

**POWER RESOURCES LIMITED**  
**ABN 69 125 345 502**

**HALF YEAR FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2008**

## **CORPORATE DIRECTORY**

---

### **DIRECTORS**

Vincent Kenneth Hyde (Chairman)  
Cecil Lee  
Warren Dunne

### **SECRETARY**

Vincent Kenneth Hyde

### **REGISTERED OFFICE**

800 Canning Highway  
Applecross WA 6153

### **PRINCIPAL OFFICE**

800 Canning Highway  
Applecross WA 6153  
Telephone: (08) 9315 1815  
Facsimile: (08) 9315 3299

### **SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Telephone: (08) 9315 2333  
Facsimile: (08) 9315 2233

### **AUDITORS**

HLB Mann Judd  
15 Rheola Street  
West Perth WA 6005

### **AUSTRALIAN SECURITIES EXCHANGE**

Power Resources Limited shares (PWW) and options (PWWO) are listed on the Australian Securities Exchange.

## **COMPANY OVERVIEW**

---

### **Company Overview**

Power Resources Limited (“Power”) successfully listed on the Australian Stock Exchange (“ASX”) on the 19 February 2008.

As was stated in the Power Prospectus, the Company completed a non-renounceable entitlements issue of Loyalty Options on the basis of one option for every two shares held, on the record date, 25 July 2008.

The price was \$0.01 per Loyalty Option, and are now quoted and tradable on the ASX and have an exercise price of \$0.20 and an expiry date of 21 October 2011.

In line with stated objectives in the Prospectus, the Company has an active program in identifying mineral deposits around the world which have the potential to become mines. During the year the Company has accessed a number of overseas projects but as yet has not completed any acquisitions of mining projects.

During the year a rare earth exploration licence was granted in Greenland. Power carried out detailed data interpretation and completed a field survey on this Greenland tenement. Based on the results of the field survey carried out in mid 2008 Power has surrendered Sub 2 and 3, and retained Sub 1 of its Greenland rare earth tenements. Further studies are continuing on the Sub 1 tenement area.

The change of government in Western Australia to the pro-uranium mining Liberal government has seen renewed interest in the Uranium sector and will provide opportunities going forward.

## DIRECTORS REPORT

---

Your Directors present their report on the Consolidated Entity and its controlled entities for the half year ended 31 December 2008.

### DIRECTORS

The names of the Directors of the Consolidated Entity in office during the financial period and up to the date of this report are as follows:

	Special Responsibilities in Parent Entity	Relevant Interest in Securities of Parent Entity	
Vincent Kenneth Hyde (Appointed 18 May 2007)	Executive Chairman	400,000	ordinary shares
Cecil Lee (Appointed 4 June 2007)	Non-Executive Director	1,000,000	options – 31 October 2011
Warren Dunne (Appointed 18 May 2007)	Non-Executive Director	150,000	ordinary shares
		250,000	options – 31 October 2011
		200,000	ordinary shares
		250,000	options – 31 October 2011

Directors were in office from the beginning of the financial period until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

#### Vincent Hyde

Mr Hyde has over 40 years of banking and corporate advisory experience. He was the managing director of a merchant bank for many years and his responsibilities included the overall management and performance of operations in Australia, South East Asia, Republic of South Africa, United Kingdom, France, Germany and North America. He has assisted small to medium enterprises in restructuring, developing competitive strategies, implementing management reporting systems and reviewing their operations and banking facilities.

Mr Hyde is an accountant by training and due to the varied nature of the projects he has been involved in he has had extensive dealings with lawyers, project managers, developers, utility companies and government.

Mr Hyde is a member of the Australian Institute of Export and the National Institute of Accountants.

Director since 18 May 2007.

During the past three years Mr Hyde has held the following other listed company directorships:

- Blaze International Limited (18 April 2007 to present)
- Ironbark Gold Limited (28 March 2007 to present)
- Prime Minerals Limited (27 July 2006 to present)

## **DIRECTORS REPORT Continued**

---

### **Cecil Lee**

Mr Lee has over thirty years of experience in a variety of commercial ventures in Hong Kong and the Peoples' Republic of China which has resulted in high level contacts in those areas, which will prove useful to Blaze International Ltd. He is a practicing CA, CPA

During the past three years Mr Lee has held the following other listed company directorships:  
Blaze International Limited (19 July 2007 to present)

### **Warren Dunne**

Mr Dunne is a well experienced and successful Australian businessman with over 20 years experience in property management and development in various regions of Australia. In recent years he owned a consulting business specialising in financing and land development. Mr Dunne has numerous business associations with prominent business persons and has vast knowledge of company operations.

Director since 18 May 2007.

During the past three years Mr Dunne has held the following other listed company directorships:

- Venus Investments Limited (16 October 2006 to 30 November 2006)

## **COMPANY SECRETARY**

Vincent Hyde – Mr Hyde, also a director of the Consolidated Entity was appointed company secretary on 18 May 2007. Particulars on Mr Hyde are detailed above.

## **PRINCIPAL ACTIVITIES**

The principal continuing activities during the period of entities within the Consolidated Entity was exploration for uranium and other economic resources.

## **OPERATING AND FINANCIAL REVIEW**

### **Review of Operations**

A review of operations for the half year and the results of those operations are contained within the Company Review.

### **Operating Results**

Consolidated loss after income tax for the half year was \$191,754.

## **DIRECTORS REPORT Continued**

---

### **Financial Position**

At 31 December 2008, the Consolidated Entity had cash reserves of \$1,409,885.

### **Dividends**

No dividends were paid during the period and no recommendation is made as to dividends.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Significant changes in the state of affairs of the Consolidated Entity during the half year are detailed in the Company Review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the half year under review not otherwise disclosed in this report or in the financial report.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

The Consolidated Entity will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined in the Company Review. The Consolidated Entity will also continue to pursue other potential investment opportunities to enhance shareholder value.

### **AUDITOR'S DECLARATION OF INDEPENDENCE**

The auditor's independence declaration for the half year ended 31 December 2008 has been received and is included within the financial report.

Signed in accordance with a resolution of directors.



Vincent Hyde  
Executive Chairman  
Perth, 16 March 2009

## AUDITORS' INDEPENDENCE DECLARATION

---



### Auditor's Independence Declaration

As lead auditor for the review of the financial report of Power Resources Ltd for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.


This declaration is in respect of Power Resources Ltd.

A handwritten signature in blue ink, appearing to read 'W M Clark'.

Perth, Western Australia  
16 March 2009

**W M CLARK**  
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.  
Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au). Website: <http://www.hlb.com.au>  
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

**CONDENSED INCOME STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

---

	Note	Consolidated 31 December 2008	Consolidated 31 December 2007
		\$	\$
<b>Revenue</b>		50,216	8,545
Directors' fees and benefits expense		(90,000)	-
Exploration and evaluation expenditure	3	-	-
Other expenses		(151,970)	(9,712)
<b>Loss before income tax benefit</b>		(191,754)	(1,167)
Income tax benefit		-	-
<b>Net Loss attributable to members of the Power Resources Limited</b>		(191,754)	(1,167)
<b>Basic loss per share (cents)</b>		(0.64)	-

The accompanying notes form part of these financial statements.

**CONDENSED BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Note	Consolidated 31 December 2008	Consolidated 30 June 2008
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	1,409,885	1,820,022
Trade and other receivables		41,800	42,304
<b>Total Current Assets</b>		<u>1,451,685</u>	<u>1,862,326</u>
<b>Non-Current Assets</b>			
Plant and equipment		1,251	-
Exploration and evaluation expenditure	3	2,833,590	2,586,441
<b>Total Non-Current Assets</b>		<u>2,834,841</u>	<u>2,586,441</u>
<b>Total Assets</b>		<u>4,286,526</u>	<u>4,448,767</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		73,924	193,362
<b>Total Current Liabilities</b>		<u>73,924</u>	<u>193,362</u>
<b>Total Liabilities</b>		<u>73,924</u>	<u>193,362</u>
<b>Net Assets</b>		<u>4,212,602</u>	<u>4,255,405</u>
<b>EQUITY</b>			
Issued capital	4	4,344,220	4,344,220
Reserves	5	226,259	77,308
Accumulated losses		(357,877)	(166,123)
<b>Total Equity</b>		<u>4,212,602</u>	<u>4,255,405</u>

The accompanying notes form part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2008</b>	4,344,220	(166,123)	77,308	4,255,405
Securities issued during the period	-	-	-	-
Share issue expenses	-	-	-	-
Loyalty options issued	-	-	148,951	148,951
Loss attributable to members of the parent entity	-	(191,754)	-	(191,754)
<b>Balance at 31 December 2008</b>	<b>4,344,220</b>	<b>(357,877)</b>	<b>226,259</b>	<b>4,212,602</b>

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2007</b>	1	-	-	1
Securities issued during the period	380,000	-	-	380,000
Share issue expenses	-	-	-	-
Directors options issued	-	-	77,308	77,308
Loss attributable to members of the parent entity	-	(1,167)	-	(1,167)
<b>Balance at 31 December 2007</b>	<b>380,001</b>	<b>(1,167)</b>	<b>77,308</b>	<b>456,142</b>

The accompanying notes form part of these financial statements.

**CONDENSED CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

---

	<b>Consolidated 31 December 2008 \$ Inflows/ (Outflows)</b>	<b>Consolidated 31 December 2007 \$ Inflows/ (Outflows)</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(193,826)	(9,341)
Interest received	48,535	8,545
Net cash (used in) operating activities	<u>(145,291)</u>	<u>(796)</u>
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	(1,380)	-
Exploration and evaluation expenditure	(412,417)	(87,487)
Net cash (used in) investing activities	<u>(413,797)</u>	<u>(87,487)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	2,580,000
Payment for share issue costs	-	(99,287)
Proceeds from issue of loyalty options	148,951	-
Net cash provided by financing activities	<u>148,951</u>	<u>2,480,713</u>
Net increase (decrease) in cash held	(410,137)	2,392,430
Cash at beginning of the half year	1,820,022	1
Cash and cash equivalents at the end of the half year	<u><u>1,409,885</u></u>	<u><u>2,392,431</u></u>

The accompanying notes form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS Continued FOR THE PERIOD ENDED 30 JUNE 2008**

---

### **1. Summary of Significant Accounting Policies**

#### **(a) Basis of Preparation**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Power Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

#### **(b) Statement of Compliance**

The half-year report has been prepared on a historical cost basis, except for land and buildings, derivative financial instruments and available-for-sale financial assets which are measured at fair value. 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.

For the purpose of preparing the half-year report, 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 2008 annual financial report for the financial year ended 30 June 2008.

In the half-year ended 31 December 2008, the group 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 2008.

It has been determined by the group 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 Group accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS Continued  
FOR THE PERIOD ENDED 30 JUNE 2008**

	<b>Consolidated 31 December 2008 \$</b>	<b>Consolidated 30 June 2008 \$</b>
<b>2. Cash and Cash Equivalents</b>		
Cash at bank	1,409,885	1,820,022

**(a) Non-cash financing and investing activities**

There were no non-cash financing and investing activities.

**3. Deferred exploration expenditure**

Costs carried forward in respect of areas of interest in the exploration and evaluation phase:

**Exploration and evaluation phase**

Balance at beginning of period	2,586,441	-
Exploration and evaluation expenditure in respect of areas of interest acquired upon acquisition of controlled entities	-	2,080,000
Expenditure incurred during period	247,149	506,441
Balance at end of period	2,833,590	2,586,441

The ultimate recoupment of the exploration and evaluation expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

**4. Issued Capital**

**(a) Issued and paid up capital**

Ordinary shares fully paid	4,344,220	4,344,220
----------------------------	-----------	-----------

	<b>Consolidated 31 December 2008</b>		<b>Consolidated 30 June 2008</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
<b>(b) Movement in ordinary shares on issue</b>				
Balance at beginning of period	29,750,001	4,344,220	-	-
Issued for cash on 18 May 2007	-	-	1	1
Issued for cash on 13 July 2007	-	-	5,000,000	5,000
Issued for cash on 13 August 2007	-	-	3,000,000	300,000
Issued pursuant to business combination with Power Minerals Pty Ltd on 26 October 2007	-	-	10,000,000	2,000,000
Issued for cash on 1 November 2007	-	-	750,000	75,000
Issued for cash on 15 February 2008	-	-	11,000,000	2,200,000
Transaction costs relating to share issues	-	-	-	(235,781)
Balance at end of period	29,750,001	4,344,220	29,750,001	4,344,220

**NOTES TO THE FINANCIAL STATEMENTS Continued  
FOR THE PERIOD ENDED 30 JUNE 2008**

	<b>Consolidated 31 December 2008 \$</b>	<b>Consolidated 30 June 2008 \$</b>
<b>5. Reserves</b>		
Share-based payments reserve – Note 5(a)	77,308	77,308
Loyalty options reserve – Note 5(b)	148,951	-
	<u>226,259</u>	<u>77,308</u>
<b>(a) Share-based payments reserve</b>		
<i>(i) Nature and purpose of reserve</i>		
The share-based payments reserve is used to recognise the fair value of options issued as part of remuneration of directors, employees and consultants.		
<i>(ii) Movements in reserve</i>		
Balance at beginning of period	77,308	-
Share-based payments	-	77,308
	<u>77,308</u>	<u>77,308</u>
Balance at end of period	<u>77,308</u>	<u>77,308</u>
<b>(b) Loyalty options reserve</b>		
<i>(i) Nature and purpose of reserve</i>		
The loyalty options reserve is used to recognise the fair value of options issued to shareholders.		
<i>(ii) Movements in reserve</i>		
Balance at beginning of period	-	-
Share-based payments	148,951	-
	<u>148,951</u>	<u>-</u>
Balance at end of period	<u>148,951</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS Continued**  
**FOR THE PERIOD ENDED 30 JUNE 2008**

---

**6. Financial Reporting by Segments**

During the half year, the Consolidated Entity operated principally in one business segment (for primary reporting) being mineral exploration, and three geographical segments (for secondary reporting) being Australia, Greenland and Africa.

	<b>Segment Revenues</b>	<b>Segment Assets</b>	<b>Acquisitions of Non-Current Segment Assets</b>
	<b>31 December 2008</b>	<b>31 December 2008</b>	<b>31 December 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Australia	50,216	3,752,281	-
Greenland	-	276,041	-
Africa	-	258,204	-
	<u>50,216</u>		<u>-</u>
Total assets		<u>4,286,526</u>	
	<b>Segment Revenues</b>	<b>Segment Assets</b>	<b>Acquisitions of Non-Current Segment Assets</b>
	<b>30 June 2008</b>	<b>30 June 2008</b>	<b>30 June 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Australia	82,197	4,147,275	2,284,949
Greenland	-	179,085	179,085
Africa	-	122,407	122,407
	<u>82,197</u>		<u>2,586,441</u>
Total assets		<u>4,448,767</u>	

**7. Contingent Liabilities**

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Consolidated Entity has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Consolidated Entity. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Consolidated Entity.

**NOTES TO THE FINANCIAL STATEMENTS Continued  
FOR THE PERIOD ENDED 30 JUNE 2008**

---

	<b>Consolidated 31 December 2008 \$</b>	<b>Consolidated 30 June 2008 \$</b>
<b>8.      <i>Commitments</i></b>		

**Exploration Commitments**

The Consolidated Entity has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Consolidated Entity. These commitments have not been provided for in the accounts. Due to the nature of the Consolidated Entity's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

Within one year	50,000	250,000
-----------------	--------	---------

## **DIRECTORS' DECLARATION**

---

1. In the opinion of the directors:
  - a) The financial statements and notes of the Consolidated Entity and of the Parent Entity are in accordance with the Corporations Act 2001, including:
    - i) giving a true and fair view of the Consolidated Entity's and Parent Entity's financial position as at 31 December 2008 and of their performance for the half year then ended; and
    - ii) complying with Accounting Standards and the Corporations Regulations 2001; and
  - b) 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.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the half year ended 31 December 2008.

This declaration is signed in accordance with a resolution of the Board of Directors.



Vincent Hyde  
Executive Chairman

Perth, 16 March 2009

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

***To the members of  
POWER RESOURCES LTD***

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report, which comprises the condensed balance sheet as at 31 December 2008, the condensed income statement, condensed statement of changes in equity, condensed cash flow statement and notes to the financial statements for the half-year ended on that date, and the directors' declaration, of Power Resources Ltd and the entities it controlled during the half-year ended 31 December 2008 ("consolidated entity").

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *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 Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 consolidated entity's financial position as at 31 December 2008 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 Power Resources Ltd, 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 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.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Power Resources Ltd on 16 March 2009.

*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 Power Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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*.



**HLB MANN JUDD**  
Chartered Accountants



**Perth, Western Australia**

**16 March 2009**

**W M CLARK**

**Partner**