

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

| Consolidated | Issued Capital | Accumulated Losses | Unrealised Gains Reserve | Option Reserve | Total Equity |
|---|-------------------|-----------------------|--------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2006 | 33,849,448 | (21,938,982) | 45,000 | 662,809 | 12,618,275 |
| Securities issued during the year | 2,430,000 | - | - | - | 2,430,000 |
| Transaction costs | (145,800) | - | - | - | (145,800) |
| Share-based payments | - | - | - | 306,040 | 306,040 |
| Fair value adjustment to available for sale investments | - | - | 4,978,100 | - | 4,978,100 |
| Loss attributable to members of the parent entity | - | (1,514,344) | - | - | (1,514,344) |
| Balance at 30 June 2007 | 36,133,648 | (23,453,326) | 5,023,100 | 968,849 | 18,672,271 |
| Securities issued during the year | 900,000 | - | - | - | 900,000 |
| Transaction costs | (45,000) | - | - | - | (45,000) |
| Fair value adjustment to available for sale investments | - | - | (143,860) | - | (143,860) |
| Loss attributable to members of the parent entity | - | (786,462) | - | - | (786,462) |
| Balance at 30 June 2008 | 36,988,648 | (24,239,788) | 4,879,240 | 968,849 | 18,596,949 |

| Parent | Issued Capital | Accumulated Losses | Unrealised Gains Reserve | Option Reserve | Total Equity |
|---|-------------------|-----------------------|--------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2006 | 33,849,448 | (21,938,982) | 45,000 | 662,809 | 12,618,275 |
| Securities issued during the year | 2,430,000 | - | - | - | 2,430,000 |
| Transaction costs | (145,800) | - | - | - | (145,800) |
| Share-based payments | - | - | - | 306,040 | 306,040 |
| Fair value adjustment to available for sale investments | - | - | 4,978,100 | - | 4,978,100 |
| Loss attributable to members of the parent entity | - | (1,514,344) | - | - | (1,514,344) |
| Balance at 30 June 2007 | 36,133,648 | (23,453,326) | 5,023,100 | 968,849 | 18,672,271 |
| Securities issued during the year | 900,000 | - | - | - | 900,000 |
| Transaction costs | (45,000) | - | - | - | (45,000) |
| Fair value adjustment to available for sale investments | - | - | (143,860) | - | (143,860) |
| Loss attributable to members of the parent entity | - | (786,462) | - | - | (786,462) |
| Balance at 30 June 2008 | 36,988,648 | (24,239,788) | 4,879,240 | 968,849 | 18,596,949 |

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

| | Note | Consolidated | | Parent Entity | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2008 \$ | 2007 \$ | 2008 \$ | 2007 \$ |
| Cash flows from operating activities | | | | | |
| Payments to suppliers and employees | | (1,218,201) | (1,165,882) | (1,218,201) | (1,165,882) |
| Interest received | | 121,558 | 118,829 | 121,558 | 118,829 |
| Net cash used in operating activities | 5 (i) | (1,096,643) | (1,047,053) | (1,096,643) | (1,047,053) |
| Cash flows from investing activities | | | | | |
| Tenement acquisition, exploration & evaluation expenditure | | (1,894,602) | (1,458,858) | (1,713,811) | (621,305) |
| Purchase of plant and equipment | | (23,335) | (6,848) | (23,335) | (6,848) |
| Proceeds on sale of non-current asset | | 1,379,905 | 4,333 | 1,379,905 | 4,333 |
| Repayment of advances to other entities | | - | 66,683 | - | 66,683 |
| Loan to subsidiaries | | - | - | (180,791) | (837,553) |
| Net cash used in investing activities | | (538,032) | (1,394,690) | (538,032) | (1,394,690) |
| Cash flows from financing activities | | | | | |
| Proceeds from securities issues | | 900,000 | 2,430,000 | 900,000 | 2,430,000 |
| Securities issue transaction costs | | (45,000) | (145,800) | (45,000) | (145,800) |
| Net cash provided by financing activities | | 855,000 | 2,284,200 | 855,000 | 2,284,200 |
| Net increase/(decrease) in cash held | | (779,675) | (157,543) | (779,675) | (157,543) |
| Cash at beginning of year | | 2,057,616 | 2,215,159 | 2,057,616 | 2,215,159 |
| Cash at end of year | 5 | 1,277,941 | 2,057,616 | 1,277,941 | 2,057,616 |

The accompanying notes form part of these financial statements.