

REGISTERED NUMBER: 04228788 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2009
FOR
ALL STAR MINERALS PLC**

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FOR THE YEAR ENDED 30 NOVEMBER 2009**

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ALL STAR MINERALS PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2009**

DIRECTORS: Mr S Khan
Mr C Windham
Mr E Taylor

SECRETARY: Mr E Taylor

REGISTERED OFFICE: Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

REGISTERED NUMBER: 04228788 (England and Wales)

AUDITORS: Price Bailey LLP
Chartered Accountants & Statutory Auditors
Richmond House
Ely
Cambridgeshire
CB7 4AH

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2009**

The directors present their report with the financial statements of the company for the year ended 30 November 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the exploration of minerals.

REVIEW OF BUSINESS

Final Results For The Year Ended 30 November 2009

Highlights

- Highly encouraging results returned from two phases of radon surveying at the Gilpas uranium project in Sweden with two strong anomalous zones identified to date
- Phase III radon survey to commence at Gilpas in May 2010, targeted at identifying the extent a potentially sizeable anomalous radon zone
- Awaiting response from the Swedish mining authority, Bergsstaten, to commence initial exploratory drilling at Gilpas
- In-depth commissioned research report published on All Star Minerals by Edison Investment Research

Chief Executive Officer's Statement

Since my last statement to shareholders in August 2009 we have made strong progress on the understanding of the geology at our flagship uranium project in Sweden, Gilpas. Next month, in May, work will recommence on radon mapping at the project, focussing on understanding the extent of a potentially sizeable anomaly, the periphery of which was identified from the second phase of radon surveying in November, being c.300 meters in length.

We are awaiting a response from the Swedish mining authority, Bergsstaten, on our work programme plans for Gilpas, which includes a proposed 600 metres of drilling. We are not concerned by the length of time taken to receive a response from Bergsstaten, but are frustrated that it has delayed our development plans for the project. Nonetheless, we anticipate a favourable response imminently and will keep shareholders informed on this matter.

The Gilpas Uranium Project

We have made positive progress on the development of Gilpas. In the period two radon surveys have been undertaken, which have returned extremely encouraging results. A general anomalous radon zone of 157,500 metres has been delineated to date, within which two far stronger anomalous zones have been identified. Zone 1 is c.6,000 square metres, being 150 metres in length by 40 metres in width, whilst zone 2 has revealed an initial length of 300 metres. Further radon surveying in May should reveal the extent of the zone 2 anomaly.

The significance of the radon anomalies at Gilpas is that radon gas is produced as a decay product of uraniferous minerals, and the strength of the anomalies at Gilpas gives substantial support to the concept that the project hosts uranium mineralization.

It is our intention to drill test the zone 1 radon anomaly to identify the source of the radon gas, but until we get approval from the Swedish authorities for our proposed work programme, such plans must remain on hold. We will, however, be undertaking further radon mapping from next month.

The Samon and Kuusivaara Uranium Projects

We retain the Samon and Kuusivaara projects in our portfolio. Whilst the development of Gilpas is our priority, we do intend to undertake geochemistry work on both Samon and Kuusivaara this year.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2009**

Nuclear Outlook for Sweden

There have been a number of positive developments for the outlook of nuclear power in Sweden in recent months. The country already has 10 nuclear reactors that provide over 40% of its energy requirements, and in February 2009 the government announced plans to introduce a bill to overturn a 30-year ban that would enable the construction of nuclear reactors on existing sites, as well as introducing a new carbon tax as part of a programme to cut carbon emissions by 40% on 1990-levels by 2020. This bill is scheduled for a parliamentary vote in June and, if passed, could pave the way for the construction of new reactors in Sweden.

Meanwhile, the country has also identified two possible locations for the construction of a nuclear waste storage facility for spent fuel, Osthrammar and Oskarshamn, both of which are home to reactors already. A decision on the location for the storage facility is anticipated this year.

Furthermore, a poll of 1,500 Swedish adults in February showed that 52% of respondents support the continued use of nuclear energy, which is up on a similar poll from January 2008 when 48% of respondents backed the construction of new reactors.

Financials

The financial results for the twelve months to 30 November 2009 show a loss after taxation of £194,087 (2008: loss £360,242). The loss is attributable to ongoing administrative costs associated with the running of the Company and exploration expenses.

Outlook

We remain cautiously optimistic about the future for the Company. The results from the two radon surveys undertaken at Gilpas to date give us reason to be optimistic for its geologic potential to host uranium mineralisation. We hope to receive a favourable response from the authorities in Sweden imminently to enable us to commence initial drilling at the project, and establish the source of the radon gas, and we will keep shareholders updated on such developments. Meanwhile, we look forward to recommencing work on radon mapping next month at Gilpas, which will further enhance our understanding of the projects' geology.

I would like to take this opportunity to thank our shareholders for their continued support of the Company. Since taking over as CEO of All Star Minerals I have increased my shareholding from 250,000 shares to 7,300,000 shares. It is important that our own interests as directors are aligned with those of all our shareholders, and such purchases by the board represent a fundamental part of our strategy for development.

I look forward to keeping shareholders updated on developments over the coming months.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2009.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2008 to the date of this report.

Mr S Khan
Mr C Windham
Mr E Taylor

Other changes in directors holding office are as follows:

Dr R D Young - resigned 10 June 2009

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2009**

CREDITOR PAYMENT POLICY

The company normally abides by its policy to pay suppliers within their credit terms. However, at the balance sheet date the trade creditors outstanding represented 117 creditor days as a result of including some professional fees for which extended payment terms had been agreed. Adjusting for these items reduces the debt to 45 creditor days.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents, investments and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Company's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Company's financial instruments which are summarised as follows

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Company's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the balance sheet, and which represent the Company's maximum exposure to credit risk in relation to financial assets.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings in financial instruments.

Commodity Price Risk

The principal activity of the Company is the exploration for minerals in Sweden, and the principal market risk facing the Company is an adverse movement in the commodity price. Any long term adverse movement in this price would affect the commercial viability of the project.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The principal risks faced by the company are as follows:

- The ability to raise sufficient funds to continue the exploration of its exploration permits.
- Long term adverse changes in commodity prices could affect the viability of exploration and extraction projects.
- The operations of the company are in foreign jurisdictions where there may be a number of associated risks over which it will have no control. These may include economic, social or political instability or change, taxation, rates of exchange, exchange controls and exploration licensing.
- The exploration licences may be subject to conditions which, if not satisfied, may lead to the revocation of the licences.
- The exploration for and development of mineral deposits involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities of minerals disclosed will be available to extract. With all mining operations there is uncertainty and therefore there is risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2009**

ACQUISITION OF OWN SHARES

On 21 August 2009 the company passed a special resolution for the 63,642,857 deferred shares in issue to be forfeited by the shareholders and transferred back to the company. No consideration was paid for the transfer of the shares which were subsequently cancelled by the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Price Bailey LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr C Windham - Director

Date: 27 May 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ALL STAR MINERALS PLC

We have audited the financial statements of All Star Minerals plc for the year ended 30 November 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union as issued by International Accounting Standards Board (IASB).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted for use in the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The ability of the company to continue to trade is dependent on the company being able to raise sufficient funds. Based upon the current economic climate there exists a material uncertainty which may cast significant doubt as to whether the company will be able to generate sufficient funds and therefore the company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ALL STAR MINERALS PLC**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Martin Clapson FCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Richmond House
Ely
Cambridgeshire
CB7 4AH

Date: 27 May 2010

**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2009**

	Notes	2009 £	2008 as restated £
CONTINUING OPERATIONS			
Revenue		-	-
Other operating income		75	100
Administrative expenses		<u>(194,246)</u>	<u>(364,147)</u>
OPERATING LOSS		(194,171)	(364,047)
Finance income	4	<u>84</u>	<u>3,478</u>
LOSS BEFORE INCOME TAX	5	(194,087)	(360,569)
Income tax	6	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(194,087)</u>	<u>(360,569)</u>
Earnings per share expressed in pence per share:			
Basic	7	-0.21	-0.57
Diluted		<u>-0.15</u>	<u>-0.39</u>

The notes form part of these financial statements

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2009**

	2009 £	2008 as restated £
LOSS FOR THE YEAR	(194,087)	(360,569)
OTHER COMPREHENSIVE INCOME		
Equity-settled share-based payments	12,950	(126)
Income tax relating to other comprehensive income	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>12,950</u>	<u>(126)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(181,137)	(360,695)
Prior year adjustment	Note 8	
	<u>8,258</u>	<u>9,585</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT	<u>(172,879)</u>	<u>(351,110)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2009

	Notes	2009 £	2008 as restated £	2007 as restated £
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	9	65,056	47,338	97,051
Property, plant and equipment	10	<u>310</u>	<u>622</u>	<u>934</u>
		<u>65,366</u>	<u>47,960</u>	<u>97,985</u>
CURRENT ASSETS				
Trade and other receivables	11	19,702	3,463	8,203
Cash and cash equivalents	12	<u>2,401</u>	<u>6,968</u>	<u>218,877</u>
		<u>22,103</u>	<u>10,431</u>	<u>227,080</u>
TOTAL ASSETS		<u><u>87,469</u></u>	<u><u>58,391</u></u>	<u><u>325,065</u></u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	13	126,093	636,429	625,000
Share premium	14	453,336	323,086	314,515
Capital redemption reserve	14	572,786	-	-
Share scheme reserve	14	19,767	6,817	6,943
Retained earnings	14	<u>(1,210,257)</u>	<u>(1,016,170)</u>	<u>(655,601)</u>
TOTAL EQUITY		<u><u>(38,275)</u></u>	<u><u>(49,838)</u></u>	<u><u>290,857</u></u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	15	125,744	108,229	14,208
Interest bearing loans and borrowings		<u>-</u>	<u>-</u>	<u>20,000</u>
		<u>125,744</u>	<u>108,229</u>	<u>34,208</u>
TOTAL LIABILITIES		<u><u>125,744</u></u>	<u><u>108,229</u></u>	<u><u>34,208</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>87,469</u></u>	<u><u>58,391</u></u>	<u><u>325,065</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 27 May 2010 and were signed on its behalf by:

Mr C Windham - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2009**

	Called up share capital £	Profit and loss account £	Share premium £
Balance at 1 December 2007 – as previously reported	625,000	(665,186)	314,515
Prior year adjustment	-	9,585	-
As restated	<u>625,000</u>	<u>(655,601)</u>	<u>314,515</u>
Changes in equity			
Issue of share capital	11,429	-	8,571
Effect of change of accounting policy	-	(8,258)	-
Total comprehensive income	-	(360,569)	-
Balance at 30 November 2008 – as previously reported	<u>636,429</u>	<u>(1,024,428)</u>	<u>323,086</u>
Prior year adjustment	-	8,258	-
As restated	<u>636,429</u>	<u>(1,016,170)</u>	<u>323,086</u>
Changes in equity			
Issue of share capital	62,450	-	130,250
Cancellation of deferred shares	(572,786)	-	-
Total comprehensive income	-	(194,087)	-
Balance at 30 November 2009	<u><u>126,093</u></u>	<u><u>(1,210,257)</u></u>	<u><u>453,336</u></u>

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

	Capital redemption reserve £	Share scheme reserve £	Total equity £
Balance at 1 December 2007 – as previously reported	-	6,943	281,272
Prior year adjustment	-	-	9,585
As restated	-	6,943	290,857
Changes in equity			
Issue of share capital	-	-	20,000
Effect of change of accounting policy	-	-	(8,258)
Total comprehensive income	-	(126)	(360,695)
Balance at 30 November 2008 – as previously reported	-	6,817	(58,096)
Prior year adjustment	-	-	8,258
As restated	-	6,817	(49,838)
Changes in equity			
Issue of share capital	-	-	192,700
Cancellation of deferred shares	572,786	-	-
Total comprehensive income	-	12,950	(181,137)
Balance at 30 November 2009	<u>572,786</u>	<u>19,767</u>	<u>(38,275)</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2009**

		2009	2008 as restated
		£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>(172,629)</u>	<u>(158,968)</u>
Net cash from operating activities		<u>(172,629)</u>	<u>(158,968)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(17,718)	(58,718)
Loans made during year		(7,000)	-
Interest received		<u>80</u>	<u>5,777</u>
Net cash from investing activities		<u>(24,638)</u>	<u>(52,941)</u>
Cash flows from financing activities			
Loan repayments in year		-	(20,000)
Share issue		<u>192,700</u>	<u>20,000</u>
Net cash from financing activities		<u>192,700</u>	<u>-</u>
Decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>6,968</u>	<u>218,877</u>
Cash and cash equivalents at end of year	2	<u>2,401</u>	<u>6,968</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2009

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2009	2008 as restated
	£	£
Loss before income tax	(194,087)	(360,569)
Depreciation charges	312	312
Equity-settled share-based payments	12,950	(126)
Impairment of exploration costs	-	108,431
Finance income	<u>(84)</u>	<u>(3,478)</u>
	(180,909)	(255,430)
(Increase)/Decrease in trade and other receivables	(9,235)	2,441
Increase in trade and other payables	<u>17,515</u>	<u>94,021</u>
Cash generated from operations	<u><u>(172,629)</u></u>	<u><u>(158,968)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 30 November 2009

	30/11/09	1/12/08
	£	£
Cash and cash equivalents	<u>2,401</u>	<u>6,968</u>

Year ended 30 November 2008

	30/11/08	1/12/07
	as restated	as restated
	£	£
Cash and cash equivalents	<u>6,968</u>	<u>218,877</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2009

1. **ACCOUNTING POLICIES**

Reporting entity

All Star Minerals plc is a company domiciled in United Kingdom. The address of the Company's registered office is Richmond House, Broad Street, Ely, Cambridgeshire, CB7 4AH. The Company primarily is involved in the exploration of minerals.

Going concern

As described in the directors' report on pages 2 to 6 the current economic environment is challenging and the company has reported an operating loss for the year. The directors have instituted measures to preserve cash, including the reduction of the director's salaries, and are currently trying to secure additional finance. However, the current economic conditions may mean that it is difficult for the company to raise the additional funds it requires. Without the increase in capital, taking into account the planned reduction of costs, the directors believe they have sufficient funds for 12 months expenditure before requiring the additional capital. These circumstances create material uncertainties over future trading results and cash flows.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Compliance with accounting standards

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs. The Company determines whether there is any impairment of intangible assets on an annual basis. The estimation of share-based payment costs requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest.

Changes in accounting policies

During the year the company has changed its policy for the amortisation of exploration costs to make it consistent with the provisions set out in IFRS 6 - Exploration for and Evaluation of Mineral Resources. The results for the financial statements ended 30 November 2007 and 2008 have been re-stated and the amendments have been treated as prior year adjustments. If the policy had not been changed there would have been a charge of £9,223 for the current year in respect of amortisation of exploration costs, but under the new policy no charge is made.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009**

Intangible fixed assets - exploration costs

Expenditure on the acquisition costs, exploration and evaluation of interests in licences, including related finance and administration costs, are capitalised. Such costs are carried forward in the balance sheet under intangible assets and amortised over the minimum period of the expected commercial production in respect of each area of interest where:

- a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale;
- b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the directors to consider whether any exploration or development costs have suffered impairment in value and whether necessary provisions are made accordingly.

Accumulated costs in respect of areas of interest that have been abandoned are written off to the income statement in the year in which the area is abandoned.

Exploration costs are carried at the lower of cost and net realisable value.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 20% on cost

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Equity instruments issued by the Company are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

1. **ACCOUNTING POLICIES - continued**

Share-based payment transactions

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of all options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement or share premium account if appropriate, are charged with the fair value of goods and services received.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cash balances.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

1. ACCOUNTING POLICIES - continued

New standards and interpretations applied

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements:

- IAS 1 Presentation of Financial Statements (revised 2007) has introduced terminology changes which include revised titles for the financial statements and changes in the format and content of the financial statements

New Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements:

- IAS 1 Presentation of Financial Statements (revised 2008) - amendments relating to disclosure of puttable instruments and obligations arising on liquidation
- IAS 16 Property, Plant and Equipment (amended 2008) - annual review of IFRSs
- IAS 19 Employee Benefits (amended 2008) - annual review of IFRSs
- IAS 20 Government Grants and Disclosure of Government Assistance (2008) - amendments to the treatment of a government loan received at an interest rate below the market rate
- IAS 23 Borrowing Costs (amended 2008) - requiring companies to capitalise borrowing costs incurred on qualifying assets
- IAS 27 Consolidated and Separate Financial Statements (amended 2008) - accounting for transactions or events that result in a change in a groups interest in its subsidiaries
- IAS 28 Investment in Associates (amended 2008) - annual review of IFRSs
- IAS 29 Financial Reporting in Hyperinflationary Economies (amended 2008) - annual review of IFRSs
- IAS 31 Interests in Joint Ventures (amended 2008) - annual review of IFRSs
- IAS 32 Financial Instruments: Presentation (amended 2008) - amendments to the criteria for debt/equity classification for puttable financial instruments
- IAS 36 Impairment of Assets (amended 2008) - annual review of IFRSs
- IAS 38 Intangible Assets (amended 2008) - annual review of IFRSs
- IAS 39 Financial Instruments (amended 2008) - annual review of IFRSs
- IAS 40 Investment Property (amended 2008) - annual review of IFRSs
- IAS 41 Agriculture (amended 2008) - annual review of IFRSs
- IFRS 2 Share-based Payments (amended 2008) - amendments relating to vesting conditions and cancellations
- IFRS 7 Improving Disclosures about Financial Instruments (amended 2009)
- IFRS 8 Operating Segments
- IFRIC 15 Agreements for the Construction of Real Estates
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year commencing 1 January 2009 and have not been applied in preparing these financial statements:

- IAS 7 Statement of Cash Flows (amended 2009)
- IAS 17 Leases (amended 2009)
- IAS 24 Related Party Disclosures (amended 2009)
- IAS 28 Investment in Associates (amended 2008)
- IAS 31 Interests in Joint Ventures (amended 2008)
- IAS 32 Financial Instruments (amended 2008)
- IAS 36 Impairment of Assets (amended 2009)
- IAS 38 Intangible Assets (amended 2009)
- IAS 39 Financial Instruments: Recognition and Measurement (revised 2008 and 2009)
- IFRS 2 Share-based Payments (amended 2009)
- IFRS 3 Business Combinations (amended 2008)
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operation (amended 2008 and 2009)
- IFRS 8 Operating Segments (amended 2009)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

1. **ACCOUNTING POLICIES - continued**

- IFRS 9 Financial Instruments
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amended 2009)
- IFRIC 17 Distributions of Non-Cash Assets to Owners
- IFRIC 18 Transfer of Assets from Customers
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

2. **SEGMENTAL REPORTING**

The principal activity of the Company is the exploration for minerals in Sweden. All expenses are in respect of this one activity and there are no business segments requiring separate disclosure.

3. **EMPLOYEES AND DIRECTORS**

	2009 £	2008 £
Wages and salaries	22,085	100,250
Social security costs	526	11,643
Equity-settled share-based payment transactions	-	(129)
	<u>22,611</u>	<u>111,764</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Directors	<u>3</u>	<u>4</u>

	2009 £	2008 as restated £
Directors' remuneration	<u>22,085</u>	<u>100,250</u>

4. **NET FINANCE INCOME**

	2009 £	2008 as restated £
Finance income:		
Deposit account interest	25	3,478
Other interest	<u>59</u>	<u>-</u>
	<u>84</u>	<u>3,478</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

5. **LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	2009	2008 as restated
	£	£
Depreciation - owned assets	312	312
Auditors' remuneration	6,300	3,800
Auditors' remuneration for other services	16,100	-
Foreign exchange differences	214	2,005
Impairment of exploration costs	-	108,431
	<u> </u>	<u> </u>

6. **INCOME TAX**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2009 nor for the year ended 30 November 2008.

Tax effects relating to effects of other comprehensive income

	Gross	2009 Tax	Net
Equity-settled share-based payments	<u>12,950</u>	-	<u>12,950</u>
	<u>12,950</u>	-	<u>12,950</u>
	Gross	2008 Tax	Net
Equity-settled shares-based payments	<u>(126)</u>	-	<u>(126)</u>
	<u>(126)</u>	-	<u>(126)</u>

The Company has estimated losses of £901,439 (2008 - £715,710) to carry forward against future trading profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	2009 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(194,087)	92,922,144	-0.21
Effect of dilutive securities			
Options granted	-	<u>36,704,795</u>	-
Diluted EPS			
Adjusted earnings	<u>(194,087)</u>	<u>129,626,939</u>	<u>-0.15</u>

	Earnings £	2008 as restated Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(360,569)	62,993,365	-0.57
Effect of dilutive securities			
Options granted	-	<u>29,041,257</u>	-
Diluted EPS			
Adjusted earnings	<u>(360,569)</u>	<u>92,034,622</u>	<u>-0.39</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009
8. PRIOR YEAR ADJUSTMENT

The company has changed its accounting policy to fully adopt the provisions of IFRS 6 - Exploration for and Evaluation of Mineral Resources. The result of the change of accounting policy is that amortisation of exploration costs previously charged to the income statement need to be removed and the value of intangible assets on the statement of financial position need to be revised. Prior year adjustments are therefore required for the years ended 30 November 2007 and 2008 to re-state the amount of amortisation and impairment charged in the years as follows:

	2008 £	2007 £
Re-stated figures		
Impairment of exploration costs	108,430	-
As previously reported		
Amortisation	33,912	9,585
Impairment of exploration costs	<u>73,191</u>	<u>-</u>
	<u>107,103</u>	<u>9,585</u>
Adjustment required	1,327	(9,585)
Previous prior year adjustment	<u>(9,585)</u>	<u>-</u>
Prior year adjustments	<u><u>(8,258)</u></u>	<u><u>(9,585)</u></u>

The following lines in the financial statements are affected by the prior year adjustments:

	2008 correction £	2007 correction £
Income statement		
Administrative expenses	(1,327)	9,585
Loss for the year	(1,327)	9,585
Statement of financial position		
Intangible assets	8,258	9,585
Total assets	8,258	9,585
Retained earnings	8,258	9,585
Total equity	8,258	9,585

Earnings per share is not affected by the adjustment in 2008, but for 2007 the basic earnings per share is re-calculated as -0.23p (previously reported -0.24p) and the diluted earnings per share is re-calculated as -0.16p (previously reported -0.17p).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

9. **INTANGIBLE ASSETS**

	Exploration costs £
COST	
At 1 December 2008	47,338
Additions	<u>17,718</u>
At 30 November 2009	<u>65,056</u>
NET BOOK VALUE	
At 30 November 2009	<u>65,056</u>

	Exploration costs £
COST	
At 1 December 2007	97,051
Additions	58,718
Impairments	<u>(108,431)</u>
At 30 November 2008	<u>47,338</u>
NET BOOK VALUE	
At 30 November 2008	<u>47,338</u>

The impairment of exploration costs is charged to administration and included within the income statement as an expense.

10. **PROPERTY, PLANT AND EQUIPMENT**

	Computer equipment £
COST	
At 1 December 2008 and 30 November 2009	<u>1,558</u>
DEPRECIATION	
At 1 December 2008	936
Charge for year	<u>312</u>
At 30 November 2009	<u>1,248</u>
NET BOOK VALUE	
At 30 November 2009	<u>310</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

10. PROPERTY, PLANT AND EQUIPMENT - continued

	Computer equipment £
COST	
At 1 December 2007 and 30 November 2008	<u>1,558</u>
DEPRECIATION	
At 1 December 2007	624
Charge for year	<u>312</u>
At 30 November 2008	<u>936</u>
NET BOOK VALUE	
At 30 November 2008	<u>622</u>

11. TRADE AND OTHER RECEIVABLES

	2009 £	2008 as restated £
Current:		
Other receivables	7,290	445
VAT	8,625	352
Prepayments and accrued income	<u>3,787</u>	<u>2,666</u>
	<u>19,702</u>	<u>3,463</u>

Included in other receivables is a loan of £7,000 to South American Minerals Exploration Ltd which is repayable within one year and accrues interest at 1% above the bank base rate.

12. CASH AND CASH EQUIVALENTS

	2009 £	2008 as restated £
Bank deposit account	-	6,766
Bank accounts	<u>2,401</u>	<u>202</u>
	<u>2,401</u>	<u>6,968</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

13. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Allotted, issued and fully paid		
126,092,857 (2008 - 63,642,857) Ordinary shares of 0.1p (2008 - 1p) each	<u>126,093</u>	<u>636,429</u>

On 19 February 2009 the company passed an ordinary resolution that each of the 63,642,857 ordinary shares of 1p each in the capital of the Company in issue at that date of passing the resolution be divided into one new ordinary share of 0.1p and one deferred share of 0.9p, such shares having the rights and benefits and being subject to the restrictions set out in the revised Articles of Association of the company. And, each of the 436,357,143 authorised but un-issued ordinary shares of 1p each in the capital of the company be divided into ten new ordinary shares of 0.1p each, such shares having the rights and benefits and being subject to the restrictions set out in the revised Articles of Association of the company.

6,335,000 Ordinary shares of 0.1p each were allotted as fully paid for cash at a premium of 0.4p per share during the year, raising funds of £126,700.

9,750,000 Ordinary shares of 0.1p each were allotted as fully paid for cash at a premium of 0.08p per share during the year, raising funds of £17,550.

17,700,000 Ordinary shares of 0.1p each were allotted as fully paid for cash at a premium of 0.01p per share during the year, raising funds of £19,470.

9,660,000 Ordinary shares of 0.1p each were allotted as fully paid at a premium of 0.2p per share during the year with consideration of £28,980 being in the form of consultancy fees.

The number of Ordinary shares of 0.1p each in issue is as follows:

	2009 No.	2008 No.
At 1 December 2008	63,642,857	62,500,000
Issued during the year	<u>62,450,000</u>	<u>1,142,857</u>
At 30 November 2009	<u>126,092,857</u>	<u>63,642,857</u>

The number of Deferred shares of 0.9p each in issue is as follows:

	2009 No.	2008 No.
At 1 December 2008	-	-
Issued during the year	63,642,857	-
Cancelled during the year	<u>(63,642,857)</u>	<u> </u>
At 30 November 2009	<u> </u>	<u> </u>

On 21 August 2009 the company passed a special resolution to buy back all of the issued deferred shares for no consideration. The deferred shares were duly transferred to the company and subsequently cancelled.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

14. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Share scheme reserve £	Totals £
At 1 December 2008	(1,024,428)	323,086	-	6,817	(694,525)
Prior year adjustment	<u>8,258</u>				<u>8,258</u>
	(1,016,170)				(686,267)
Deficit for the year	(194,087)				(194,087)
Cash share issue	-	130,250	-	-	130,250
Equity-settled share- based payment transactions	-	-	-	12,950	12,950
Shares cancelled during year	-	-	<u>572,786</u>	-	<u>572,786</u>
At 30 November 2009	<u>(1,210,257)</u>	<u>453,336</u>	<u>572,786</u>	<u>19,767</u>	<u>(164,368)</u>

15. TRADE AND OTHER PAYABLES

	2009 £	2008 as restated £
Current:		
Trade payables	65,477	1,997
Social security and other taxes	3,427	-
Other payables	49,182	45,188
Accruals and deferred income	<u>7,658</u>	<u>61,044</u>
	<u>125,744</u>	<u>108,229</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

16. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents, financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Company's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Company's financial instruments which are summarised as follows

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following tables illustrate the contractual maturity profiles of its financial liabilities as at 30 November:

	2009	2008
	£	£
Falling due within one year:		
Trade payables	65,477	1,997
Tax liabilities	3,427	-
Other payables	49,182	45,188
Accruals and deferred income	<u>7,658</u>	<u>61,044</u>
	<u>125,744</u>	<u>108,229</u>

Credit Risk

The Company's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the balance sheet, and which represent the Company's maximum exposure to credit risk in relation to financial assets.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings in financial instruments.

Commodity Price Risk

The principal activity of the Company is the exploration for minerals in Sweden, and the principal market risk facing the Company is an adverse movement in the commodity price. Any long term adverse movement in this price would affect the commercial viability of the project.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

17. POST BALANCE SHEET EVENTS

Since the year end the Company has issued further Ordinary shares to provide additional working capital as follows:

	Issue price	Number of shares	Net proceeds £
5 February 2010	0.275p	13,000,000	35,750

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

18. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option programme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants are as follows; there are no vesting conditions to be met and all options are to be settled by the issue of shares:

Grant date	Number of instruments	Contractual life of options
8 March 2006	28,250,000	5 years
11 May 2006	450,000	5 years
29 October 2006	250,000	5 years
30 June 2009	<u>18,500,000</u>	5 years
	<u>47,450,000</u>	

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price 2009	Number of options 2009	Weighted average exercise price 2008	Number of options 2008
Outstanding at 1 December	1.012p	28,950,000	1.017p	29,050,000
Expired during the year	-	-	2.375p	(100,000)
Granted during the year	0.250p	<u>18,500,000</u>	-	-
Outstanding at 30 November	0.715p	<u>47,450,000</u>	1.012p	<u>28,950,000</u>
Exercisable at 30 November	0.715p	<u>47,450,000</u>	1.012p	<u>28,950,000</u>

The options outstanding at 30 November 2009 have an exercise price in the range of 0.25p to 2.375p 2008 - 1p to 2.375p) and a weighted average remaining contractual life of 2.6 years (2008 - 2.3 years). No share options were exercised during the year (2008 - no shares exercised).

The fair value of services received and commission payable in return for share options granted is based on the fair value of share options granted, measured using the Black Scholes model, with the following inputs:

	Services 2006	Commission 2006	Services 2006
Fair value at grant date	0.291p	2.102p	0.692p
Share price	1p	2.88p	2.375p
Exercise price	1p	1p	2.375p
Expected volatility	20%	20%	20%
Option life	5 years	5 years	5 years
Risk-free interest rate	5%	5%	5%

The expected volatility was determined by reviewing the actual volatility of the Company's share price since its listing on PLUS to the date of granting the option. In calculating the fair value, consideration was given to the market trends at the grant date of the option.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2009

18. **SHARE-BASED PAYMENT TRANSACTIONS - continued**

During the year, 18,500,000 options were issued in respect of consultancy services received. There were no vesting conditions to be met and the fair value of the options has been taken as the value of services provided.

There is an expense of £12,950 for the year (2008 - reversal of expense of £126) for goods and services received, in respect of equity-settled share-based payment transactions during the period.