaluating the performance of senior executives. As outlined in the Board Charter, the Board is collectively responsible for the evaluation of senior executives.

ASX Principle 2 Recommendations 2.1, 2.2 and 2.3 requires the Company to have a majority of independent directors, the chairman to be independent and that the chairman and chief executive officer be different persons. The Company has one executive Board member in the role of chairman and three non-executive, independent Board members. The roles of chairman and chief executive officer are exercised by the same person and the chairman is not an independent director. As such, the Company has currently not adopted Recommendations 2.2 and 2.3, however, the Board considers that the current composition of the Board is adequate for the Company's current size and operations and includes an appropriate mix of skills, expertise and experience relevant to the Company's business. The Company has appointed a lead independent director to take over the role of the chairperson when the chairperson is unable to act in that capacity as a result of his or her lack of independence.

ASX Principle 2 Recommendation 2.4 requires listed entities to establish a nomination committee. The Company does not have a separately established nomination committee. Given the current size of the Board, the Board considers that this function is efficiently achieved with full Board support in accordance with the guidelines set out in the Board's charter.

ASX Principle 2 Recommendation 2.5 requires that the Company disclose the process for evaluating the performance of the Board, its committees and individual directors. As outlined in the Board Charter, the Board is collectively responsible for the evaluation of the other directors.

ASX Principle 3 Recommendations 3.1 and 3.2 The Company has established a Code of Conduct to guide directors and all employees in the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account the Company's legal obligations and the reasonable expectations of stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

All directors, executives and employees of the Company are charged with the responsibility to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The principles require the Company to make available a summary of its Code of Conduct and Share Trading Policy, which is available on the Company's website.

ASX Principle 4 Recommendations 4.1, 4.2 and 4.3 require collectively that the Company should safeguard the integrity of its financial reporting.

The Company has an audit committee which has a formal charter and which is comprised of three independent non-executive directors, one of whom has formal business qualifications and all of whom have an understanding of the industry in which the Company conducts its operations. The audit committee's charter is disclosed on the Company's website. The chairman of the audit committee is not the chairman of the Company.

ASX Principle 5 requires that the Company promote timely and balanced disclosure of all material matters concerning the Company.

The Company understands and respects the fact that timely disclosure of price-sensitive information is central to the efficient operation of the ASX and to the prevention of selective or inadvertent disclosure, the conduct of investor and analysts' briefings, media communications, commenting on expected earnings, communications black-out periods and reviews of briefings and communications. The policy is reviewed periodically and updated as required.

The company secretary is responsible for overseeing and coordinating disclosure of information to the ASX and liaises with the chairman in relation to continuous disclosure matters. The chairman is responsible for overseeing and coordinating disclosure of information to analysts, brokers and shareholders.

The Company's Continuous Disclosure Policy is shown on the Company's website.

ASX Principle 6 requires that the Company design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings. A copy of the Company's Shareholder Communication Strategy can be viewed on the website – www.uramet.com.au

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's half-yearly and quarterly reports. The Company also encourages full participation of shareholders at the annual general meeting of the Company which is attended by the Company's auditor who is available to answer questions.

The Company maintains a website on which the following information for the last three years is made available on a regular and up to date basis:

- Company announcements
- Information briefings to media and analysts
- Notices of meetings and explanatory materials
- Financial information

- Annual reports
- Latest share price

The Company also provides a website portal whereby shareholders requesting inclusion are emailed Company announcements as and when they are released to the market.

ASX Principle 7 requires that the Company establish a system of risk oversight and management and internal control.

The chief executive officer and the equivalent to the chief financial officer have provided assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Company's affairs. The chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

The Company's financial situation is not complex. It is expected that the existing cash reserves will be used for exploration and administration purposes.

Further details are provided on the Company's website.

ASX Principle 8 requires that the Company remunerate fairly and responsibly.

The Company has established a remuneration committee, the charter for which is available in the Company's website. The remuneration committee comprises the full Board but excludes the relevant member of the Board when his or her performance and/or remuneration are under review.

Your directors present their report on the Company for the financial year ended 30 June 2010.

Directors

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

Mr S Randazzo
Mr D Best
Mr R Procter
Mr R Duncan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The qualifications, experience and special responsibilities of the directors have been shown elsewhere in this report.

Company Secretary

The following persons held the position of joint company secretary at the end of the financial year:

Ms Karen Manson: BComm, CPA, MBA – Ms Manson has been a company secretary of Uramet Minerals Limited since 30 April 2008.

Mr Neil Fearis: LL.B. (Hons) MAICD F FIN – Mr Fearis has been a company secretary of Uramet Minerals Limited since 19 May 2010.

Principal Activities

The principal activity of the Company during the financial year was exploration for gold, base metals and uranium.

Operating Results

The total comprehensive loss of the Company for the year was $1,805,816 (2009: $1,975,676).

Financial Position

The net assets of the Company at year end was $2,005,275 (2009: $3,806,304).

Dividends Paid or Recommended

No dividend was paid or declared during the year and the directors do not recommend the payment of a dividend.

Review of Operations

During the financial year the Company entered into a joint venture agreement for the exploration of gold in Guyana. The Company also carried out field exploration programs for base metals and uranium in the Northern Territory of Australia.

A detailed review of the Company's operations and results achieved during the year are contained in the Operations Review on pages 4 to 15 of this Annual Report.

Significant Changes in State of Affairs

On 13 April 2010 the Company announced that it had executed an Exploration Joint Venture Agreement with Sheik R Minerals Inc. with respect to Sheik R Minerals Inc.'s mineral properties in the Ianna/Yakishuru goldfields of north western Guyana. Information on this project is detailed in the Operations Review on pages 4 to 15 of this Annual Report.

After Balance Date Events

There were no material events arising subsequent to 30 June 2010 to the date of this report except as follows:

On 19 August 2010 the Company announced that it intended to proceed with a share purchase plan. Under the terms of the plan the Company plans to issue a maximum of 18,000,000 shares at 5 cents to raise a maximum of $900,000.

Future Developments

Likely future developments in the operations of the Company are referred to in the Operations Review on pages 4 to 15 of this Annual Report. Further information as to likely developments in the operations of the Company and the likely results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the Company.

Environmental Issues

The Company's operations are subject to environmental regulation under the Laws of the Commonwealth, and the Northern Territory. Rehabilitation bonds over certain leases are held by the Government in the Northern Territory. It is anticipated that these bonds will not be called on as the Company maintains a strict policy of appropriate rehabilitation over its exploration sites. The majority of the Company's activities involve low level disturbance associated with its exploration programs, as it is not presently involved in any mining activities.

Remuneration Report

The Board's policy determining the nature and amount of compensation of key management personnel for the Company is as follows:

Executive Remuneration

All executives receive a base salary, superannuation, fringe benefits, and performance incentives. The Board reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is reviewed annually, in December, by the Board, with revised remuneration packages generally taking effect from the 1st of January of the following calendar year. Executives are also entitled to participate in the employee option plan from time-to-time, as determined by the Board.

All remuneration paid to executives is valued at the cost to the Company. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented for executives will result in the Company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to pursue the long term growth and success of the Company.

The payment of bonuses, stock options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

Mr Randazzo became an executive chairman on 1 June 2009. Mr Randazzo is remunerated in accordance with a service agreement as detailed below in Employment Contracts of Directors.

Non-executive Directors

Other than for options disclosed in the Remuneration Report, there is no incentive-based, equity-based remuneration for non-executive directors. Messrs Best, Duncan and Procter all receive a fixed annual fee paid quarterly. The non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements. Non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

Employment Contracts of Directors

Other major provisions of the agreements relating to remuneration of the directors are set out below:

Mr S Randazzo, Executive Chairman & Director
Remuneration and other terms of employment for Mr Randazzo are formalised in a fixed three year executive service agreement.

- Term of agreement – commenced 1 June 2009 and expires 31 May 2012.
- Remuneration, inclusive of superannuation, of $200,000 per annum.
- The agreement may be terminated by the Company giving 3 months' written notice.
- Payment of a termination benefit on early termination by the employer, other than for gross misconduct, to be equal to the remuneration that would have been payable for the remainder of the term or for a period of 12 months, whichever is the greater.

Mr D Best, Non-executive Director

- Agreement to act as non-executive director.
- Fixed fee, inclusive of superannuation of $16,350 per annum, to be reviewed annually.

Mr R Procter, Non-executive Director

- Agreement to act as non-executive director.
- Fixed fee, inclusive of superannuation of $16,350 per annum to be reviewed annually.

Mr R Duncan, Non-executive Director (appointed 1 July 2008)

- Agreement to act as non-executive director.
- Fixed fee, inclusive of superannuation of $16,350 per annum to be reviewed annually.

The remuneration for each key management person of the Company was as follows:

2010			Short-Term Benefits			
Key Management Person	Cash Salary, Fees & Commissions	Superannuation	Non Cash Benefit	Non Cash Options Value	Total	Performance Related %
Mr S Randazzo[1]	190,792	17,171	-	-	207,963	-
Mr D Best	16,350	-	-	-	16,350	-
Mr R Procter	16,350	-	-	-	16,350	-
Mr R Duncan	15,000	1,350	-	-	16,350	-
Mr P Penna	148,800	13,392	-	-	162,192	-
Ms K Manson	93,706	8,434	-	-	102,140	-
Mr N Fearis	-	-	-	-	-	-
	480,998	40,347	-	-	521,345	-

1 Mr Randazzo's remuneration for the year ended 30 June 2010 exceeded his contractual annual salary due to a payment in August 2009 for backpay relating to the year ended 30 June 2009.

Mr Fearis did not receive remuneration from the Company for his services as Joint Company Secretary however the Company paid fees to MinterEllison, a law firm at which Mr Fearis is a Special Counsel. The fees paid to MinterEllison were for legal services based on rates commensurate with the legal services provided. During the period from the date of Mr Fearis' appointment as Company Secretary (19 May 2010) to year-end, the Company paid fees of $14,300 to MinterEllison.

2009			Short-Term Benefits			
Key Management Person	Cash Salary, Fees & Commissions	Superannuation	Non Cash Benefit	Non Cash Options Value	Total	Performance Related %
Mr S Randazzo	99,702	35,340	2,298	-	137,340	-
Mr W Hewitt	47,440	84,012	-	-	131,452	-
Mr D Best	-	24,525	-	-	24,525	-
Mr R Procter	24,525	-	-	-	24,525	-
Mr R Duncan	22,500	2,025	-	4,245	28,770	-
Mr P Penna	148,800	13,392	-	-	162,192	-
Mr A Dworkin	13,087	-	-	-	13,087	-
Ms K Manson	58,955	27,329	2,642	-	88,926	-
	415,009	186,623	4,940	4,245	610,817	-

While the non cash options granted to key management personnel are not directly dependent on the satisfaction of a performance condition it is maintained that the nature of an option based benefit provides key management personnel with an incentive to deliver sustainable shareholder value. To this extent, the value of the option is dependent on key management performance. It also forms part of the Company's strategy to ensure that it retains appropriately qualified key management personnel.

Options Granted or Vested as Part of Remuneration for the Year Ended 30 June 2010

No options were granted or vested as part of remuneration during the year ended 30 June 2010.

Options Granted as Part of Remuneration that Expired Unexercised During the Year Ended 30 June 2010

Key Management Person 2010	Grant Date	Granted No	Value Per Option at Grant Date $	Vest Date	Exercise Price $	Expiry Date
Mr P Penna	29 Feb 2008	200,000	0.012	1 August 2008	0.25	31 Jan 2010

The holdings of key management personnel at 30 June 2010 are shown in Note 5 to the financial statements. Since 30 June 2010, Mr S Randazzo's shareholding has increased to 4,196,568. There has been no change in the optionholdings of key management personnel since 30 June 2010.

Meetings of Directors & Committees

During the financial year the following meetings of directors and board committees were held, with the following attendances:

Director	Directors' Meetings Number Eligible to Attend	Directors' Meetings Number Attended	Audit Committee Number Eligible to Attend	Audit Committee Number Attended
Mr S Randazzo	7	7	-	-
Mr D Best	7	7	2	2
Mr R Procter	7	6	2	2
Mr R Duncan	7	7	2	2

Directorships held by directors in other listed companies during the three years prior to the current financial year

Mr S Randazzo	Elkedra Diamonds NL (June 2004 to June 2010)
	Vaaldiam Resources Ltd (November 2007 to March 2010)
	Vaaldiam Mining Inc (March 2010 to June 2010)
Mr D Best	Elkedra Diamonds NL (June 2004 to November 2008)
Mr R Procter	Wedgetail Mining Ltd (February 2005 to March 2007)
	Matrix Metals Ltd (February 2007 to December 2008)
	Zambezi Resources Limited (appointed September 2009)
	Millennium Minerals Limited (appointed April 2010)

Unlisted Options

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

Grant Date	Date of Expiry	Exercise Price	Number
4 Dec 07	19 Jun 12	$ 0.25	600,000
4 Dec 07	19 Jun 12	$ 0.30	600,000
4 Dec 07	19 Jun 12	$ 0.40	600,000
12 Dec 08	19 Jun 12	$ 0.25	200,000
12 Dec 08	19 Jun 12	$ 0.30	200,000
12 Dec 08	19 Jun 12	$ 0.40	200,000
		TOTAL	**2,400,000**

During the financial year ended 30 June 2010, 22,799,236 options expired and 16,630 options were exercised.

From the financial year ended 30 June 2010 to the date of this report, no options have been issued nor exercised.

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

Indemnifying Officers and Auditors

The Company has taken out an insurance policy insuring directors and officers of the Company against any liability arising from a claim brought by a third party against the Company or its directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Proceedings on Behalf of the Company

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

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

Non-Audit Services

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

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No non-audit services were paid/payable to the external auditors during the year ended 30 June 2010.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 26.

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

S Randazzo
Chairman
Subiaco, Western Australia
25 August 2010

R Procter
Director
Subiaco, Western Australia
25 August 2010

WHK Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Uramet Minerals Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

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

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Principal

Perth, WA

Dated this 25th day of August 2010

Total Financial Solutions

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FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED 30 JUNE 2010

CONTENTS

Understanding our Financial Statements

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

The financial report covers the individual entity of Uramet Minerals Limited. Uramet Minerals Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Uramet Minerals Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The financial statements provide users with the opportunity to evaluate the Company's financial performance, cash flow and financial position.

The Statement of Comprehensive Income summarises income and expenses for the year.

The Statement of Financial Position provides information regarding the assets, liabilities and the shareholders' equity of the Company.

In accordance with the Australian Accounting Standards a Statement of Changes in Equity has been prepared. The shareholders' equity of Uramet Minerals Limited consists of issued capital, reserves and accumulated losses.

The Cash Flow Statement outlines the sources of cash and the uses of cash during the financial year and the cash available at the end of the financial year.

To obtain a full understanding, the accompanying notes that form part of the financial statements, should be read in conjunction with the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $	2009 $
Revenue	2	**63,183**	147,400
Other income	2	**545**	630,924
Depreciation and amortisation expense	3	**(44,850)**	(66,199)
Employee benefits expense		**(370,459)**	(375,285)
Exploration costs expensed		**(53,656)**	(462)
Capitalised exploration expenditure written off	8	**(68,415)**	(1,885,088)
Capitalised exploration expenditure provided for	8	**(859,501)**	-
Administrative expenses	3	**(517,077)**	(421,539)
Share based payments	24	**-**	(4,245)
Derecognition of carrying amount of property, plant and equipment	10	**(1,172)**	(1,182)
Foreign exchange gains		**46,904**	-
Loss before income tax	3	**(1,804,498)**	(1,975,676)
Income tax expense	4	**-**	-
Net loss attributable to the Company		**(1,804,498)**	(1,975,676)
Other comprehensive income			
Foreign exchange translation losses		**(688)**	-
Total comprehensive loss attributable to the Company		**(1,805,186)**	(1,975,676)
Basic earnings/(loss) per share - cents per share	18	**(2.78)**	(3.04)
Diluted earnings/(loss) per share - cents per share	18	**(2.78)**	(3.04)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	2010 $	2009 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**1,329,413**	2,779,897
Receivables	7	**1,274**	114
Total Current Assets		**1,330,687**	2,780,011
Non-Current Assets			
Property, plant and equipment	10	**211,215**	182,921
Financial assets	11	**34,000**	38,500
Exploration expenditure	8	**549,504**	901,416
Total Non-Current Assets		**794,719**	1,122,837
TOTAL ASSETS		**2,125,406**	3,902,848
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**93,481**	80,392
Provisions	13	**26,650**	16,152
Total Current Liabilities		**120,131**	96,544
TOTAL LIABILITIES		**120,131**	96,544
NET ASSETS		**2,005,275**	3,806,304
EQUITY			
Issued capital	15	**6,688,525**	6,684,368
Reserves	16	**153,503**	153,503
Accumulated losses		**(4,836,753)**	(3,031,567)
TOTAL EQUITY		**2,005,275**	3,806,304

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Share Capital Ordinary $	Reserves $	Accumulated Losses $	Total $
Balance at 30 June 2008	6,684,368	149,258	(1,055,891)	5,777,735
Loss attributable to members of the Company	-	-	(1,975,676)	(1,975,676)
Option reserve	-	4,245	-	4,245
Balance at 30 June 2009	**6,684,368**	**153,503**	**(3,031,567)**	**3,806,304**
Shares issued during the year	**4,157**	**-**	**-**	**4,157**
Loss attributable to members of the Company	**-**	**-**	**(1,805,186)**	**(1,805,186)**
Balance at 30 June 2010	**6,688,525**	**153,503**	**(4,836,753)**	**2,005,275**

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(734,577)**	(805,204)
Due diligence costs		**(128,022)**	-
Interest received		**62,750**	143,329
Net cash used in operating activities	21	**(799,849)**	(661,875)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		**(478,537)**	(965,230)
Proceeds from sale of property, plant and equipment		**545**	
Payments for purchases of prospects		**(145,352)**	-
Purchase of property, plant and equipment		**(77,664)**	-
Proceeds on sale of tenement		**-**	727,605
Net cash used in investing activities		**(701,008)**	(237,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		**4,157**	-
Net cash provided by financing activities		**4,157**	-
Net decrease in cash held		**(1,496,700)**	(899,500)
Cash at the beginning of the financial year		**2,779,897**	3,679,397
Effects of exchange rates fluctuations on the balances of cash held in foreign currencies		**46,216**	-
Cash at the end of the financial year	6	**1,329,413**	2,779,897

The accompanying notes form part of these financial statements.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Uramet Minerals Limited.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, event and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company has recently scaled back its exploration activity in Australia and now views its gold exploration activities in Guyana, being conducted through the Ianna Exploration Joint Venture, the Ianna Gold Project, as its principal focus.

The terms of the Joint Venture agreement require the Company to meet minimum expenditure commitments to retain its interest in the Joint Venture particulars of which are more fully described in Note 9 and which total US$3,500,000 (A$4,085,444). The Company had expended US$414,185 (A$483,465) prior to balance date leaving residual commitments US$3,085,815 (A$3,601,979). Additionally, the Company has ongoing cash requirements for Australian exploration activities and administrative expenses.

The Company's available cash at balance date was A$1,329,413. Accordingly, the Company anticipates the need to raise additional cash through share issues, sale of assets or by other commercial arrangements, however, there can be no certainty that the Company will be able to raise the cash needed to meet the commitments described above.

In the event that the Company is unable to continue as a going concern it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs that may arise as a result of cessation or curtailment of normal business operations.

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective assets and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis.

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

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight line bases or a reducing balance basis commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and Equipment	*10% – 66.7%*
Motor Vehicles	*30%-33%*
Office Furniture and Equipment	*2.5% – 66.7%*

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(c) Interests in Joint Ventures

This Company's joint venture interests are reported in the financial statements as follows:

(i) Interests in jointly controlled joint venture assets are reported by including the Company's share of those assets in the Statement of Financial Position.

(ii) The Company includes its share of liabilities incurred on behalf of joint ventures in the Statement of Financial Position.

(iii) The Company's share of joint venture revenue and expenses is included in the Statement of Comprehensive Income in the appropriate categories.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Exploration, Evaluation and Development Expenditure

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

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

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are recognised as incurred and treated as exploration and evaluation expenditure.

(f) Employee Benefits

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

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Equity-Settled Compensation

The fair value of equity-settled share-based compensation is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(g) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as 'at fair value through profit or loss'. Transaction costs related to instruments classified as 'at fair value through profit or loss' are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are classified as set out below and are subsequently measured at either, fair value, amortised costs using the effective interest rate method or cost.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Derecognition

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

(k) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provision for Employee Entitlements

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(n) Foreign Exchange

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Recording and translation of foreign currency transactions is completed as follows:

(i) Transactions involving foreign currencies including the Company's share of joint venture transactions in foreign currencies are recorded at the spot exchange rates applying on the date of those transactions.

(ii) Foreign currency monetary items are translated using the spot exchange rates prevailing at the end of the last day of any reporting period.

(iii) Foreign currency non-monetary items are translated at the exchange rates applying during the month when expenditure was incurred.

(iv) Translation gains and losses are reflected as income or expenses.

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments – Exploration and Evaluation Expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Comparative Figures

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

(q) Changes in Accounting Standards

New & Revised Accounting Standards for Application in Current Period

The Company has adopted the following new and revised Australian Accounting Standards and Interpretations issued by the AASB which are mandatory to apply to the current period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit and loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of a single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard.

Operating Segments

From 1 January 2009, operating segments are identified and segment information is disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the board of directors.

The size of the Company, and its stage of development, does not warrant the reporting of information disaggregated into segments. Accordingly, the information provided to the board of directors is prepared using the same measures as those used in preparing the Statement of Comprehensive Income and Statement of Financial Position.

New & Amended Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards some of which are not applicable. The effect, if any, of adopting applicable standards and their impact on the Company cannot be prospectively determined with any substantial accuracy given the nature of operations and stage of development of the Company.

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Changes in Accounting Standards (continued)

The changes made to accounting requirements include:

— simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

— simplifying the requirements for embedded derivatives;

— removing the tainting rules associated with held-to-maturity assets;

— removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

— allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and

— reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:

  a. the objective of the entity's business model for managing the financial assets; and

  b. the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  These standards 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 Company.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Changes in Accounting Standards (continued)

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

	2010 $	2009 $
NOTE 2 – REVENUE AND OTHER INCOME		
Revenue		
Other revenue		
- Interest received	**62,814**	142,538
- Fuel tax credits	**369**	4,862
Total revenue	**63,183**	147,400
Other Income		
- Proceeds on sale of property plant and equipment	**545**	-
- Net gain on sale of tenement	**-**	630,924
Total other income	**545**	630,924

NOTE 3 – LOSS FOR THE YEAR

Loss before income tax has been determined after;

	2010 $	2009 $
(a) Administrative expenses		
- Occupancy	**104,300**	78,501
- Directors' fees	**49,050**	106,275
- Audit fees	**25,840**	26,060
- Legal fees	**125,701**	6,951
- Travel and accommodation	**68,481**	24,591
- Other	**143,705**	179,161
Total administrative expenses	**517,077**	421,539
(b) Depreciation and amortisation expense		
- Plant and equipment	**21,378**	27,466
- Motor vehicles	**12,755**	17,381
- Office furniture and equipment	**14,065**	21,352
Total depreciation and amortisation	**48,198**	66,199
Less: Depreciation capitalised to exploration expenditure	**(3,348)**	-
Total depreciation and amortisation expense	**44,850**	66,199

	2010 $	2009 $
NOTE 4 – INCOME TAX EXPENSE		
(a) Income Tax Expense		
The prima facie tax (benefit) on loss from ordinary activities is reconciled to the income tax as follows:		
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2009: 30%)	**(541,556)**	(592,703)
Add tax effect of:-		
Non-deductible/(deductible) items	**(60,326)**	(47,078)
Deferred tax assets not brought to account	**601,882**	639,781
Income tax expense attributable to operating loss	**-**	-
(b) Deferred Tax Assets		
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 (a) occur		
Timing differences	**(31,589)**	(252,183)
Tax losses	**1,572,228**	1,196,744
Total deferred tax assets	**1,540,639**	944,561

NOTE 5 – INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Names and position of the Company's key management personnel in office at any time during the financial year are:

S Randazzo – Executive Chairman
D Best – Non-executive Director
R Procter – Non-executive Director
R Duncan – Non-executive Director
P Penna – Exploration Manager
K Manson – Joint Company Secretary
N Fearis – Joint Company Secretary (appointed to position 19 May 2010)

Refer to the Directors' Report for details of the remuneration paid to each member of the Company's key management personnel for the year ended 30 June 2010.

(b) Option Holdings - Number of Options Held by Key Management Personnel and Related Entities

Key Management Person	Balance 30 Jun 09	Options Granted	Net Change Other	Balance 30 Jun 10	Total Vested 30 Jun 09	Total Exercisable 30 Jun 10	Total Unexercisable 30 Jun 10
S Randazzo	1,653,914	-	(1,053,914)	600,000	600,000	600,000	-
D Best	677,839	-	(77,839)	600,000	600,000	600,000	-
R Procter	627,970	-	(27,970)	600,000	600,000	600,000	-
R Duncan	600,000	-	-	600,000	600,000	600,000	-
P Penna	233,333	-	(233,333)	-	-	-	-
N Fearis	33,333	-	(33,333)	-	-	-	-
K Manson	60,594	-	(60,594)	-	-	-	-
	3,886,983	-	(1,486,983)	2,400,000	2,400,000	2,400,000	-

NOTE 5 – INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(c) Shareholdings - Number of Shares Held by Key Management Personnel and Related Entities

Key Management Person	Balance 1 Jul 09	Options Exercised	Net Change Other*	Balance 30 Jun 10
S Randazzo	3,665,170	-	334,830	4,000,000
D Best	233,518	-	-	233,518
R Procter	83,911	-	-	83,911
R Duncan	100,000	-	500,000	600,000
P Penna	100,000	-	289,000	389,000
N Fearis	100,000	-	-	100,000
K Manson	181,785	-	-	181,785
	4,464,384	-	1,123,830	5,588,214

* Net change other refers to on-market purchase or sale of shares during the year

	2010 $	2009 $

NOTE 6 – CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank and in hand	**507,748**	2,739,897
Foreign currency cash at bank	**781,665**	-
Short term bank deposits	**40,000**	40,000
Total cash and cash equivalents	**1,329,413**	2,779,897

The effective interest rate on short-term bank deposits was 4.40% (2009: 6.53%); these deposits have an average maturity date of 214 days.

NOTE 7 – RECEIVABLES

	2010 $	2009 $
Current		
Sundry debtors	**1,274**	114
Total receivables	**1,274**	114

	2010 **$**	2009 $
NOTE 8 – EXPLORATION EXPENDITURE		
Non-Current		
Exploration Expenditure		
Costs carried forward in respect of areas of interest in exploration and evaluation phases	**1,409,005**	901,416
Less: Provision for non-recoverability[1]	**(859,501)**	-
Total exploration expenditure	**549,504**	901,416
Reconciled as follows:		
Opening balance	**901,416**	1,993,071
Tenement interests acquired	**145,352**	-
Exploration expenditure incurred and capitalised during the year	**430,652**	890,114
Exploration expenditure written off during the year	**(68,415)**	(1,885,088)
Exploration expenditure provided for during the year[1]	**(859,501)**	
Tenement interests sold during the year	**-**	(96,681)
Total exploration expenditure	**549,504**	901,416

[1] The Company has recognised a provision for non-recoverability, in full, for capitalised exploration expenditure on its Box Hole project pending the recommencement of active and significant operations or disposal of the asset by sale.

NOTE 9 – JOINT VENTURE INTEREST

The Company has acquired a 50% interest in the Ianna Exploration Joint Venture gold project. The joint venture holds mineral rights within an exploration area of approximately 54 km^2, including 13 km^2 under application, in north-west Guyana.

In accordance with the terms of the Joint Venture agreement the Company is required to meet the following remaining conditions in order to maintain that interest:

(a) It must elect to continue with, or withdraw from, the Joint Venture by no later than 10 January 2011. An election to continue will require the Company to issue 1,000,000 call options over its ordinary shares to its Joint Venture partner, expiring two years from the issue date with a strike price of A$0.15.

(b) It must exercise a call option to acquire an additional 25% interest in the Joint Venture at a cost of US$2,500,000 (A$2,918,174) prior to 30 April 2012.

(c) It must expend earn-in expenditure, as defined by the Joint Venture agreement, of US$1,000,000 (A$1,167,270) prior to the earlier of 30 April 2012 or the call option referred to above being exercised.

	2010 $	2009 $

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

	2010 $	2009 $
Plant and equipment – cost	**200,040**	151,087
Less accumulated depreciation	**(88,555)**	(69,340)
Less accumulated impairment losses	**(1,917)**	(1,182)
	109,568	80,565
Motor vehicles – cost	**111,627**	89,500
Less accumulated depreciation	**(61,671)**	(48,915)
	49,956	40,585
Office furniture and equipment – cost	**111,420**	107,434
Less accumulated depreciation	**(59,729)**	(45,663)
	51,691	61,771
Total property, plant and equipment	**211,215**	182,921

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous and current financial year:

	Plant & Equipment $	Motor Vehicles $	Office Furniture & Equipment $	Total $
Carrying amount at 1 July 2008	109,213	57,966	83,123	250,302
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment losses	(1,182)	-	-	(1,182)
Depreciation expense	(27,466)	(17,381)	(21,352)	(66,199)
Carrying amount at 30 June 2009	**80,565**	**40,585**	**61,771**	**182,921**
Additions	51,551	22,127	3,986	77,664
Disposals	(437)	-	-	(437)
Impairment losses	(735)	-	-	(735)
Depreciation expense	(21,376)	(12,756)	(14,066)	(48,198)
Carrying amount at 30 June 2010	**109,568**	**49,956**	**51,691**	**211,215**

	2010 $	2009 $
NOTE 11 – FINANCIAL ASSETS		
Non-current		
Environmental bonds	**34,000**	38,500
Total financial assets	**34,000**	38,500
NOTE 12 – TRADE AND OTHER PAYABLES		
Current		
Trade payables	**61,882**	29,277
Sundry payables and accrued expenses	**31,599**	51,115
Total trade and other payables	**93,481**	80,392
NOTE 13 – PROVISIONS		
Employee entitlements	**26,650**	16,152
	No.	No.
Number of employees at year end	**5**	7

NOTE 14 – STATEMENT OF OPERATIONS BY SEGMENTS

Identification of reportable segment
The Company identifies its operating segments based on the internal reports that are reviewed and used by the directors (chief operating decisions makers) in assessing performance and determining the allocation of resources. The financial information presented in the income statement and balance sheet is the same as that presented to the chief operating decision makers.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker are in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the company.

Comparative information
This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the standard.

	2010 $	2009 $
NOTE 15 – ISSUED CAPITAL		
65,016,771 fully paid ordinary shares	**6,688,525**	6,684,368
(2009: 65,000,141)	**6,688,525**	6,684,368
The Company has no maximum authorised share capital		
- Ordinary shares		
- At the beginning of the reporting year	**6,684,368**	6,684,368
Shares issued during the year		
- 16,630 on 19 September 2009	**4,157**	-
Total issued capital at reporting date	**6,688,525**	6,684,368

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

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Share Issues:
16,630 shares were issued during the year ended 30 June 2010, pursuant to the exercise of 16,630 options.

Options:
During the financial year ended 30 June 2010, 22,799,236 options expired and 16,630 options were exercised.
As at the year end the Company had 2,400,000 unlisted options as follows:-

800,000 options exercisable at $0.25 by 19 June 2012
800,000 options exercisable at $0.30 by 19 June 2012
800,000 options exercisable at $0.40 by 19 June 2012

NOTE 16 – RESERVES

Options Reserve

The options reserve records items recognised as expenses on the valuation of employee share options.

NOTE 17 – FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, foreign currency cash at bank, accounts receivable and accounts payable.

The board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst maintaining potential adverse effects on financial performance. The Company has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Company's affairs. The Executive Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

(a) Interest Rate Risk

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

	Weighted Ave Effective Interest Rate		Floating Interest Rate $		Fixed Interest Rate $		Non-interest Bearing $		Total $	
	2010 %	2009 %	**2010 $**	2009 $	**2010 $**	2009 $	**2010 $**	2009 $	**2010 $**	2009 $
Financial Assets										
Cash (AUD)	**3.53**	2.29	**507,248**	2,739,397	**40,000**	40,000	**500**	500	**547,748**	2,779,897
Cash (Foreign Currency)	**0.14**	-	**780,790**	-	**-**	-	**875**	-	**781,665**	-
Receivables	**-**	-	**-**	-		-	**1,274**	114	**1,274**	114
Environmental bonds	**-**	-	**-**	-		-	**34,000**	38,500	**34,000**	38,500
Total financial assets			**1,288,038**	2,739,397	**40,000**	40,000	**36,649**	39,114	**1,364,687**	2,818,511
Financial Liabilities										
Trade & other payables	**-**	-	**-**	-	**-**	-	**93,481**	80,392	**93,481**	80,392
Total financial liabilities			**-**	-	**-**	-	**93,481**	80,392	**93,481**	80,392

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting is obligations related to financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid, high security short term investments. The Company's liquidity needs can be met through a variety of sources including the issue of equity instruments. Also refer to the going concern assumption in Note 1.

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's financial assets (other than its environmental bonds) and its financial liabilities are all expected to mature and settle within 6 months of the end of the financial year. The environmental bonds will mature and be refunded at relinquishment or disposal of the relevant tenement interest, subject to meeting the environmental requirements of the relevant government authority.

(c) Credit Risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The company is exposed to credit risk from its deposits with banks. The Company controls this credit risk by assessing the credit quality of the institution with which the funds are deposited or invested. Due to its stage of development the Company has no exposure to customer credit risk. The maximum exposure to credit risk at balance date of recognised financial assets is the carrying amount as disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value of foreign currency cash assets fluctuating due to movement in foreign exchange rates of currencies in which the Company holds the foreign currency cash.

At 30 June 2010 the Company held $3,892 in a Guyanese dollar denominated bank account and held $776,897 in United States dollar denominated bank accounts.

Financial Instruments

(a) Net Fair Value

For assets and liabilities the net fair value approximates their carrying value, as disclosed in the Balance Sheet.

(b) Interest Rate Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

At 30 June 2010 the effect on profit and equity as a result of changes in the interest rate with all other variables remaining constant is as follows:

	2010 $000	2009 $000
Change in profit		
- increase in interest rate by 2%	**51**	58
- decrease in interest rate by 2% (to a minimum 0%)	**(37)**	(58)
Change in equity		
- increase in interest rate by 2%	**51**	58
- decrease in interest rate by 2% (to a minimum 0%)	**(37)**	(58)

NOTE 17 – FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Exchange Rate Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to foreign exchange rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in the Australian dollar/US dollar exchange rate.

At 30 June 2010 the effect on profit and equity as a result of changes in the Australian dollar/US dollar exchange rate with all other variables remaining constant is as follows:

	2010 $000	2009 $000
Change in profit		
- increase in AUD-USD exchange rate by 5%	**37**	-
- decrease in AUD-USD exchange rate by 5%	**(41)**	-
Change in equity		
- increase in AUD-USD exchange rate by 5%	**37**	-
- decrease in AUD-USD exchange rate by 5%	**(41)**	-

NOTE 18 – EARNINGS PER SHARE

	2010 $	2009 $
(a) Reconciliation of earnings to net profit or loss		
Net loss	**(1,805,186)**	(1,975,676)
Earnings in the calculation of basic EPS	**(1,805,186)**	(1,975,676)
(b) Earnings used in the calculation of dilutive EPS	**(1,805,186)**	(1,975,676)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	**65,012,853**	65,000,141
Weighted average number of options outstanding during the year used in calculation of basic EPS	**-**	-
Weighted average number of ordinary shares outstand during the year used in calculation of dilutive EPS	**65,012,853**	65,000,141

The dilutive effect of options has not been considered due to the loss used to calculated earnings per share.

NOTE 19 – CONTINGENT LIABILITIES AND COMMITMENTS

(a) Exploration Commitments

Ongoing annual exploration expenditure is required to maintain title to the Company's mineral exploration tenements. No provision has been made in the financial statements for these amounts as the amounts are expected to be fulfilled in the normal course of the operations of the Company.

The Company has certain statutory obligations to perform minimum exploration work on its granted Australian tenements.

	2010 **$**	2009 $
These obligations which are not provided for in the financial statements and are payable:		
- not later than one year	**171,900**	567,200

The statutory expenditure requirement may be renegotiated with the relevant state department of minerals and energy, and expenditure commitments may be varied between tenements, or reduced subject to reduction of exploration area and/or relinquishment of non-prospective tenements.

The Company also has exploration commitments in relation to its 50% interest in the Ianna Exploration Joint Venture gold project. These commitments are detailed in Note 9 – Joint Venture Interest.

(b) Claims of Native Title – Australia

The Company is not aware of any Native Title claims over its current tenements and no claims for Native Title have seriously affected exploration by the Company.

The Company is not aware of any sacred site issues which may impede its exploration activities.

The Company is unable to give a definitive statement on the impact, if any, of Native Title claims or sacred site clearance issues on the Company's future exploration and mining operations.

(c) Operating Lease Commitments

During the year the Company entered a tenancy agreement for the occupancy of offices in Subiaco, Western Australia. The tenancy agreement expires on 30 November 2011, with an option to extend the lease for a period of two years.

	2010 **$**	2009 $
- not later than one year	**140,400**	43,000
- later than one year but not later than five years	**58,500**	-
Total	**198,900**	43,000

NOTE 20 – EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the affairs of the Company in subsequent financial years except as follows:

On 19 August the Company announced that it intended to proceed with a share purchase plan. Under the terms of the plan the Company plans to issue a maximum of 18,000,000 shares at 5 cents to raise a maximum of $900,000.

NOTE 21 – CASH FLOW INFORMATION

	2010 $	2009 $
Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	**(1,805,186)**	(1,975,676)
Cash flows excluded from profit attributable to operating activities:		
Payments for exploration expenditure	**478,537**	965,230
Non-cash flows in loss from ordinary activities:		
Depreciation	**48,198**	66,199
Net gain on disposal of property, plant and equipment	**(108)**	-
Impairment of property, plant and equipment	**735**	1,182
Capitalised exploration expenditure	**(430,652)**	(890,113)
Capitalised exploration expenditure written off	**68,415**	1,885,087
Capitalised exploration expenditure provided for	**859,501**	
Net gain on disposal of tenement	**-**	(630,924)
Foreign exchange gains	**(46,216)**	
Share options expense	**-**	4,245
Changes in assets and liabilities:		
(Increase)/decrease in receivables	**(1,160)**	3,188
(Increase)/decrease in other non-current assets	**4,500**	(20,000)
Increase/(decrease) in trade creditors and accruals	**13,089**	(61,440)
Increase/(decrease) in provisions	**10,498**	(8,853)
Cash flows from operations	**(799,849)**	(661,875)

NOTE 22 – AUDITOR'S REMUNERATION

Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	**25,840**	**26,060**

NOTE 23 - RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2010 $	2009 $
(a) Related Party Transactions		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated		
Transactions with related parties (GST inclusive)		
(i) Director Related Parties		
Amounts paid to Elkedra Diamonds Pty Ltd ("Elkedra") pursuant to an agreement entered into by the Company to reimburse Elkedra for 90-100% of the occupancy cost of rental of offices in Subiaco, Western Australia. The amounts paid do not include a margin. Mr Randazzo is a director of Elkedra and Mr Best ceased to be a director of Elkedra on 1 November 2008.	**56,971**	98,118
Devmin Pty Ltd, a mineral resource consulting company of which Mr Best, Mr Randazzo and Mr Procter are directors was charged for the provision of administration services provided by the Company	**842**	1,663
(ii) Key Management Personnel Related Parties		
During the period of his appointment as Joint Company Secretary, the Company paid fees to MinterEllison, a law firm at which Mr Fearis is Special Counsel. The fees paid to MinterEllison were for legal services based on rates commensurate with the legal services provided.	**14,300**	-

	2010 No.	2009 No.
(b) Directors' Share Transactions:		
Directors and director related entities at any time during the financial year hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company		
Ordinary shares	**4,917,429**	4,132,599
Options	**2,400,000**	4,326,389

NOTE 24 – SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2010:

Director Option Issues **Approved at the Annual General Meeting on 16 November 2007**
Issued 4 December 2007

600,000 options exercisable at $0.25 by 19 June 2012
600,000 options exercisable at $0.30 by 19 June 2012
600,000 options exercisable at $0.40 by 19 June 2012

Director Option Issues **Approved at the Annual General Meeting on 7 November 2008**
Issued 12 December 2008

200,000 options exercisable at $0.25 by 19 June 2012
200,000 options exercisable at $0.30 by 19 June 2012
200,000 options exercisable at $0.40 by 19 June 2012

The above options hold no voting or dividend rights and are not transferable. At reporting date, all of the above options had vested and were exercisable. At reporting date none of the above options had been exercised.

	2010		2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	3,550,000	0.31	2,950,000	0.31
Granted	-	-	600,000	0.32
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	1,150,000	0.30	-	-
Outstanding at year end	2,400,000	0.32	3,550,000	0.31
Exercisable at year end	2,400,000	0.32	3,550,000	0.31

Note: The holder is able to convert each option into 1 ordinary fully paid share in the Company

All of the options outstanding at 30 June 2010 had a weighted average exercise price of $0.32.

No options were granted during the year ended 30 June 2010.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 54, 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 2010 and of the performance for the year ended on that date of the Company.

2. The persons who perform the Chief Executive Officer function and the Chief Financial Officer function have each declared that:

   (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) The financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) The financial statements and notes for the financial year give a true and fair view.

3. The financial report also complies with International Financial Reporting Standards as set out in Note 1.

4. The remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standards, AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001.

5. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

S Randazzo
Chairman
Subiaco, Western Australia
25 August 2010

R Procter
Director
Subiaco, Western Australia
25 August 2010

WHK Horwath

INDEPENDENT AUDIT REPORT TO MEMBERS OF URAMET MINERALS LIMITED

We have audited the accompanying financial report of Uramet Minerals Limited (the company), which comprises the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, 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.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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

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

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

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

Auditor's Opinion
In our opinion, the financial report of Uramet Minerals Limited is in accordance with the Corporations Act 2001 including:

a) i. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

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

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

Emphasis of Matter Regarding Continuation as a Going Concern
Without qualification to the opinion expressed above, attention is drawn to the following. As a result of the matter disclosed in Note 1 to the financial statements, there is significant uncertainty about the company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

Total Financial Solutions

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A WHK Group firm

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 21 to 23 of the directors' report for the year ended 30 June 2010. 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 Uramet Minerals Limited for the year ended 30 June 2010 complies with section 300A of the Corporations Act 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP

CYRUS PATELL
Partner

Perth, WA

Dated this 25th day of August 2010

1. Shareholding

The shareholder information set out below was applicable as at 24 August 2010.

a. Distribution of Share and Option Holdings as at 24 August 2010.

Size of Holding and Option Holdings	Number of Shareholders
1 - 1,000	76
1,001 - 5,000	81
5,001 - 10,000	154
10,001 - 100,000	488
100,001 and over	87
Total Shareholders and Option Holders	**886**

b. Marketable Parcel

Of the above total, 185 ordinary shareholders hold less than a marketable parcel.

c. Substantial Shareholders

- Samcor Investments Pty Ltd, 4,196,568 shares, 6.45%
- Citicorp Nominees Pty Ltd, 3,338,044 shares, 5.13%

d. Voting Rights

The voting rights attached to the ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

2. The company secretarial position is jointly held by Ms Karen Manson and Mr Neil Fearis.

3. The address of the principal registered office in Australia is:

   Level 1, 130 Hay Street
   Subiaco, Western Australia 6008
   Telephone +61 8 6380 2799

4. The register of securities are held at:

   Security Transfer Registrars Pty Ltd
   770 Canning Highway
   Applecross WA 6153
   Telephone +61 8 9315 0933

5. Stock Exchange Listing

   Quotation has been granted for all the ordinary shares of the company on all member exchanges of the Australian Stock Exchange Limited, and trade under the symbol URM.

6. Detailed schedules of exploration and mining tenements held are included in the operations review.

7. Director's interest in share capital is disclosed in the notes to the financial statements.

8. Unquoted Securities – Restricted Securities

   There are presently 65,016,711 ordinary shares on issue of which all are listed.

   There are presently 2,400,000 unlisted options on issue.

9. There is currently no on-market buy back.

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS
AS AT 24 AUGUST 2010

SHAREHOLDERS (Fully Paid Ordinary)	NUMBER OF SHARES	%
Samcor Investments Pty Ltd	4,196,568	6.45
Citicorp Nominees Pty Ltd	3,338,044	5.13
ANZ Nominees Ltd	2,865,119	4.41
Piat Pty Ltd	2,750,000	4.23
RBC Dexia Investor Services Australia Pty Ltd	2,662,872	4.10
LL Mining BV	2,337,158	3.59
Ranchild Pty Ltd	2,000,000	3.08
Bedel & Sowa Pty Ltd	1,000,000	1.54
Massey DJ	1,000,000	1.54
Sutton MAM	961,077	1.48
Dittmer LN	913,049	1.40
Jindabyne Pty Ltd	800,000	1.23
Latham Ridge Pty Ltd	766,620	1.18
Kuo Hao J & SJ	624,000	0.96
HSBC Custody Nominees Australia Ltd	612,360	0.94
RK Duncan & Associates Pty Ltd	600,000	0.92
Fragomeni G	600,000	0.92
Sutton B	538,923	0.83
Comsec Nominees Pty Ltd	528,090	0.81
Mercer MD	524,840	0.81
TOP 20 SHAREHOLDERS	29,618,720	45.55
TOTAL ISSUED CAPITAL	65,016,771	100.00

CORPORATE DIRECTORY

Directors
Mr Sam Randazzo
Executive Chairman

Mr Don Best
Mr Robert Duncan
Mr Richard Procter

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Company Secretaries
Ms Karen Manson
Mr Neil Fearis

Auditor
WHK Horwath
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Perth WA 6000

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