

**Nufcor** URANIUM LIMITED

**Annual report and audited financial statements  
for the year ended 30<sup>th</sup> June 2009**

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## Directory

### Directors

Kelvin Williams (Chairman)  
Peter Bonney  
Anthony Pickford  
William Scott  
Michael Travis

### Registered Office

Anson Court  
La Route Des Camps  
St Martin  
Guernsey

### Secretary

Mercator Secretaries Limited  
Anson Court  
La Route Des Camps  
St Martin  
Guernsey

### Legal Advisers in relation to English Law

Simmons & Simmons  
CityPoint  
One Ropemaker Street  
London

### Joint Broker

Canaccord Adams  
Cardinal Place  
7th Floor  
80 Victoria Street  
London

### Independent Auditors

PricewaterhouseCoopers CI LLP  
National Westminster House  
Le Truchot  
St Peter Port  
Guernsey

### Custodian (to 24 June 2009)

Nufcor International Limited  
7<sup>th</sup> Floor  
61 Aldwych  
London

### Chief Executive Officer

Anthony Pickford

### Chief Financial Officer

David Preston

### Administrator

Mercator Trust Company Limited  
Anson Court  
La Route Des Camps  
St Martin  
Guernsey

### Legal Advisers in relation to Canadian Law

Stikeman Elliott LLP  
Dauntsey House  
4B Frederick's Place  
London

### Legal Advisers in relation to Guernsey Law

Ozannes  
1 Le Marchant Street  
St Peter Port  
Guernsey

### Nominated Adviser & Joint Broker

Deutsche Bank AG London  
Winchester House  
1 Great Winchester Street  
London

### Adviser (to 24 June 2009)

Nufcor Capital Limited  
7<sup>th</sup> Floor  
61 Aldwych  
London

## Chairman's statement

The Uranium market continued to show considerable volatility during the period under review, with high volumes of material traded. During the first quarter of 2009, the spot price of  $U_3O_8$  weakened steadily, losing some US\$13 per pound or almost 25% off its opening price of US\$53 per pound. However, during the second quarter of the year, all of the price loss was regained with the spot price trading up as high as US\$54 per pound. Since the end of the financial year the market has retreated somewhat to trade currently at around US\$47 per pound. There has been a fall in long term uranium prices as well, as market participants have dealt in the ongoing positive arbitrage between spot and term prices and this has contributed to a narrowing of this price gap. The volume of spot business during the first half of 2009 has been reported at around 28 million pounds  $U_3O_8$ , compared with 42 million pounds  $U_3O_8$  for the full calendar year 2008.

During this period of spot price volatility, the Company's net asset value per share has tracked the uranium price closely and the asset value today reflects the market price of the metal. Income earned by the Company from lending of  $U_3O_8$  and  $UF_6$  again covered all operating costs of the Company during the year. However, the discount of the Company's share price to its net asset value has remained high in common with many closed ended funds during this time. Whilst the discount today is significantly lower than it had been at the time of the most serious problems in financial markets it remains an issue of real concern to the Board of the Company. The Board considered the option to buy back shares in issue during this period of significant discount but elected not to do so on the view that the limited purchase of shares would be likely to have only a transient effect, and would adversely impact the economies of scale which the Company enjoys and further exaggerate the problems of liquidity that the Company's shares face.

On 24<sup>th</sup> June 2009, the company terminated its agreement with the Adviser, Nufcor Capital Limited with immediate effect. The Board is currently evaluating a number of proposals and strategic alternatives and expects to make an announcement as to the outcome of this process in due course. The Company also terminated its agreement with the Custodian, Nufcor International Limited, at the same time and the Company has ninety days from that date to make alternative arrangements for the storage of its uranium assets. The Company intends to open its own safe custody accounts with licensed storage facilities and negotiations in this respect are already under way. The Board expects that these arrangements will be concluded shortly.

A further consequence of the termination of the Advisory Services Agreement is that the Company is contractually bound to change its name to a name that does not include the name "Nufcor" and the Board will accordingly put to the forthcoming Annual General Meeting a resolution to change the Company's name and will ask for shareholders support for this change.

Notwithstanding the uranium market volatility during the past year the Company's view on the prospects for uranium remains favourable. The growth in demand that will come from renewed and still expanding commitments to nuclear power generation in numerous countries in all regions of the world remains in place. Set against that prospect of growing demand, there has been no material change to the availability and supply of uranium to meet that demand and we remain positive that favourable market conditions will prevail for the foreseeable future.

Kelvin Williams  
Chairman

18<sup>th</sup> August 2009

## Report of the Directors

The directors of Nufcor Uranium Limited ("the Company") are pleased to submit their annual report and financial statements for the year ended 30<sup>th</sup> June 2009.

### The Company

The Company is an investment company registered in Guernsey on 28<sup>th</sup> June 2006 under The Companies (Guernsey) Law, 1994. The Company was admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM") on 21<sup>st</sup> July 2006 and on the Toronto Stock Exchange ("TSX") on 30<sup>th</sup> December 2008. With effect from 1<sup>st</sup> July 2008, Guernsey has adopted a new company law and the Company has complied with those parts that are beneficial to it in accordance with that law.

### Results and Dividend

The results for the year are shown on page 13. The directors do not recommend the payment of a dividend for the year.

### Significant Shareholdings

As at 30<sup>th</sup> June 2009, the Board had been notified, or was otherwise aware of, the following shareholdings exceeding 3% of the issued share capital:

	Number of shares	Percentage of issued share capital
QVT Financial LP	11,837,535	28.70%
Wellington Management Company, LLP	4,131,687	10.02%
Nufcor International Limited	3,300,000	8.00%
Neutron Fund (SICAV) Plc	3,108,156	7.53%
Credit Suisse (Broker Group)	2,930,275	7.10%
Metage Capital Limited	2,622,500	6.36%
New City Investment Managers Limited	2,148,300	5.21%
Hedgehog Capital LLC	1,979,110	4.80%
SIX SIS AG – Custodian	1,653,494	4.01%

## Corporate Governance

### Introduction

As a closed-ended investment company registered in Guernsey and as a company admitted for trading on the Alternative Investment Market, the Company is eligible for exemption from the requirements of the Combined Code (the "Code") which sets out the principles of good governance and a code of best practice and is issued by the UK Listing Authority. The Board has, however, put in place a framework for corporate governance which it believes is suitable for an investment company and which enables the Company to voluntarily comply with the main requirements of the Code.

The Board considers that the Company has complied with the provisions contained in Section 1 of the Code throughout this accounting period. The following statement describes how the relevant principles of governance are applied to the Company.

### Operation of the Board

The Board is responsible for the proper management of the Company, and, in discharging that responsibility, has delegated specific authority to the Audit Committee and the Adviser Appointment Committee as described more fully below.

The directors are responsible for the determination of the Company's investment strategy and have overall responsibility for the Company's day-to-day activities. The directors have appointed an Administrator under a service agreement, to assist them in discharging these responsibilities, namely Mercator Trust Company Limited (the "Administrator").

## Report of the Directors (continued)

### Corporate Governance (continued)

#### *The Board*

The directors of the Company who served during the year were as follows:

Kelvin Williams (non-executive Chairman) (South Africa)  
Anthony Pickford (Chief Executive Officer) (Guernsey)  
William Scott (non-executive) (Guernsey)  
Michael Travis (non-executive) (UK)  
Peter Bonney (non-executive) (United States)

Mr Williams was a director of Nufcor International Limited until his resignation in December 2007, and was an executive director of AngloGold Ashanti Limited from its establishment in 1998 until May 2006. Mr Williams is a past director of the World Gold Council.

Mr Pickford was the Chairman of Mercator Trust Company Limited; a Guernsey based fiduciary company until his resignation in March 2008. He was also a partner of Grant Thornton Chartered Accountants in Guernsey until March 2008. Mr Pickford is a qualified Chartered Accountant and a UK licensed insolvency practitioner.

Mr Scott has over 25 years experience of the investment funds industry, is a former senior vice president of FRM Investment Management Limited and a former director of Close Bank Guernsey Limited. Mr Scott is a Chartered Accountant and is a member of the Securities & Investment Institute.

Mr Travis has 18 years experience in the uranium industry and is the former managing director of Rio Tinto Mineral Services Limited, the uranium marketing arm of the Rio Tinto group. Mr Travis was a member of the board of the World Nuclear Association from 2001 to 2003 and was a member of the bureau of the Euratom Supply Agency Advisory Committee from 2003 to 2005. Mr Travis has an MA from Oxford University and an MBA from INSEAD.

Mr Bonney is a partner and portfolio manager of QVT Financial LP, where he manages investments in commodities, closed-end funds, and other areas. While at QVT, Mr Bonney has been actively involved in managing QVT's uranium-related investments, including trading of physical Uranium and Uranium derivatives as well as investments in Uranium-related equities. Prior to the formation of QVT Financial LP, Mr Bonney was employed at Deutsche Bank as part of the QVT Group within DB Advisors. Prior to joining the QVT Group in 2002, he worked as a Consultant specializing in risk management at ERisk LLC and Oliver, Wyman & Company, LLC. Mr Bonney has an A.B. in Applied Mathematics from Harvard College.

Throughout the year, Mr Pickford served as the Chief Executive Officer and Mr David Preston as Chief Financial Officer. Mr Preston is the Managing Director of the Administrator which has prepared the Company's financial and net asset statements since the Company's admission to AIM.

The Board meets quarterly in Guernsey and holds other meetings as often as necessary.

During the year ended 30<sup>th</sup> June 2009, six Board meetings have been held, four of which were scheduled quarterly meetings. All of the directors have attended each of the scheduled quarterly meetings. Of the two unscheduled meetings, Mr Scott has attended both, Mr Williams, Mr Bonney and Mr Pickford have attended one whilst Mr Travis was not available for either.

#### *Audit Committee*

The Audit Committee comprises Messrs Pickford, Scott, and Travis and is chaired by Mr Scott. The committee meets at least twice a year at appropriate times in the reporting cycle and otherwise as required.

The Audit Committee examines the effectiveness of the Company's internal control systems, reviews the annual report and financial statements and interim report, and agrees the auditors' remuneration and terms of engagement.

**Report of the Directors (continued)****Corporate Governance (continued)***Adviser Appointment Committee*

The Adviser Appointment Committee comprises Messrs Pickford, Scott and Travis and is chaired by Mr Travis. The committee meets at least twice a year. The function of the Committee is to undertake an annual review of the performance of the Adviser and to review and to agree any changes to be made to the fees payable to the Adviser. The Committee also monitors and reviews the effectiveness of the procedures established by the Company with the Adviser and the Custodian to manage conflicts of interest arising out of the provision of services under the Advisory Services Agreement and the Custody Agreement and makes recommendations to the Board as appropriate. The Committee will also consider the terms of appointment of any replacement Adviser or Custodian as appropriate.

As a result of the termination on 24<sup>th</sup> June 2009 of the Advisory Services Agreement with Nufcor Capital Limited, the Company currently has no Adviser.

*Independent Review Committee*

The Independent Review Committee comprises Messrs Scott, Travis and Bonney, is chaired by Mr Scott and meets at least twice a year.

The Independent Review Committee was established to conform with the Toronto Stock Exchange listing rules following the Company's listing on 30<sup>th</sup> December 2008. NI 81-107 requires all publicly offered investment funds, such as the Company, to establish an Independent Review Committee to whom the Adviser must refer all conflicts of interest matters for review or approval.

The Independent Review Committee has adopted a mandate establishing protocols dictating that it must provide a recommendation or approval of transactions in which there is a conflict of interest between the Company and its Adviser and as between the Company and any individual members of the Board of Directors as contemplated in NI 81-107. The Independent Review Committee must also prepare a report at least annually of its activities for shareholders that will be available on the Company's website or at the shareholders' request at no cost, by contacting the Company at [enquiries@nufcoruranium.com](mailto:enquiries@nufcoruranium.com). All fees and expenses of the Independent Review Committee are paid by the Company.

*Internal Controls*

The Board is responsible for the Company's system of internal control and for reviewing their effectiveness.

Those services provided to the Company by the Administrator, such as administration services, accounting services and company secretarial duties reflect the system of internal controls of the Administrator. The relevant control regime for other services, such as the Adviser, Custodian and Registrar, reflect those of the respective service providers.

The compliance department of the Administrator reports annually on the design and effectiveness of internal controls operating over the functions provided by the Administrator. This report is reviewed by the Audit Committee and any material findings are considered by the Board of Directors as a whole.

*Going Concern*

The directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements and, after due consideration, the directors consider that the Company is able to continue as a going concern in the foreseeable future.

*Relations with Shareholders*

The Adviser and the Company's broker maintain a regular dialogue with institutional shareholders, the feedback from which is reported to the Board. In addition, Board members attend shareholder presentations and will be available to respond to shareholders' questions at the Annual General Meeting.

*Auditor Objectivity and Independence*

PricewaterhouseCoopers CI LLP, the Company's auditors, have confirmed they are satisfied that they have complied with their independence requirements. The Directors agree with this assessment.

## Report of the Directors (continued)

### Statement of Directors' Responsibilities

The directors are responsible for preparing financial statements for each financial period which 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 and are in accordance with applicable laws. In preparing those financial statements the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. 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.

### Termination of Advisory Service and Custody Agreements

On 24<sup>th</sup> June 2009, the Company terminated its agreement with its Adviser, Nufcor Capital Limited with immediate effect. The Board is currently evaluating a number of proposals and strategic alternatives and expects to make an announcement as to the outcome of this process in due course.

On the same day, the Company also terminated its agreement with its Custodian, Nufcor International Limited. Under the terms of that agreement, the Company has 90 days from that date to make alternative arrangements for the storage of the Company's uranium assets. The Company intends to open its own safe custody accounts with licensed storage facilities and negotiations in this respect are proceeding. The Board expects to be able to complete this process shortly.

### Change of Company Name

In accordance with the termination provisions of the Advisory Services Agreement, the Company is contractually obliged to use all reasonable endeavours to change its corporate name as soon as reasonably practical to a name that does not include the name "Nufcor" and is not intended or is not reasonably likely to be confused with it. The board will therefore put to the forthcoming AGM a resolution to change the Company's name. Shareholders are encouraged to support this resolution as indeed they are encouraged to support all of the proposed resolutions.

### Annual General Meeting

The third Annual General Meeting of the Company will be held on 17<sup>th</sup> September 2009. The board will be seeking a continuing authority by special resolution to repurchase up to 15% of the shares in issue.

In addition, the Company will be requesting shareholders to approve a special resolution to change the Company's name as well as a resolution to approve the reappointment of the following directors:

- Kelvin Williams
- William Scott
- Michael Travis
- Anthony Pickford

The resolutions are set out in full in the AGM notice.

### Admission to the Toronto Stock Exchange

On 30<sup>th</sup> December 2008, the Company's shares commenced trading on the Toronto Stock Exchange ("TSX"). The Company's shares are fully fungible between AIM and TSX. The Company remains committed to its listing on AIM and believes that the Company's profile and future potential will be enhanced by the additional listing on the TSX.

### Change of Accounting Treatment

With effect from 1<sup>st</sup> July 2008, the Company changed its accounting policy for the carrying value of its uranium assets. Such uranium assets are now designated at fair value through profit or loss which the board believes better reflects the value of shareholders' equity and the performance of the Company than did the previous policy of valuation at cost less impairment. This has resulted in a prior period adjustment to restate comparative figures (see note 10).



**Report of the Directors (continued)**

**Auditors and disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved, the following applies:-


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he 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.

**Reappointment of Auditors**

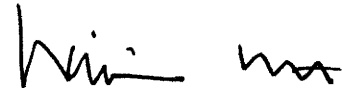
A resolution to reappoint the auditors, PricewaterhouseCoopers CI LLP, will be proposed at the AGM.

Anson Court  
La Route Des Camps  
St Martin  
Guernsey

18<sup>th</sup> August 2009



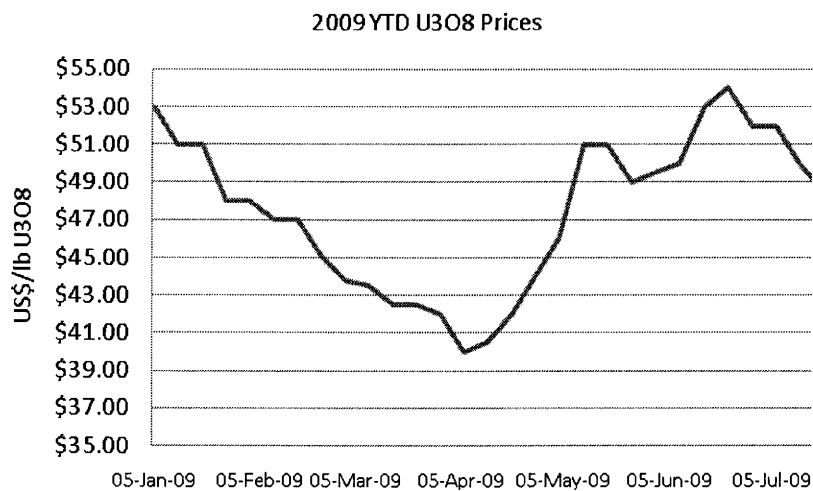
.....  
A C Pickford  
Director



.....  
W Scott  
Director

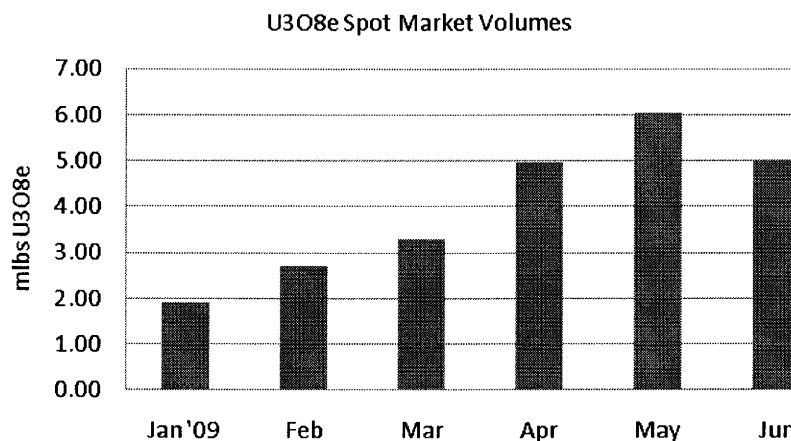
**Directors' review of the market**

After a steady decline in the spot price of U<sub>3</sub>O<sub>8</sub> during the first quarter of 2009, the second quarter saw further weakness down to a year-to-date low of US\$40.00/lb, a level nearly half of the spot price almost a year ago. The drop in prices was in small part a continuation of the sell-off from the financial crisis in October 2008, but reflected more the decline in utility demand for uranium relative to substantial supplies entering the market during this time. Several utilities had brought forward budgeted 2009 purchases into late 2008 to soak up the crisis selling in that period, and this has left utility buying in 2009 rather more discretionary in nature than would otherwise have been the case. However, strong buying from China, from financial players, and from some producers added much needed support to the spot price to lift it back up to US\$52.00/lb by the end of June 09.



The long-term U<sub>3</sub>O<sub>8</sub> price began the year at US\$70.00/lb but fell to US\$65.00/lb in April in line with the fall in spot prices. The arbitrage between spot and term prices remained strong for the period under review, encouraging some producers and traders to exploit this arbitrage (and to support the spot price in doing so). Utilities are also showing sophistication in projecting in-house forward price curves constructed from their cost-of-carry and broker quotes, and they are keenly aware of the arbitrage opportunity.

Second quarter traded volumes in the spot market reached a substantial 19.9m lbs U<sub>3</sub>O<sub>8</sub> from 77 transactions, compared with a total annual volume of 42,1m lbs from 209 transactions in calendar year 2008. Trading volumes in the term market have been muted, and year to date term activity is estimated at around 53m lbs U<sub>3</sub>O<sub>8</sub>e from 15 transactions.



**Directors' review of the market (continued)**

Utility buying continues to be the key demand driver in this industry and prospects for price recovery in the medium term are highly dependent on unfilled utility reactor requirements and on the current economic climate. The recent Energy Information Administration ("EIA") report estimated that, as at the end of 2008, unfilled U.S. uranium requirements for 2009 through 2018 total a sizeable 274m lbs  $U_3O_8$  (with total requirements of 503m lbs  $U_3O_8$  including contracted deliveries over the same period) suggesting that demand for long-term contracting in the U.S. should remain healthy over the next few years.

The Conversion price has declined significantly by some 24% over the second quarter to US\$6.50/kgU by end June, indicative of a sell-off in  $UF_6$  over the quarter relative to demand. The sell-off has continued into the third quarter and the recent announcement by the Department of Energy of the USA (the DOE) that it is planning to sell an additional 1,150-1530 tU as  $UF_6$  before the end of 2009 is likely to further affect market sentiment for conversion prices. In spite of the drop in conversion prices over the second quarter, the  $UF_6$  price increased over that period from US\$118/kgU as  $UF_6$  to US\$152/kgU as  $UF_6$ , reflecting the rising  $U_3O_8$  price over that period.

On uranium demand, during the period under review several developments reinforced the continued growth in interest in nuclear power. The UAE signed the IAEA's additional protocol to the Nuclear Non-Proliferation Treaty allowing the IAEA more oversight powers over any reactors the UAE intends to build, providing further evidence of that region's progression towards nuclear energy. In April, the Environmental Protection Agency ("EPA") ruled that  $CO_2$  gas poses a threat to public health, with negative implications for the growth in coal fired power stations. In June, the DOE awarded US government loan guarantees to seven new reactor projects in the USA.

On the uranium supply side, there was encouraging news of the successful commissioning of new production by both Paladin in Malawi and First Uranium in South Africa, whilst Uranium One announced the commencement of its A\$118m Honeymoon project in Australia, with start-up scheduled for H2 2010.

However, not all news on the production side was positive. In May, US producer Denison halted the processing of uranium ores at its White Mesa mill in Utah for the remainder of 2009 because processing costs were higher than the then market price. Production from the Denison mill was 791,000 lbs in 2008. In the same month, the arrest of, the head of Kazatomprom, Kazakhstan's government mining venture and one of the world's leading uranium producers, and the investigation of other executives and senior managers, has unsettled supply expectations from this very important producer of uranium.

Longer term, there remains uncertainty around the outcome of the Cigar Lake and Olympic Dam projects, and about the likely termination of uranium supplies from Russian HEU, and these issues continue to be a source of potential upward price pressure in this market.

**Independent Auditors' report  
To the Members of Nufcor Uranium Limited**

**Report on the financial statements**

We have audited the accompanying financial statements of Nufcor Uranium Limited which comprise the balance sheet as of 30 June 2009 and the income statement, the statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

**Opinion**

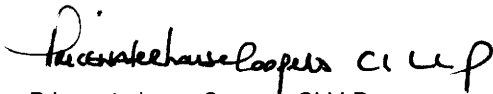
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

**Independent Auditors' report (Continued)**  
**To the Members of Nufcor Uranium Limited**

**Report on other legal and regulatory requirements**

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Chairman's Statement and the Report of the Directors.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



PricewaterhouseCoopers CI LLP  
Chartered Accountants  
Guernsey, Channel Islands

18<sup>th</sup> August 2009

**Income statement**  
**For the year ended 30<sup>th</sup> June 2009**

	Note	Year ended 30 <sup>th</sup> June 2009 US\$	(as restated) Year ended 30 <sup>th</sup> June 2008 US\$
<b>Income</b>			
Bank interest		79,858	315,329
Uranium loan fees	2	3,754,228	3,891,997
		<u>3,834,086</u>	<u>4,207,326</u>
<b>Expenses</b>			
Investment advisory fees	2	1,538,455	2,280,375
Audit fees		44,511	70,776
Directors' fees	9	260,210	255,558
Listing expenses		580,966	2,641,325
Other administrative expenses		924,698	660,394
		<u>3,348,840</u>	<u>5,908,428</u>
<b>Operating profit / (loss)</b>		<u>485,246</u>	<u>(1,701,102)</u>
Loss on sale of uranium assets		(506,625)	-
Decrease in fair value of uranium holdings	10	(26,253,365)	(215,250,000)
		<u>(26,274,744)</u>	<u>(216,951,102)</u>
<b>Loss for the financial year attributable to equity shareholders</b>		<u>(26,274,744)</u>	<u>(216,951,102)</u>
<b>Basic loss per share</b>	7	<u>US\$(0.637)</u>	<u>US\$(5.259)</u>
<b>Diluted loss per share</b>		<u>US\$(0.637)</u>	<u>US\$(5.173)</u>

The notes on pages 17 to 26 form part of these financial statements.

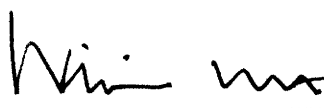
**Balance sheet**  
**At 30<sup>th</sup> June 2009**

	Note	2009 US\$	(as restated) 2008 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other assets – Uranium holdings	3	146,311,500	168,200,000
		<u>146,311,500</u>	<u>168,200,000</u>
<b>Current assets</b>			
Trade and other receivables	4	1,218,358	854,921
Cash and cash equivalents		1,498,745	8,182,291
		<u>2,717,103</u>	<u>9,037,212</u>
<b>TOTAL ASSETS</b>		<u>149,028,603</u>	<u>177,237,212</u>
<b>EQUITY</b>			
Share capital	5	412,500	412,500
Share premium account	2	-	-
Capital reserve	2	(30,679,365)	(4,426,000)
Distributable reserve	2	180,990,188	180,990,188
Accumulated losses		(2,241,377)	(2,219,998)
<b>Total Equity</b>		<u>148,481,946</u>	<u>174,756,690</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	546,657	2,480,522
<b>Total liabilities</b>		<u>546,657</u>	<u>2,480,522</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>149,028,603</u>	<u>177,237,212</u>

The notes on pages 17 to 26 form part of these financial statements.

The financial statements were authorised for issue by the board of directors on 18<sup>th</sup> August 2009 and signed on its behalf by:

  
 .....  
 A C Pickford  
 Director

  
 .....  
 W Scott  
 Director

**Statement of changes in equity**  
**For the year ended 30<sup>th</sup> June 2009**

	Note	Ordinary shares US\$	Share premium US\$	Distributable reserve US\$	(as restated) Capital reserve US\$	(as restated) Retained earnings US\$	(as restated) Total US\$
Balance at 1 <sup>st</sup> July 2008 as previously reported		412,500	-	180,990,188	-	(33,979,998)	147,422,690
Change in accounting policy for the carrying value of uranium holdings		-	-	-	-	27,334,000	27,334,000
Transfer of unrealised loss in the period to capital reserve		-	-	-	(4,426,000)	4,426,000	-
Balance at 1 <sup>st</sup> July 2008 as restated		412,500	-	180,990,188	(4,426,000)	(2,219,998)	174,756,690
Loss for the year		-	-	-	-	(26,274,744)	(26,274,744)
Transfer of unrealised loss in the year to capital reserve		-	-	-	(26,253,365)	26,253,365	-
Balance at 30 <sup>th</sup> June 2009		412,500	-	180,990,188	(30,679,365)	(2,241,377)	148,481,946

	Note	Ordinary shares US\$	Share premium US\$	Distributable reserve US\$	(as restated) Capital reserve US\$	(as restated) Retained earnings US\$	(as restated) Total US\$
Balance at 1 <sup>st</sup> July 2007 as previously reported		412,500	180,990,188	-	-	(518,896)	180,883,792
Change in accounting policy for the carrying value of uranium holdings		-	-	-	-	210,824,000	210,824,000
Transfer of unrealised profit in the period to capital reserve		-	-	-	210,824,000	(210,824,000)	-
Balance at 1 <sup>st</sup> July 2007 as restated		412,500	180,990,188	-	210,824,000	(518,896)	391,707,792
Loss for the year		-	-	-	-	(216,951,102)	(216,951,102)
Transfer to distributable reserve	2	-	(180,990,188)	180,990,188	-	-	-
Transfer of unrealised loss in the year to capital reserve		-	-	-	(215,250,000)	215,250,000	-
Balance at 30 <sup>th</sup> June 2008		412,500	-	180,990,188	(4,426,000)	(2,219,998)	174,756,690

The notes on pages 17 to 26 form part of these financial statements.



**Cash flow statement**  
**For the year ended 30<sup>th</sup> June 2009**

	Year ended 30 <sup>th</sup> June 2009 US\$	(as restated) Year ended 30 <sup>th</sup> June 2008 US\$
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	(26,274,744)	(216,951,102)
(Increase) / decrease in receivables	(363,437)	453,100
(Decrease) / increase in payables	(1,933,865)	1,983,078
Loss on sale of uranium assets	506,625	-
Decrease in fair value of uranium holdings	26,253,365	215,250,000
Purchase cost of uranium holdings	(38,883,990)	-
Disposal proceeds of uranium holdings	34,012,500	-
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	<u>(6,683,546)</u>	<u>735,076</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,683,546)	735,076
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,182,291	7,447,215
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,498,745</u>	<u>8,182,291</u>

The notes on pages 17 to 26 form part of these financial statements.

**Notes to the financial statements  
For the year ended 30<sup>th</sup> June 2009****1. GENERAL INFORMATION**

Nufcor Uranium Limited (the "Company") was incorporated in Guernsey on 28<sup>th</sup> June 2006 and is a closed ended investment company.

The Company was admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM") on 21<sup>st</sup> July 2006 and on the Toronto Stock Exchange ("TSX") on 30<sup>th</sup> December 2008.

**Activities**

The Company's activities include holding and lending uranium oxide concentrates ("U<sub>3</sub>O<sub>8</sub>") and uranium hexafluoride ("UF<sub>6</sub>"), with the primary investment objective of achieving capital appreciation in the value of its uranium holdings.

**2. SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union (EU) and with Section 243 of The Companies (Guernsey) Law, 2008 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

*(a) Interpretations effective in 2008 but not relevant*

The following interpretations are mandatory for accounting periods beginning on or after 1<sup>st</sup> January 2008 but are not relevant to the Company's operations:

- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions
- IFRIC 12, Service Concession Agreements
- IFRIC 13, Customer Loyalty Programmes
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

*(b) Amendments to existing standards applicable to the Company that are not effective on 1<sup>st</sup> July 2008 and have not been early adopted*

A number of amendments to Standards in issue are not yet effective for years ended 30<sup>th</sup> June 2009 and have not been applied in preparing these financial statements. Of these amendments, the following will potentially have an impact on the operations of the Company and it is planned to adopt these amendments when they become effective:

- IFRS 2 (Amendment), Share Based Payments (Vesting Conditions) – effective from 1<sup>st</sup> January 2009
- IAS 1 (Revised), Presentation of Financial Statements – effective from 1<sup>st</sup> January 2009
- IAS 1 (Amendment), Presentation of Financial Statements – effective from 1<sup>st</sup> January 2009
- IAS 32 (Amendment), Financial Instruments: Presentation – effective from 1<sup>st</sup> January 2009
- IAS 39 (Amendment), Financial Instruments: Recognition and Measurement – effective from 1<sup>st</sup> January 2009

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009****SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) *Standards, amendments and interpretations that are not effective on 1<sup>st</sup> July 2008 and not relevant to the Company's operations*

The following new Standards, amendments to Standards and Interpretations are mandatory for the Company's accounting periods on or after 1<sup>st</sup> July 2009 or later periods but are not relevant for the Company's operations:

- IFRS 1 (Amendment), First time adoption of IFRS and IAS 27, Consolidated and Separate Financial Statements – effective from 1<sup>st</sup> January 2009
- IFRS 3 (Revised), Business Combinations – effective from 1<sup>st</sup> January 2009
- IFRS 8, Operating Segments – effective from 1<sup>st</sup> January 2009
- IAS 23 (Amendment), Borrowing Costs – effective from 1<sup>st</sup> January 2009
- IAS 27 (Revised), Consolidated and Separate Financial Statements – effective from 1<sup>st</sup> July 2009
- IFRIC 15, Agreements for Construction of Real Estates – effective from 1<sup>st</sup> January 2009
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation – effective from 1<sup>st</sup> October 2008

There are also a number of minor amendments to IFRS 7, Financial Instruments: Disclosures; IAS 8, Accounting Policies, changes in accounting estimates and errors; IAS 10, Events after the reporting period; IAS 18, Revenue; IFRS 5 (Amendment), Non-current assets held for sale and discontinued operations (and consequential amendment to IFRS 1, First time adoption); IAS 16 (Amendment), Property, plant and equipment (and consequential amendments to IAS 7, Statement of cash flows); IAS 19 (Amendment), Employee benefits; IAS 20 (Amendment), Accounting for government grants and disclosure of government assistance; IAS 23 (Amendment), Borrowing costs; IAS 27 (Revised), Consolidated and separate financial statements; IAS 28 (Amendment), Investments in associates (and consequential amendments to IAS 32, Financial Instruments: Presentation and IFRS 7, Financial Instruments: Disclosures); IAS 29 (Amendment), Financial reporting in hyperinflationary economies; IAS 31 (Amendment), Interests in joint ventures (and consequential amendments to IAS 32, Financial Instruments: Disclosures); IAS 34, Interim financial reporting; IAS 36 (Amendment), Impairment of assets; IAS 40 (Amendment), Intangible assets (and consequential amendments to IAS 16, Property, plant and equipment) and IAS 41 (Amendment), Agriculture (all effective from 1<sup>st</sup> January 2009), which are part of the IASB's annual improvement project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Company's accounts.

**Foreign currency translation***(a) Functional and presentation currency*

The functional currency of the Company is US Dollars. The Company's investors are mainly from the United Kingdom and North America. The primary activity of the Company is to invest in U<sub>3</sub>O<sub>8</sub> and UF<sub>6</sub> which are valued in US Dollars. The performance of the Company is measured and reported to the investors in both Sterling and US Dollars.

The Board of Directors considers the US Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US Dollars which is the Company's functional and presentation currency.

*(b) Transactions and balances*

Transactions in foreign currencies are translated into US Dollars at the rates of exchange ruling at the dates of those transactions. Income statement items in foreign currencies are translated into US Dollars at transaction date. Foreign currency balances at period end are translated at the approximate rates of exchange ruling at that date. Gains and losses arising on the settlement of transactions and the translation at period end exchange rates of monetary assets and liabilities balances denominated in foreign currencies are recognised in the income statement.

**Notes to the financial statements  
For the year ended 30<sup>th</sup> June 2009****SIGNIFICANT ACCOUNTING POLICIES (continued)****Segmental reporting**

The company has one business segment, the holding and lending of uranium with the primary investment objective of achieving capital appreciation in the value of its uranium holdings, and one main geographic segment, the global uranium market.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating on other economic environments.

**Revenue recognition**

Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue can be measured reliably.

Revenue on the sale of  $U_3O_8$  and  $UF_6$  is recognised at the time of delivery.

**Uranium loan fees**

Fees from loans of  $U_3O_8$  and  $UF_6$  to third parties are recognised in the income statement on an effective yield basis. The fees are generally based on a loan rate and are calculated on the market value of the loaned uranium on a quarterly basis. However, loan fee mechanisms can vary from loan to loan as some loan contracts have also been based on fixed fees.

**Formation and listing expenses recognised directly in equity**

Formation and listing expenses which are directly attributable to the issue of shares are charged against share premium as they are incurred.

**Expenses**

All operating expenses, including investment advisory fees, are recognised in the income statement on an accruals basis.

**Holdings of  $U_3O_8$  and  $UF_6$** 

Holdings of  $U_3O_8$  and  $UF_6$  are designated at fair value through profit or loss. All uranium holdings are initially measured at fair value. Gains and losses arising on the change in fair value of uranium holdings are recognised in the income statement when they arise. With effect from 1<sup>st</sup> July 2008, the Company changed its accounting policy for the carrying value of its uranium assets (see note 10).

$U_3O_8$  and  $UF_6$  on loan to counterparties remain on the balance sheet as the Company retains substantially all of the risks and rewards of ownership.

**Forward contracts**

From time to time, the Company may enter into contracts for the future delivery of  $U_3O_8$  and  $UF_6$  at a fixed price. Such contracts are "executory contracts" in that both parties are still to perform, to an equal degree, the actions required of them by the contract until the day of final delivery under the contract. Executory contracts are not recognised in the balance sheet of the Company, but are noted as a future financial commitment.

**Financial instruments**

Financial assets and liabilities carried on the balance sheet include cash and cash equivalents, trade and other accounts receivable and payable.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, gains and losses relating to a financial instrument classified as an asset or liability are reported as an expense or income. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009****SIGNIFICANT ACCOUNTING POLICIES (continued)****Trade receivables**

Trade receivables are measured on initial recognition at fair value and subsequently measured at amortised cost less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. Any allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition of the asset.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and deposits with original maturities of three months or less.

**Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are disclosed if the future obligation is probable or the amount cannot be reasonably estimated.

**Trade payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade payables are carried at the fair value of the consideration to be paid in future for services that have been received or supplied and invoiced or formally agreed with the supplier.

**Taxation**

The Company is incorporated in Guernsey and is taxed at a rate of zero percent under the current tax system. The Company is liable to deduct tax at source from any distribution or deemed distribution to Guernsey resident shareholders. A de minimus has been enacted so that this will apply only to Guernsey residents holding 1% or more of the issued share capital.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax, and are disclosed in the statement of changes in equity.

**Distributable reserve**

On 12<sup>th</sup> October 2007, the Company was granted approval for a capital reduction by way of cancellation of the amount standing to the credit of its share premium account on that date. The amount cancelled was transferred to distributable reserves.

**Capital reserve**

Following the Company's change in accounting policy for the carrying value of its uranium assets with effect from 1<sup>st</sup> July 2008, the unrealised gain or loss on the change in fair value of its uranium assets is transferred from the income statement to the capital reserve at each financial year end.

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Share-based payments**

The Company has applied the requirements of IFRS 2, Share-Based Payments.

The Company issued equity share options which represent equity-settled share-based payments in connection with the admission of the Company to AIM. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share based payment is deemed to be an incremental cost directly attributable to the issue of the shares at admission and as such is deducted from equity.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model is based on management's best estimate and is adjusted for the effects of non-transferability, exercise restrictions and behavioural considerations.

See Note 6 for further description of the equity-settled share option granted.

**Risk management**

The Company attempts to mitigate risks that may affect its performance through a process of identifying, assessing, reporting and managing material risks. The principal risks to which the Company is exposed are uranium price risk, counterparty credit risk, custodian credit risk and liquidity risk.

*Uranium price risk*

As an investor in uranium, the Company holds significant positions in uranium that are exposed to changes in market price. In addition, the Company may enter into fixed price forward purchase and sales contracts. The price of uranium is volatile and is influenced by numerous factors beyond the Company's control, such as demand and supply fundamentals and geopolitical events.

The objective of the Company is capital appreciation, which it intends to achieve through a policy of acquiring uranium and a strategy of holding such uranium for the long-term and not actively speculating or trading with regard to short-term changes in the price of uranium. Accordingly, the Company does not hedge or otherwise protect against movements in uranium price.

The following table details the sensitivity of the Company's published adjusted net asset value attributable to holders of ordinary shares (NAV) to a 10% increase and decrease in the market price of uranium, with all other variables held constant.

	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2008 US\$	30 <sup>th</sup> June 2008 US\$
	Change in NAV (US\$)	Change in NAV (%)	Change in NAV (US\$)	Change in NAV (%)
<b>10% increase</b> in uranium market price	14,631,150	+9.9%	16,820,000	+9.6%
<b>10% decrease</b> in uranium market price	(14,631,150)	-9.9%	(16,820,000)	-9.6%

*Counterparty credit risk*

The Company's purchase, sale and lending of uranium expose the Company to the risk of non-payment or non-performance. The directors review credit issues associated with each and every transaction and consideration is given to credit worthiness and credit concentration issues, the provision of appropriate security, and other risk mitigation measures.

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Custodian credit risk*

The Company is exposed to the credit risk of the conversion and enrichment facilities ("facilities"), the ultimate custodians of the Company's uranium. The directors periodically review and manage the Company's exposure to the credit risk of facilities that hold its material by diversifying its uranium holdings across several facilities.

*Physical uranium loss risk*

The uranium owned by the Company could suffer damage or destruction by fire, chemical accident, leakage or other incidents beyond the Company's control. This may result in losses which are not compensated for by insurance proceeds. The directors periodically review and manage the Company's risk of uranium loss by diversifying its uranium holding across several conversion and enrichment facilities, considering the availability of indemnities from the facilities and/or the availability of external insurance cover.

*Liquidity risk*

The Company funds ongoing expenses from interest income, uranium loan fees, and from cash held on demand and on deposit. The Company could be exposed to significant liquidity risk if it were to fully invest its cash balances and if income from uranium loan fees were to reduce, and other sources of funding were to become unavailable. The directors review rolling forecasts of the Company's cash requirements on an ongoing basis and the Company currently maintains a cash balance adequate to meet expected cash requirements for the forward 12 month period.

**3. URANIUM HOLDINGS**

	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2009 US\$
	Cost	Market value
1,725,000 lbs of U <sub>3</sub> O <sub>8</sub>	81,274,300	88,837,500
412,000 kgU of UF <sub>6</sub>	95,716,565	57,474,000
	<u>176,990,865</u>	<u>146,311,500</u>
	30 <sup>th</sup> June 2008 US\$	30 <sup>th</sup> June 2008 US\$
	Cost	Market value
2,300,000 lbs of U <sub>3</sub> O <sub>8</sub>	108,366,000	135,700,000
200,000 kgU of UF <sub>6</sub>	64,260,000	32,500,000
	<u>172,626,000</u>	<u>168,200,000</u>

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**URANIUM HOLDINGS (continued)**

The market value of U<sub>3</sub>O<sub>8</sub> is taken as the average of (i) the month end UxC U<sub>3</sub>O<sub>8</sub> spot price indicator (as published by Ux Consulting Company, LLC in its Ux weekly publication) and (ii) the month end TradeTech U<sub>3</sub>O<sub>8</sub> exchange value (as published by TradeTech, LLC in the Nuclear Market Review), ("the Average U<sub>3</sub>O<sub>8</sub> Published Price"), and that of UF<sub>6</sub> is taken as the average of (i) the month end UxC UF<sub>6</sub> spot NA price and (ii) the month end TradeTech UF<sub>6</sub> value, ("the Average UF<sub>6</sub> Published Price").

At 30<sup>th</sup> June 2009, 1,317,440 lbs of U<sub>3</sub>O<sub>8</sub> with a cost of US\$62,070,007 and a market value of US\$67,846,100 (2008: 928,284 lbs of U<sub>3</sub>O<sub>8</sub> with a cost of US\$43,736,731 and a market value of US\$54,768,756) as well as 200,000 kgU of UF<sub>6</sub> with a cost of US\$46,464,352 and a market value of US\$27,900,000 (2008: nil) was on loan to third parties. The uranium on loan was collateralised to its replacement value either by way of a guarantee issued to the Company by the parent company of the borrower or by a standby letter of credit issued by a major international bank.

**4. TRADE AND OTHER RECEIVABLES**

	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2008 US\$
Accrued loan fee	1,207,653	848,247
Accrued bank interest	-	3,702
Prepayments	10,705	2,972
	<u>1,218,358</u>	<u>854,921</u>

**5. SHARE CAPITAL**

	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2008 US\$
<b>Authorised</b>		
85,000,000 Ordinary Shares of US\$0.01 each	<u>850,000</u>	<u>850,000</u>
<b>Issued and fully paid</b>		
41,250,000 Ordinary Shares of US\$0.01 each	<u>412,500</u>	<u>412,500</u>

**Rights of shareholders**

The Ordinary Shares carry the right to vote, the right to receive all dividends declared by the Company and on a winding up will have the right to share pro rata in the surplus assets of the Company. The shares carry no right to fixed income.

**6. SHARE-BASED PAYMENTS**

**Equity-settled share option**

The Company issued the former Custodian an option over shares representing 2,475,000 of the Company's issued ordinary share capital at the time of admission to AIM. The option was granted to reward the former Custodian for its services in relation to the Company issuing shares and obtaining admission to AIM.



**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**SHARE-BASED PAYMENTS (continued)**

The grant of the option was conditional upon the Company's admission to AIM and vested on the date of admission. The option may be exercised at any time (or times) during the period commencing on 21<sup>st</sup> July 2008 and ending on 21<sup>st</sup> July 2011. The exercise price of the option is fixed at GBP2.05 per share.

	Options	Weighted average exercise price US\$
Outstanding at beginning of year	2,475,000	3.79
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 30 <sup>th</sup> June 2009	2,475,000	3.79

The inputs into the Black-Scholes model are as follows:

Weighted average share price	US\$3.79
Weighted average exercise price	US\$3.79
Expected volatility	11.56%
Expected life	5 years
Risk free rate	4.84%
Expected dividends	nil

Expected volatility was determined by calculating the historical volatility of U<sub>3</sub>O<sub>8</sub>, the underlying asset in which the Company is invested, over the past 3 years. The expected life used in the model was based on management's expectation that the option will be exercised at the end of the life of the option

**7. EARNINGS PER SHARE**

	Year ended 30 <sup>th</sup> June 2009 US\$	(as restated) Year ended 30 <sup>th</sup> June 2008 US\$
<b>Earnings</b>		
Loss for the purposes of basic and diluted earnings per share	<u>(26,274,744)</u>	<u>(216,951,102)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	41,250,000	41,250,000
Effect of dilutive potential ordinary shares: share options	-	687,713
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>41,250,000</u>	<u>41,937,713</u>
Basic loss per share	<u>US\$(0.637)</u>	<u>US\$(5.259)</u>
Diluted loss per share	<u>US\$(0.637)</u>	<u>US\$(5.173)</u>

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**8. TRADE AND OTHER PAYABLES**

	30 <sup>th</sup> June 2009 US\$	30 <sup>th</sup> June 2008 US\$
Advisory fee payable	97,541	140,167
Accrued listing expenses	-	2,074,384
Other accrued expenses	449,116	265,971
	<u>546,657</u>	<u>2,480,522</u>

**9. RELATED PARTY TRANSACTIONS**

The following are related parties to the Company:

A C Pickford – Director / Chief Executive Officer  
 K H Williams – Non-executive Director  
 W Scott – Non-executive Director  
 M S Travis – Non-executive Director  
 P K Bonney – Non-executive Director  
 D E Preston – Chief Financial Officer  
 QVT Financial LP – Significant Shareholder

Directors are entitled to fees totalling GBP142,500 (2008: GBP132,500) per annum with effect from 1<sup>st</sup> January 2009. The highest paid Director receives a fee of GBP50,000 per annum. In addition, the Chief Financial Officer is entitled to a fee of GBP12,500 per annum. During the year fees totalling US\$260,210 (2008: US\$255,558) were charged.

Mr A C Pickford, the Chief Executive Officer, holds 22,095 shares (0.05%) (2008: 12,195 shares (0.03%)) in the Company.

Mr D E Preston, the Chief Financial Officer, is also Managing Director of Mercator Trust Company Limited ("Mercator"), the Company's administrator. Mercator is entitled to an annual administration fee. During the year administration fees totalling US\$164,673 (2008: US\$176,873) were charged and the sum of US\$55,513 was outstanding as at 30<sup>th</sup> June 2009 (30<sup>th</sup> June 2008: US\$39,646). In addition, Mercator charged fees in connection with the Toronto Stock Exchange listing of US\$77,071 (2008: 89,129) during the year and as at 30<sup>th</sup> June 2009, nil was outstanding (30<sup>th</sup> June 2008: US\$73,800).

At 30<sup>th</sup> June 2009, QVT Financial LP, of which Mr P K Bonney is a partner and portfolio manager, held 11,837,535 shares (29% of issued shares) (30<sup>th</sup> June 2008: 11,134,028 shares (27% of issued shares)) in the Company.

**Notes to the financial statements**  
**For the year ended 30<sup>th</sup> June 2009**

**10. CHANGE OF ACCOUNTING TREATMENT**

With effect from 1<sup>st</sup> July 2008, the Company changed its accounting policy for the carrying value of its uranium assets. Previously, uranium was initially recognised at cost ("historical cost method"), being the fair value of the consideration given and then subsequently, holdings were carried at cost less impairment with any impairments recognised in the income statement. Uranium is now carried at fair value ("fair value method") with any gains or losses on the change in fair value being recognised in the income statement when they arise.

The directors believe that by adopting the fair value method, investors will be provided with more relevant information as to the value of the Company's assets and will align the financial statements with the Company's NAV as reported in its monthly net asset value statements.

The effect of the change in accounting policy on the comparative results is as tabulated below. Opening reserves for the year ended 30<sup>th</sup> June 2008 have been increased by US\$210,824,000, which is the amount of the adjustment relating to periods prior to the year ended 30<sup>th</sup> June 2008.

Effect on year ended 30<sup>th</sup> June 2008:

	Year ended 30 <sup>th</sup> June 2008 US\$
Cancellation of impairment charge	31,760,000
Adoption of recognising changes in fair value of uranium assets in the income statement	(215,250,000)
	<hr/>
Increase in loss for the year	<u>(183,490,000)</u>

**11. POST BALANCE SHEET EVENTS**

On 24<sup>th</sup> June 2009, the Company terminated its agreement with its Adviser, Nufcor Capital Limited with immediate effect. The Board is currently evaluating a number of proposals and strategic alternatives and expects to make an announcement as to the outcome of this process in due course.

On the same day, the Company also terminated its agreement with its Custodian, Nufcor International Limited. Under the terms of that agreement, the Company has 90 days from that date to make alternative arrangements for the storage of the Company's uranium assets. The Company intends to open its own safe custody accounts with licensed storage facilities and negotiations in this respect are proceeding. The Board expects to be able to complete this process shortly.

In accordance with the termination provisions of the Advisory Services Agreement, the Company is contractually obliged to use all reasonable endeavours to change its corporate name as soon as reasonably practical to a name that does not include the name "Nufcor" and is not intended or is not reasonably likely to be confused with it. The board will therefore put to the forthcoming AGM a resolution to change the Company's name. Shareholders are encouraged to support this resolution as indeed they are encouraged to support all of the proposed resolutions.