



**PIONEER RESOURCES LIMITED**  
ABN 44 103 423 981

**Interim Financial Report  
for the  
Half-Year ended 31 December 2010**

**PIONEER RESOURCES LIMITED**  
**ABN 44 103 423 981**

**CORPORATE DIRECTORY**

**DIRECTORS**

Craig I McGown  
*Independent Non-Executive Chairman*

David J Crook  
*Managing Director*

Allan Trench  
*Independent Non-Executive Director*

Thomas W Spilsbury  
*Independent Non-Executive Director*

**COMPANY SECRETARY**

Julie A Wolseley

**PRINCIPAL REGISTERED  
OFFICE**

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**AUDITOR**

Butler Settineri (Audit) Pty Ltd  
Unit 16, First Floor  
100 Railway Road  
Subiaco  
Western Australia, 6008

**SHARE REGISTRY**

Security Transfer Registrars Pty Limited  
770 Canning Highway  
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Facsimile: (08) 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**STOCK EXCHANGE  
LISTING**

The Company's shares are quoted  
on the Australian Securities Exchange.  
The Home Exchange is Perth.

**ASX CODE**

PIO - ordinary shares

**PIONEER RESOURCES LIMITED**  
**ABN 44 103 423 981**

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**PIONEER RESOURCES LIMITED**  
and its controlled entity

**DIRECTORS' REPORT**

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Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The following persons held office as Directors of Pioneer Resources Limited during the half-year and until the date of this report:

***Craig Ian McGown* – B Comm, FCA, ASIA**  
**Independent Non-Executive Chairman**

Mr McGown was appointed a Director on 13 June 2008. Mr McGown is an investment banker with over 35 years experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia. Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has had extensive experience in the corporate finance sector, including mergers and acquisitions, capital raisings in both domestic and international financial markets, asset acquisitions and asset disposals, initial public offerings and corporate restructurings.

Mr McGown holds directorships in Bass Metals Ltd and Peel Exploration Limited.

***David J Crook* – B.Sc, MAusIMM, MAICD**  
**Managing Director**

Mr Crook was appointed a Director on 11 August 2003. Mr Crook was appointed the inaugural Managing Director of Pioneer on 11 August 2003. Mr Crook is a geologist with 30 years of experience in exploration, mining and management, predominantly within Western Australia, where he has investigated gold, nickel sulphide, nickel laterite and other commodities in teams with an excellent discovery record. He has held senior management roles, including the Pioneer IPO, exploration management, project acquisitions, JV negotiations and capital raisings.

In Australia Mr Crook's operational experience has included tenement identification to ore reserve calculations for gold and base metal projects; and a decade engaged in operating gold mines. Prior to Pioneer his career highlights included participation in the discovery of the Radio Hill Nickel Mine, ore generation and early production and at the Gidgee Gold Mine during the 1980-1990s and, prior to Pioneer, he was for 7 years, the exploration manager at Heron Resources Limited.

***Allan Trench* – B.Sc (Hons), Ph.D, M.Sc (Min. Econ), MBA (Oxon), ARSM, AWASM, MAusIMM, MAICD**  
**Independent Non-Executive Director**

Dr Trench was appointed a Director on 8 September 2003. Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including nickel, gold, vanadium and mineral sands. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd and is now with CRU, an independent business analysis and consultancy group.

Dr Trench currently holds directorships in Navigator Resources Ltd Limited, Venturix Resources Limited and Hot Chili Ltd (all listed on ASX) and Legend International Holdings Inc and Acadian Mining Corp.

***Thomas Wayne Spilsbury* – B.Sc (Hons), M.Sc (Geology), P. Geology (B.C.), FAusIMM, MAIG, GAID**  
**Independent Non-Executive Director**

Mr Spilsbury was appointed a Director on 4 January 2010. Mr Spilsbury is a geologist who received his B.Sc. (Honors Geology) in 1973 from the University of British Columbia and his M. Sc. (Applied Geology) in 1982 from Queens University in Ontario. He brings over 35 years of experience in mineral exploration and management, including 28 years with Teck Cominco Limited and was their former General Manager, Exploration – Asia Pacific. In this role, he held responsibility for managing an extensive exploration portfolio including large-scale gold and base metal projects in Australia and China. Mr Spilsbury has worked throughout Western Canada, the United States, Asia and Australia.

Mr Spilsbury currently holds directorships in Minco Silver Corporation, GGL Resources Corp and International Lithium Corp.

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**DIRECTORS' REPORT**

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**DIRECTORS (Continued)**

The Directors named above each held office as at 31 December 2010.

**COMPANY SECRETARY**

*Julie Wolseley – B.Com, CA, MAICD*

Ms Wolseley is the principal of a corporate advisory company with over 18 years experience acting as company secretary to a number of ASX listed public companies operating primarily in the resources sector. Previously Ms Wolseley was an audit manager both in Australia and overseas for an international accounting firm. Ms Wolseley also holds a directorship in OM Holdings Ltd.

**REVIEW OF OPERATIONS**

The consolidated entity recorded an operating loss after income tax for the half-year ended 31 December 2010 of \$396,432 compared to the 31 December 2009 operating loss after income tax of \$383,612.

During the half-year the consolidated entity incurred a total of \$1,847,495 on exploration expenditure of which \$250,094 was funded by way of joint venture contributions by participants in accordance with joint venture arrangements. A significant proportion of the exploration and evaluation expenditure was incurred on the consolidated entity's Mt Jewell Gold Project, Golden Ridge JV Project and Acra Project in Western Australia.

During the half-year the Company completed share placements to professional and sophisticated investors in accordance with the Corporations Act 2001, which comprised on 26 August 2010 the issue of 37,856,712 ordinary shares at an issue price of 3 cents per share which raised \$1,135,701 (before issue costs) and on 28 September 2010 the Company issued 83,713,424 ordinary shares at an issue price of 3 cents per share under a Share Purchase Plan which raised \$2,511,403 (before issue costs). Proceeds from the placements and the Share Purchase Plan were applied towards exploration programmes at the Company's operations and for working capital.

The Company's cash position at the end of the half-year was \$4,075,180.

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Butler Settinieri (Audit) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2010.

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

Dated at Perth this 15 March 2011.



**DJ Crook**  
Managing Director



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Pioneer Resources Limited and its controlled entities for the half year ended 31 December 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 review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pioneer Resources Limited and the entity it controlled during the half year.

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER  
Director

Perth  
Date: 15 March 2011

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SETTINERI**

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Directors:  
**Colin Butler**  
FCA  
**Paul Chabrel**  
FCA  
**Lucy Gardner**  
CA

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF PIONEER RESOURCES LIMITED**

Chartered  
Accountants



**Report on the half year financial report**

We have reviewed the accompanying half year financial report of the Pioneer Resources Limited ("the Company") and its controlled entity ("the Group") which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, notes comprising a statement of significant accounting policies and other selected explanatory notes and the directors' declaration.

**Directors' responsibility for the half year financial report**

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pioneer Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain the assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Butler Settineri (Audit) Pty Ltd**

A.C.N. 112 942 373

Registered Company Auditor Number 289109

*Liability limited by a scheme approved under Professional Standards Legislation*

**BUTLER  
SETTINERI**

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Directors:

**Colin Butler**  
FCA

**Paul Chabrel**  
FCA

**Lucy Gardner**  
CA

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## Independence

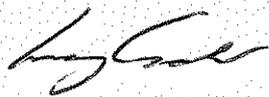
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Pioneer Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 15 March 2011

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**DIRECTORS' DECLARATION**

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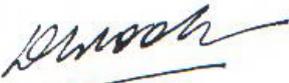
In accordance with a resolution of the Directors of Pioneer Resources Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes of the consolidated entity, as set out on pages 7 to 14:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity.
2. In the Director's opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dated at Perth this 15 March 2011.



**DJ Crook**  
Managing Director

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

**For the half-year ended 31 December 2010**

	Note	31 December 2010 \$	31 December 2009 \$
<b>Continuing Operations</b>			
Other income	2	98,828	84,280
Total revenue	2	98,828	84,240
Employee expenses		(490,367)	(362,153)
Corporate expenses		(119,415)	(126,112)
Depreciation	2	(18,246)	(21,274)
Rental expense on operating leases	2	(29,293)	(31,188)
Non-Executive Directors' fees		(85,000)	(65,000)
Insurance expenses		(15,996)	(14,887)
Employee costs recharged to capitalised exploration		430,572	283,324
Reimbursement of overhead expenditure		21,169	82,255
Expense of share-based payments	2	(108,979)	(17,703)
Exploration costs written off	2	(5,553)	(74,837)
Other expenses		(107,902)	(101,567)
Loss before income tax		(430,182)	(364,862)
Income tax		-	-
Net loss from continuing operations for the half year		(430,182)	(364,862)
Other comprehensive income		33,750	(18,750)
Total comprehensive loss for the half year attributable to members of the Company		(396,432)	(383,612)
<b>Earnings/(loss) per share from continuing operations</b>			
Basic earnings/(loss) per share (cents per share)	4	(0.13)	(0.15)
Diluted earnings/(loss) per share (cents per share)	4	(0.13)	(0.15)

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2010

	Note	31 Dec 2010 \$	30 June 2010 \$	31 Dec 2009 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		4,075,180	2,336,721	4,208,657
Other receivables		103,499	368,929	103,301
Other financial assets		70,349	49,597	43,330
<b>TOTAL CURRENT ASSETS</b>		<b>4,249,028</b>	2,755,247	4,355,288
<b>NON-CURRENT ASSETS</b>				
Plant, equipment and motor vehicles		40,172	48,245	68,246
Capitalised mineral exploration		9,223,834	7,288,083	6,951,470
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,264,006</b>	7,336,328	7,019,716
<b>TOTAL ASSETS</b>		<b>13,513,034</b>	10,091,575	11,375,004
<b>CURRENT LIABILITIES</b>				
Trade and other payables		486,975	355,271	580,544
Provisions		79,483	47,994	48,052
<b>TOTAL CURRENT LIABILITIES</b>		<b>566,458</b>	403,265	628,596
<b>NON-CURRENT LIABILITIES</b>				
Provisions		41,400	49,529	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>41,400</b>	49,529	-
<b>TOTAL LIABILITIES</b>		<b>607,858</b>	452,794	628,596
<b>NET ASSETS</b>		<b>12,905,176</b>	9,638,781	10,746,408
<b>EQUITY</b>				
Contributed equity	3	22,256,587	18,702,739	18,702,739
Share option reserve		688,486	950,825	847,443
Investments revaluation reserve		33,750	-	750
Accumulated losses		(10,073,647)	(10,014,783)	(8,804,524)
<b>TOTAL EQUITY</b>		<b>12,905,176</b>	9,638,781	10,746,408

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

**For the half-year ended 31 December 2010**

	Contributed Equity	Share Option Reserve	Investment Revaluation Reserve	Losses	Total
<b>BALANCE AT 1 JULY 2010</b>	18,702,739	950,825	-	(10,014,783)	9,638,781
<b>TOTAL COMPREHENSIVE LOSS</b>	-	-	33,750	(430,182)	(396,432)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Shares issued during the year (net of transaction costs)	3,553,848	-	-	-	3,553,848
Directors and employees options	-	108,979	-	-	108,979
Transfer from share option reserve re: expired options	-	(371,318)	-	371,318	-
<b>BALANCE AT 31 DECEMBER 2010</b>	<b>22,256,587</b>	<b>688,486</b>	<b>33,750</b>	<b>(10,073,647)</b>	<b>12,905,176</b>
<b>BALANCE AT 1 JULY 2009</b>	14,763,933	719,141	19,500	(8,439,662)	7,062,912
<b>TOTAL COMPREHENSIVE LOSS</b>	-	-	(18,750)	(364,862)	(383,612)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Shares issued during the year (net of transaction costs)	3,938,806	-	-	-	3,938,806
Directors and employees options	-	17,702	-	-	17,702
Other options issued	-	110,600	-	-	110,600
<b>BALANCE AT 31 DECEMBER 2009</b>	<b>18,702,739</b>	<b>847,443</b>	<b>750</b>	<b>(8,804,524)</b>	<b>10,746,408</b>

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**CONDENSED STATEMENT OF CASH FLOWS**

**For the half-year ended 31 December 2010**

	31 Dec 2010 \$ Inflows/(Outflows)	31 Dec 2009 \$ Inflows/(Outflows)
<b>Cash flows from operating activities</b>		
Interest received	96,279	48,214
Payments to suppliers and employees (inclusive of goods and services taxes)	(451,116)	(292,549)
Net cash flows (used in)/from operating activities	(354,837)	(244,335)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(1,700,473)	(1,423,512)
Receipts from joint venture and other exploration funding	250,094	650,289
Payments for plant and equipment	(10,173)	(12,331)
Refund of tenement bonds	-	1,400
Net cash flows used in investing activities	(1,460,552)	(784,154)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	4,573,451	4,178,086
Refund of oversubscriptions from capital raisings	(926,347)	-
Payment for transaction costs relating to the issue of shares	(93,256)	(265,980)
Net cash flows provided by financing activities	3,553,848	3,912,106
Net increase in cash held	1,738,459	2,883,617
Cash at the beginning of the half-year	2,336,721	1,325,040
Cash at the end of the half-year	4,075,180	4,208,657

*The accompanying notes form an integral part of these financial statements.*

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

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**1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**

These general purpose half-year financial statements for the half-year ended 31 December 2010 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS "Interim Financial Reporting".

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2010 and any public announcements made by Pioneer Resources Limited and its controlled entity during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2010 annual financial report for the financial year ended 30 June 2010.

In the half-year ended 31 December 2010, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2010.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company's accounting policies.

**Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Pioneer Resources Limited and its subsidiary as at 31 December 2010 ('the consolidated entity').

**Estimates**

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2010.

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

	Consolidated		
	31 December 2010	31 December 2009	
	\$	\$	
<b>2. REVENUE AND EXPENSES</b>			
<b>Revenue and expenses from continuing operations</b>			
(a) Revenue			
Interest income	98,828	63,280	
Reversal of investment impairment	-	21,000	
	98,828	84,280	
(b) Expenses			
Contributions to employees superannuation plans	40,417	31,877	
Share based payments expense	108,979	17,703	
Depreciation	15,996	21,274	
Rental expenses on operating leases	29,293	31,188	
Provision for employee entitlements	28,948	514	
Exploration expenditure written off	5,553	74,837	
	31 Dec 2010	30 June 2010	31 Dec 2009
	\$	\$	\$
<b>3. CONTRIBUTED EQUITY</b>			
(a) <i>Issued Capital</i>			
400,614,885 ordinary shares; (30 June 2010: 279,044,749 ordinary shares); (31 December 2009: 279,044,749)	22,256,587	18,702,739	18,702,739

During the half year the following ordinary shares were issued:

- (i) 37,856,712 ordinary shares at an issue price of 3 cents each, which raised \$1,135,701 (before issue costs); and
- (ii) 83,713,424 ordinary shares at an issue price of 3 cents each, which raised \$2,511,403 (before issue costs).

The capital raising proceeds were applied to fund the Company's exploration initiatives and to augment working capital.

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

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**3. CONTRIBUTED EQUITY (Continued)**

**(b) Options**

During the half year ended 31 December 2010 no options were issued.

During the half year ended 31 December 2010, 2,400,000 unlisted options exercisable at 20 cents each expired on 8 September 2010.

The following unlisted options are outstanding in respect of ordinary shares as at 31 December 2010:

- 1,000,000 options exercisable at 25 cents each on or before 31 August 2011.
- 350,000 options exercisable at 25 cents each on or before 30 June 2011.
- 250,000 options exercisable at 30 cents each on or before 30 June 2011.
- 2,400,000 options exercisable at 22 cents each on or before 8 September 2011.
- 2,000,000 options exercisable at 10 cents each on or before 31 December 2011.
- 2,000,000 options exercisable at 12 cents each on or before 31 December 2011.
- 200,000 options exercisable at 25 cents each on or before 31 March 2012.
- 750,000 options exercisable at 20 cents each on or before 30 June 2012.
- 750,000 options exercisable at 22 cents each on or before 30 June 2013.
- 3,366,665 options exercisable at 8.5 cents each on or before 30 November 2013.
- 3,341,665 options exercisable at 10 cents each on or before 30 November 2013.
- 3,341,670 options exercisable at 12 cents each on or before 30 November 2013.
- 433,333 options exercisable at 8.5 cents each on or before 31 December 2013.
- 433,333 options exercisable at 10 cents each on or before 31 December 2013.
- 433,334 options exercisable at 12 cents each on or before 31 December 2013.

There have been no options issued since the end of the financial period.

**PIONEER RESOURCES LIMITED**  
and its controlled entity

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**For the half-year ended 31 December 2010**

	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
	<b>\$</b>	<b>\$</b>
<b>4. EARNINGS/(LOSS) PER SHARE</b>		
The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	<b>(430,182)</b>	(364,862)
	<b>Number of Shares <u>2010</u></b>	<b>Number of Shares <u>2009</u></b>
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	<b>343,457,883</b>	244,930,253
<i>Effect of dilutive securities</i>		
Share options*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<b>343,457,883</b>	244,930,253

**\*Non-dilutive securities**

As at balance date, 21,050,000 unlisted options (which represent 21,050,000 potential ordinary shares) (31 December 2009: 22,150,000 unlisted options which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

**5. DIVIDENDS**

No dividend has been declared or paid during the half-year ended 31 December 2010.

**6. EVENTS SUBSEQUENT TO BALANCE DATE**

Since 31 December 2010, no event has arisen that would be likely to materially affect the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity not otherwise disclosed in the consolidated entity's financial statements.

**7. CONTINGENT ASSETS AND LIABILITIES**

Since the last reporting date, there has been no change of any contingent liabilities or contingent assets.

**8. SEGMENT INFORMATION**

The consolidated entity operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the consolidated entity is domiciled and operates in one segment being Australia.