



Adamus Resources Limited

ABN 80 094 543 389

and Controlled Entities

Half Year Report
31 December 2009

Contents

Corporate Directory.....	1
Directors' Report.....	2
Condensed Statement of Comprehensive Income.....	4
Condensed Statement of Financial Position.....	5
Condensed Statement of Changes in Equity.....	6
Condensed Cash Flow Statement.....	7
Condensed notes to and forming part of the Financial Statements.....	8
Directors' Declaration.....	15
Independent Audit Review Report to the Members.....	16
Auditor's Independence Declaration.....	17

Corporate Directory

NON-EXECUTIVE CHAIRMAN

John D Hopkins

MANAGING DIRECTOR / CEO

Mark T Bojanjac

CHIEF OPERATING OFFICER

Mark A Connelly

NON-EXECUTIVE DIRECTORS

Peter N Tredger

Antony Harwood

Peter Rowe

Martin Reed

COMPANY SECRETARY

Ian J Cunningham

PRINCIPAL & REGISTERED OFFICE

Level 2, 45 Richardson Street

WEST PERTH WA 6005

Telephone: + 61 8 9322 5943

Facsimile: + 61 8 9322 5907

AUDITORS

Stantons International

Level 1, 1 Havelock Street

WEST PERTH WA 6005

SHARE REGISTRARS

Computershare Investor Services Pty Ltd

Level 2, 45 St George's Terrace

PERTH WA 6000

Telephone: + 61 8 9323 2000

Facsimile: + 61 8 9323 2033

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9

Tel: +604 661 9400

Fax: +604 661 9401

STOCK EXCHANGE LISTING

Australian Securities Exchange

(Primary Listing)

Code: ADU

TSX Venture Exchange

(Secondary Listing)

Code: ADU

Frankfurt Stock Exchange

(Open Market)

Code: AXM

BANKERS

Citibank N.A.

2 Park Street

SYDNEY NSW 2000

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

Directors' Report

Your Directors submit their report for the half year ended 31 December 2009.

1. Directors

The names of Directors in office at any time during or since the end of the half year are:

- John David Hopkins
- Mark Trevor Bojanjac
- Mark Anthony Connelly
- Peter Newland Tredger
- Antony Harwood
- Peter Rowe *
- Martin Reed **

* Appointed 29 July 2009

** Appointed 4 December 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Review and Results of Operations

Since the decision to proceed with the development of the Southern Ashanti Project (Project) was taken in June 2009, the Company has made significant progress, including the following:

- Completed A\$40.25M placement to institutional investors in August 2009, representing the equity component of Project Financing
- Selected Lycopodium Engineering as preferred contractor to build the processing plant, with a current target of first production by first quarter 2011
- Secured all major plant and equipment
- Commenced site works of both the plant site, and the Salman Village host site
- Accepted a credit approved offer from Macquarie Bank to provide debt, bonding and hedging facilities for the development of the Project
- Appointed key management personnel for the Southern Ashanti Project, including Project Manager Construction, Project Manager Infrastructure, General Manager, Commercial Manager, Environmental Manager, Financial Manager and Purchase & Logistics Manager.
- Two independent non-executive directors, Mr Peter Rowe, a chemical engineer and Mr Martin Reed, a mining engineer were appointed to the Board during the period. Both directors have over 30 years Australian and international experience each, particularly in the areas of mine development and operations.

The economic entity recorded an after tax operating loss for the half year ended 31 December 2009 of \$6,224,573 (31 December 2008 of \$867,787).

3. Events Subsequent To Reporting Date

On 12 February 2010 the Company announced that it had entered into hedging contracts as part of the financing package for the Southern Ashanti Project. The contracts provide for deliveries totaling 290,000 ounces of gold over the first 5.5 years of operation at US\$1075/oz. The contract represents 27% of the Company's existing published Ore Reserve, and less than 14% of its current defined Mineral Resource. The hedged price gold delivery program was provided by Macquarie Bank as part of the Company's US\$76m project finance arrangements.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

4. Auditor's Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

Signed in accordance with a resolution of the Directors.



Mark T Bojanjac
Chief Executive Officer
Perth, Western Australia,
26 February 2010

Condensed Statement of Comprehensive Income

For the half year ended 31 December 2009

	Note	CONSOLIDATED	
		31 December 2009	31 December 2008
Continuing operations		\$	\$
Revenue	4	479,875	54,015
Expenses	4	(6,564,244)	(917,042)
Loss from continuing operations before tax & finance costs		(6,084,369)	(863,027)
Finance costs		(140,204)	(4,760)
Loss before income tax		(6,224,573)	(867,787)
Income tax expense		-	-
Loss for the period		(6,224,573)	(867,787)
Other comprehensive income			
Foreign currency translation differences for foreign operations		570,635	(260,109)
Income tax on other comprehensive income		-	-
Other comprehensive income for the period, net of income tax		570,635	(260,109)
Total comprehensive loss for the period		(5,653,938)	(1,127,896)
Earnings per share (cents per share)			
Basic loss for the half year		(3.20)	(0.58)
Diluted loss for the half year		(3.20)	(0.58)

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Statement of Financial Position

As at 31 December 2009

		CONSOLIDATED	
	Note	31 December 2009 \$	30 June 2009 \$
Current Assets			
Cash and cash equivalents	5	32,291,636	4,413,668
Trade and other receivables		119,894	26,267
Prepayments		255,866	-
Total Current Assets		32,667,396	4,439,935
Non Current Assets			
Other receivables		16,000	16,000
Property, plant and equipment		105,210	85,891
Intangibles		130,096	38,611
Mineral exploration and development	6	36,970,998	30,907,004
Total Non Current Assets		37,222,304	31,047,506
TOTAL ASSETS		69,889,700	35,487,441
Current Liabilities			
Trade and other payables		2,042,970	729,784
Provisions		96,332	175,608
Total Current Liabilities		2,139,302	905,392
Non Current Liabilities			
Loans		3,832,250	5,000,000
Provisions		30,867	12,429
Total Non Current Liabilities		3,863,117	5,012,429
TOTAL LIABILITIES		6,002,419	5,917,821
NET ASSETS		63,887,281	29,569,620
Equity			
Contributed equity	7	109,606,408	69,680,243
Reserves	7	7,528,179	6,912,109
Accumulated losses		(53,247,306)	(47,022,732)
TOTAL EQUITY		63,887,281	29,569,620

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

For the half year ended 31 December 2009

	Note	Attributable to equity holders of the parent				Total Equity
		Issued capital	Accumulated losses	FX Reserve	Option Reserve	
CONSOLIDATED		\$	\$	\$	\$	\$
Balance at 1 July 2009		69,680,243	(47,022,733)	2,969,340	3,942,769	29,569,619
Total comprehensive income for the period						
Loss for the period		-	(6,224,573)	-	-	(6,224,573)
Other comprehensive income-foreign currency translation differences		-	-	570,635	-	570,635
Total comprehensive income for the period		-	(6,224,573)	570,635	-	(5,653,938)
Transactions with owners, recorded directly in equity						
Issue of share capital	7(a)	41,459,750	-	-	-	41,459,750
Share issue transaction costs	7(a)	(1,533,585)	-	-	-	(1,533,585)
Share based payments		-	-	-	45,435	45,435
Total transactions with owners		39,926,165	-	-	45,435	39,971,600
Balance at 31 December 2009		109,606,408	(53,247,306)	3,539,975	3,988,204	63,887,281

	Note	Attributable to equity holders of the parent				Total Equity
		Issued capital	Accumulated losses	FX Reserve	Option Reserve	
CONSOLIDATED		\$	\$	\$	\$	\$
Balance at 1 July 2008		63,148,878	(31,424,613)	636,493	1,839,714	34,200,472
Total comprehensive income for the period						
Loss for the period		-	(867,787)	-	-	(867,787)
Other comprehensive income-foreign currency translation differences		-	-	(260,109)	-	(260,109)
Total comprehensive income for the period		-	(867,787)	(260,109)	-	(1,127,896)
Transactions with owners, recorded directly in equity						
Issue of share capital		3,060,000	-	-	-	3,060,000
Share issue transaction costs		(23,283)	-	-	-	(23,283)
Share based payments		-	-	-	195,786	195,786
Total transactions with owners		3,036,717	-	-	195,786	3,232,503
Balance at 31 December 2008		66,185,595	(32,292,400)	376,384	2,035,500	36,305,079

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Cash Flow Statement

For the half year ended 31 December 2009

	Note	CONSOLIDATED	
		31 December 2009	31 December 2008
		\$	\$
Cash flows from operating activities			
Payments for exploration and evaluation		(255,966)	(2,641,633)
Payments for feasibility and predevelopment		(49,019)	(2,194,710)
Payments for project development		(6,054,855)	-
Payments to suppliers and employees		(2,609,617)	(1,679,833)
Payments for investor relations / business development		(1,957,038)	(64,593)
Interest received		373,185	73,106
Other revenue		14,211	-
Interest paid		(153,115)	(698)
Net cash flows used in operating activities		(10,692,214)	(6,508,361)
Cash flows from investing activities			
Purchase of equity investments		-	-
Purchase of intangibles		(108,315)	-
Purchase of property, plant and equipment		(37,918)	(51,938)
Net cash flows used in investing activities		(146,233)	(51,938)
Cash flows from financing activities			
Proceeds issue of shares		40,250,000	3,060,000
Proceeds from finance facilities		-	1,000,000
Cost of capital raising		(1,533,585)	(23,283)
Net cash flows from financing activities		38,716,415	4,036,717
Net increase / (decrease) in cash and cash equivalents		27,877,968	(2,523,582)
Cash and cash equivalents at beginning of period		4,413,668	3,697,356
Cash and cash equivalents at end of period	5	32,291,636	1,173,774

The above Condensed Cash Flow Statement should be read in conjunction with the accompanying notes.

Condensed notes to and forming part of the Financial Statements

For the half year ended 31 December 2009

1. Corporate Information

The financial report of Adamus Resources Limited and its subsidiaries (the "Group") for the half year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 25 February 2010.

Adamus Resources Limited is a public company incorporated in Western Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the financial period was mine development and mineral exploration.

2. Summary of Significant Accounting Policies

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.

The half year financial report should be read in conjunction with the annual Financial Report of Adamus Resources Limited as at 30 June 2009.

It is also recommended that the half year financial report be considered together with any public announcements made by Adamus Resources Limited and its controlled entities during the half year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a) Basis of preparation

The half year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except where stated.

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

b) Adoption of new and revised Accounting Standards

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- The replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- The adoption of the single statement approach to the presentation of the statement of comprehensive income;
- Other financial statements are renamed in accordance with the Standard; and
- Presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy of material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Groups' chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

2. Summary of Significant Accounting Policies (continued)

b) Adoption of new and revised Accounting Standards (continued)

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2009. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- If the Group holds less than 100% of the equity interests in an acquiree and the business combination results in goodwill being recognised, the Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group elects which method to adopt for each acquisition.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

c) Principles of consolidation

The half year consolidated financial statements comprise the financial statements of Adamus Resources Limited and its subsidiaries as at 31 December 2009.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements all inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated in full.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

d) Significant accounting policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009.

e) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

3. Segment Information

Primary reporting - Geographical segments

The economic entity operates predominantly in two geographical segments, Australia and Africa, and in one industry, mineral mining and exploration.

Secondary reporting - Business segments

All business activities relate to mineral mining and exploration.

Primary Reporting Geographical Segments	Segment Revenues	Segment Revenues	Segment Results	Segment Results	Segment Assets	Segment Assets	Segment Liabilities	Segment Liabilities
	Dec 2009 \$	Dec 2008 \$	Dec 2009 \$	Dec 2008 \$	Dec 2009 \$	Dec 2008 \$	Dec 2009 \$	Dec 2008 \$
Australia	479,875	54,015	479,875	54,015	78,788,402	40,914,867	4,914,793	2,626,148
Ghana	-	-	(2,051,204)	1,323,171	27,049,010	27,191,235	37,522,480	29,662,017
Eliminations/ Unallocated	-	-	(4,653,244)	(2,244,973)	(35,947,712)	(29,681,941)	(36,434,854)	(30,169,083)
Total	479,875	54,015	(6,224,573)	(867,787)	69,889,700	38,424,161	6,002,419	2,119,082

CONSOLIDATED

31 December 2009 \$	31 December 2008 \$
------------------------------------	------------------------------------

4. Loss from ordinary activities before income tax has been determined after:

Revenue

Interest revenue	465,663	54,015
Other revenue	14,212	-
	479,875	54,015

Expenses

Employee benefits expenses	(1,001,389)	(1,016,641)
Share based payment expense	(45,435)	(195,786)
Depreciation expense	(18,599)	(26,452)
Amortisation expense	(16,830)	(12,870)
Corporate advisory services	(1,811,616)	(7,577)
Other corporate expenses	(909,854)	(303,483)
Premise expenses	(103,463)	(73,083)
Administration expenses	(619,963)	(284,135)
Foreign exchange gains / (losses)	(1,923,637)	1,389,877
Exploration expenses	(113,458)	(386,892)
Write off exploration expenditure	-	-
	(6,564,244)	(917,042)

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

5. Cash and Cash Equivalents

For the purposes of the condensed cash flow statement, cash and cash equivalents are comprised of the following:

	CONSOLIDATED	
	31 December 2009	30 June 2009
	\$	\$
Cash at bank and in hand	1,614,028	192,867
Short-term deposits	30,677,608	4,220,801
	32,291,636	4,413,668

6. Mineral Exploration and Evaluation

	CONSOLIDATED	
	31 December 2009	30 June 2009
	\$	\$
Opening balance	30,907,004	31,795,533
Exploration costs	318,686	1,728,124
Engineering study & Predevelopment costs	316,410	2,334,268
Project Development costs	6,564,261	-
(Write offs) / recoveries	-	(1,017,247)
FX on opening balances	(1,135,363)	(3,933,674)
Closing balance	36,970,998	30,907,004

Included in the Project Development costs above are progress payments of 25% of the contract value of the SAG Mill for the Southern Ashanti Gold Project

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

7. Contributed Equity

	CONSOLIDATED	
	No of shares	\$
a) Ordinary shares		
At 30 June 2009	164,592,376	69,680,243
Increase through issue of shares	120,290,000	41,459,750
Transaction costs relating to share issues	-	(1,533,585)
At 31 December 2009	<u>284,882,376</u>	<u>109,606,408</u>

b) Options

Options exercised during the period:

Exercise Date	Grant Date	Date of Expiry	Exercise Price	No of options
14 July 2009	28 January 2009	27 January 2011	\$0.23	5,190,000

Options issued during the period:

Grant Date	Date of Expiry	Exercise Price	No of options
1 July 2009	30 June 2012	\$0.50	150,000

Options expired during the period:

Grant Date	Date of Expiry	Exercise Price	No of options
12 September 2007	11 September 2009	\$0.80	750,000

Options outstanding at 31 December 2009:

Grant Date	Date of Expiry	Exercise Price	No of options
1 November 2007	31 October 2010	\$0.65	2,500,000
4 December 2007	30 November 2010	\$0.75	925,000
7 February 2008 *	31 March 2011	\$0.75	500,000
19 March 2008	30 September 2010	\$0.75	250,000
19 March 2008	30 September 2010	\$0.90	250,000
19 March 2008	30 September 2010	\$1.10	250,000
14 April 2008 *	31 March 2011	\$0.75	2,400,000
28 January 2009	27 January 2011	\$0.23	5,921,111
12 February 2009	31 January 2012	\$0.30	400,000
31 March 2009	30 March 2011	\$0.23	11,111,111
1 July 2009	31 June 2012	\$0.50	150,000

* Options conditional upon meeting certain vesting conditions.
Unless specified, options vest upon issue.

c) Reserves

	CONSOLIDATED	
	31 December 2009	30 June 2009
	\$	\$
Foreign currency translation reserve	3,539,975	2,969,340
Share-based payments reserve	3,988,204	3,942,769
	<u>7,528,179</u>	<u>6,912,109</u>

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

8. Earnings Per Share

	CONSOLIDATED	
	31 December 2009	31 December 2008
	\$	\$
Loss used in the calculation of basic and dilutive earnings per share	(6,224,573)	(867,787)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	194,773,033	149,189,115
	Cents per share	Cents per share
Basic loss per share	(3.20)	(0.58)

Weighted average number of ordinary shares used in the calculation of basis loss per share is 194,773,033 (31 December 2008: 149,189,115). Outstanding options not exercised at 31 December 2009 have not been included in the determination of basic loss per share as they are not considered dilutive.

9. Share Based Payment Plans

The following table illustrates the number and weighted average exercise price (WAEP) of and movements in share options issued during the period:

	Number	WAEP \$
Outstanding at June 30, 2009	30,447,222	0.36
Granted during the period	150,000	0.50
Expired during the period	(750,000)	0.80
Exercised during the period	(5,190,000)	0.23
Outstanding at December 31, 2009	24,657,222	0.37
Exercisable at December 31, 2009	21,757,000	0.32

The remaining contractual life for the share options outstanding as at December 31, 2009 is between 0.7 and 2.5 years. The range of exercise prices for options outstanding at December 31, 2009 was \$0.23 – \$1.10.

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model for the options granted during the period:

Dividend yield (%)	0
Expected volatility (%)	65
Risk Free interest rate (%)	4.51
Expected life of options (years)	3
Option exercise price (\$)	0.50
Weighted average share price at grant date (\$)	0.35

Condensed notes to and forming part of the Financial Statements (continued)

For the half year ended 31 December 2009

10. Commitments and Contingencies

a) **Commitments**

At 31 December 2009 the economic entity had commitments of A\$14 million relating to the Southern Ashanti Project.

b) **Contingent Liabilities**

The economic entity is not aware of any contingent liabilities which existed as at the end of the half year or have arisen as at the date of this report.

11. Events Subsequent To Reporting Date

On 12 February 2010 the Company announced that it had entered into hedging contracts as part of the financing package for the Southern Ashanti Project. The contracts provide for deliveries totaling 290,000 ounces of gold over the first 5.5 years of operation at US\$1075/oz. The contract represents 27% of the Company's existing published Ore Reserve, and less than 14% of its current defined Mineral Resource. The hedged price gold delivery program was provided by Macquarie Bank as part of the Company's US\$76m project finance arrangements.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years

12. Related Party Disclosures

The following table provides the total amount of transactions that were entered into with related parties for the half year ended 31 December 2009 and 2008:

Related Party		Fees charged by related parties	Amounts owed to related parties
		\$	\$
Key management personnel of the Company:			
Forrest Corporate Pty Ltd	31 December 2009	180,165	-
	31 December 2008	102,500	-

Mr Mark Bojanjac is a director of Forrest Corporate Pty Ltd which has provided consulting services to the Company on normal terms and conditions.

Directors' Declaration

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

In the opinion of the Directors:

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mark T Bojanjac
Chief Executive Officer

Perth, Western Australia
26 February 2010

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Adamus Resources Limited, which comprises the condensed statement of financial position as at 31 December 2009, 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, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration for Adamus Resources Limited (the consolidated entity). The consolidated entity comprises both Adamus Resources Limited (the company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Adamus Resources Limited (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 Standards on Review Engagements ASRE 2410 *Review of Interim Financial 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 2009 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 Adamus 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 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.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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 Adamus Resources Limited on 25 February 2010.

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 Adamus Resources Limited 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International



John P van Dieren
Director

West Perth, Western Australia
26 February 2010

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

26 February 2010

Board of Directors
Adamus Resources Limited
Level 2, 45 Richardson Street
WEST PERTH WA 6005

Dear Directors

RE: ADAMUS RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Adamus Resources Limited.

As the Audit Director for the review of the financial statements of Adamus Resources Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully
STANTONS INTERNATIONAL
(Authorised Audit Company)



John P van Dieren
Director