

**RAM RESOURCES LIMITED**

**ABN 23 108 456 444**

**Half Year Financial Report**

**31 December 2008**

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## DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Michael Drew	Managing Director
Robert Grover	Non-Executive Director
Neville Bassett	Non-Executive Director
Blair Sergeant	Non-Executive Director
Geoffrey Blackburn	Non-Executive Director - Appointed 20/8/2008 Resigned 24/10/2008

## Review of Operations

### PERU PROJECTS (Uranium -100%)

In November 2008, independent mining consultants SRK completed their resource estimate for the Corachapi Uranium Project. The updated JORC resource (using a 100ppm cut off) is **6.49mt** at an average grade  $U_3O_8$  of **257ppm** for a contained 3.675mlbs of  $U_3O_8$ . SRK have classified the resource as an **inferred resource**. The current resource estimation only covers part of Corniza Oeste and the southern extremity of Quebrada Corral, drilled since 2007.

This resource number was an extremely disappointing result particularly when compared to the January 2007 resource, which was calculated at approximately 9.2mlbs of  $U_3O_8$ .

The January 2007 estimate was based exclusively on 645 samples collected from 77 trenches cut across the strike of the mineralisation at 50m or 100m intervals, thus it was calculated with considerably less data that is currently to hand.

SRK have reviewed the 2007 resource estimate against the 2008 resource and note that a number of factors can explain the difference

- The quality of the samples used in the January 2007 estimate is impossible to assess, as the sampling and assaying processes are undocumented and no QA/QC information is to hand.
- The area covered by the trenches is more extended than the area for which the present estimate is made.
- The grades observed in the trenches are clearly higher, but in the absence of QA/QC information it is impossible to know whether some preferential sampling of the mineralised fractures did occur, or if there was possibly some cross contamination of higher grade results during the sampling process.
- The specific gravity assumed (2.2) is much higher than the average specific gravity supported by the recent sampling of recovered drill core which was 1.8.

SRK's overall conclusions from their work were as follows:

- The current resource estimation is based essentially on transformed eU values. While these values are extremely useful as they represent larger volumes than cores, there is some uncertainty attached to them, in particular they seem to overestimate the geochemical grades. The relationship between the gamma measurements and eU needs to be independently reviewed.
- Whilst disseminated uranium mineralisation can be found over the full thickness and higher concentrations of uranium exist within mostly sub-vertical fractures, the higher grade mineralisation is quite spotty and the current drill spacing is insufficient to get a precise handle on the local

continuity and variability. Further infill drilling may increase the confidence level in respect to the grade between the existing drill lines.

- Despite the significant reduction in the size of the current JORC resource there is nevertheless a scope for significantly increasing the resource by targeting Quebrada Corral and the North of Corniza Oeste.

Following the extremely disappointing results from the resource calculation, it was clear that a significant re-think of the exploration practices and technical objectives for the Peru projects was required and the operations in Peru were immediately placed onto care and maintenance.

Due to the difficulties of raising additional working capital resulting from the global financial situation and the Company's limited cash reserves, activities in Peru have now ceased and steps have been taken to wind up the operations there.

Subsequent to the half year end, the Company announced that it had entered into a Heads of Agreement with Macusani Yellowcake Inc to sell its Corachapi and Kihitian uranium projects for C\$500,000 (Approximately A\$600,000), refer to Note 9.

### **KYRGYZSTAN PROJECTS (Uranium -100%)**

In June 2008, the Company announced a Farm-In Agreement over its Kyrgyzstan projects with Pangaea Energy Ltd (Pangaea), a private UK-based energy sector investment group. Under the terms of the joint venture, Pangaea was to contribute up to US\$1,750,000 in cash and US\$2,300,000 in exploration spending on the Kyrgyzstan projects. To date a total of US\$550,000 has been paid.

As with many projects, the global financial crisis has affected Pangaea's access to funds and the board considers it highly unlikely in the present economic climate that funding based on the existing farm-in arrangements will be feasible. Subsequent to the half year end, the Company announced that it had reached an agreement with Pangaea and Range Resources Ltd ("Range") whereby the Company would transfer to Range or its nominee (in this case Pangaea) a 100% interest in the Kyrgyzstan projects in settlement of the amount owing to Range of \$1,487,423.

### **WESTERN AUSTRALIAN PROJECTS**

#### **Parry Range (Base Metals - reducing to 15%)**

In September 2008, the Company announced it had reached agreement to sell an 85% interest in its Parry Range group of tenements, located in the Ashburton region of Western Australia, to Shaw River Resources Limited (ASX:SRR).

The consideration for the transaction was 2,000,000 ordinary shares in SRR and 1,000,000 options exercisable @ 20 cents, expiring in 5 years. A voluntary escrow period of three months applies to the securities issued as consideration. Settlement on this transaction occurred on 11 February 2009.

The Company retains a 15% free carried interest in the tenements until a decision to mine, at which point it can elect to contribute to the project's development, or sell the rights to SRR or its nominee.

#### **Collurabbie (Base Metals -100%)**

This project area is located 150 km east north east of Mt Keith and about 850 km northeast of Perth, in the Mt Margaret mineral field of Western Australia. After unsuccessfully seeking potential purchasers, or joint venture partners for these tenements, the Company has relinquished all of its Collurabbie tenements.

#### **Mt Cotton (Uranium & Gold -100%)**

The Company has a 100% interest in ELA45/2725, which is located in the Pilbara Region of Western Australia, approximately 100km south-east of the Telfer gold mine and 500km from Port Headland. The area is considered prospective for uranium, gold and base metals. Historical exploration results from grab samples are reported to have yielded results of up to 1.5% U<sub>3</sub>O<sub>8</sub>, 2% Cu and 0.6% ZN.

Negotiations with the traditional owners in the region need to be completed before the exploration licence can be granted.

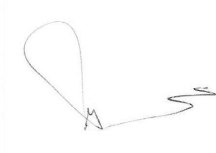
### **Competent Persons Statement**

The information in this report that relates to the Corachapi Mineral Resources is based on information compiled and summarised by Daniel Guibal of SRK who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Guibal has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this Directors' report for the half-year ended 31 December 2008.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.



.....  
Michael Drew

Director

13 March 2009



Accountants | Business and Financial Advisers

### Auditor's Independence Declaration

As lead auditor for the review of the financial report of Ram Resources Limited 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 Ram Resources Limited.

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia  
13 March 2009


L DI GIALONARDO  
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>

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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**

		<b>Consolidated</b>	
	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>			
Revenue		-	-
Other income		<b>285,278</b>	409,090
Debts forgiven		<b>370,737</b>	-
		<hr/> <b>656,015</b>	<hr/> 409,000
<b>Expenses</b>			
Administration		<b>(542,342)</b>	(2,477,289)
Depreciation and amortisation expense		<b>(25,319)</b>	(15,138)
Impairment of non-current assets		<b>(17,559,219)</b>	(351,836)
Finance costs		<b>(122,415)</b>	(1,242)
Foreign exchange gain/(loss)		<b>(316,864)</b>	-
Other expenses		<b>(281,898)</b>	(1,188,264)
		<hr/> <b>(18,192,042)</b>	<hr/> (3,624,679)
<b>Loss before income tax expense</b>	2	<b>(18,192,042)</b>	(3,624,679)
Income tax expense		-	-
		<hr/> <b>(18,192,042)</b>	<hr/> (3,624,679)
<b>Loss after tax from continuing operations</b>		<b>(18,192,042)</b>	(3,624,679)
Loss after tax from discontinued operation		-	-
		<hr/> <b>(18,192,042)</b>	<hr/> (3,624,679)
<b>Net loss for the period</b>		<hr/> <b>(18,192,042)</b>	<hr/> (3,624,679)
Basic earnings per share (cents per share)		<b>(14.91)</b>	(4.15)

The accompanying notes form part of these financial statements.

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

	Note	<u>Consolidated</u>	
		31 Dec 2008 \$	30 June 2008 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		118,491	485,735
Trade and other receivables		34,890	80,143
Assets held for sale		2,224,984	-
<b>Total Current Assets</b>		<b>2,378,365</b>	<b>565,878</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		85,611	115,671
Deferred exploration and evaluation expenditure	3	-	18,152,191
<b>Total Non-Current Assets</b>		<b>85,611</b>	<b>18,267,862</b>
<b>Total Assets</b>		<b>2,463,976</b>	<b>18,833,740</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		867,128	1,040,428
Borrowings		1,646,426	1,136,043
<b>Total Current Liabilities</b>		<b>2,513,554</b>	<b>2,176,471</b>
<b>Non-Current Liabilities</b>			
Borrowings		11,528	15,850
<b>Total Non-Current Liabilities</b>		<b>11,528</b>	<b>15,850</b>
<b>Total Liabilities</b>		<b>2,525,082</b>	<b>2,192,321</b>
<b>Net (Liabilities)/Assets</b>		<b>(61,106)</b>	<b>16,641,419</b>
<b>Equity</b>			
Issued capital	4	32,792,517	31,885,795
Reserves		6,724,968	6,142,173
Retained earnings/(Accumulated Losses)		(39,578,591)	(21,386,549)
<b>Total Equity</b>		<b>(61,106)</b>	<b>16,641,419</b>

The accompanying notes form part of these financial statements.

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

	Issued Capital	Retained Earnings/ (Accumulated losses)	Option Reserve	Asset Revaluation Reserve	Share based Payment Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2007</b>	12,680,130	(2,439,393)	2,702,500	-	-	12,943,237
Loss attributable to members of the parent entity	-	(3,624,679)	-	-	-	(3,624,679)
Shares issued during the half-year	17,822,370	-	-	-	-	17,822,370
Recognition of share based payments	-	-	2,765,000	-	674,673	3,439,673
Revaluation Increment	-	-	-	300,000	-	300,000
<b>Balance at 31 December 2007</b>	<b>30,502,500</b>	<b>(6,064,072)</b>	<b>5,467,500</b>	<b>300,000</b>	<b>674,673</b>	<b>30,880,601</b>
<b>Balance at 1 July 2008</b>	<b>31,885,795</b>	<b>(21,386,549)</b>	<b>5,467,500</b>	<b>-</b>	<b>674,673</b>	<b>16,641,419</b>
Loss attributable to members of the parent entity	-	(18,192,042)	-	-	-	(18,192,042)
Options issued for the half year	-	-	561,995	-	-	561,995
Shares issued during the half-year	906,722	-	-	-	-	906,722
Recognition of share based payments	-	-	-	-	20,800	20,800
<b>Balance at 31 December 2008</b>	<b>32,792,517</b>	<b>(39,578,591)</b>	<b>6,029,495</b>	<b>-</b>	<b>695,473</b>	<b>(61,106)</b>

The accompanying notes form part of these financial statements.

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

	Consolidated	
	2008	2007
	\$	\$
	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(538,712)	(2,210,662)
Finance costs	(932)	(1,242)
Other receipts	277,092	2,226
Net cash provided by/(used in) operating activities	(262,552)	(2,209,678)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(4,678)	(20,890)
Payments for available-for-sale financial assets	-	(500,000)
Payments for exploration and evaluation expenditure	(1,622,594)	(2,987,386)
Interest received	8,187	55,028
Net cash provided by/(used in) investing activities	(1,619,085)	(3,453,248)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	961,574	5,901,749
Payments for share issue costs	(54,854)	(166,956)
Payment of finance lease liabilities	(4,322)	-
Proceeds from issue of options	561,995	-
Proceeds from borrowings	50,000	-
Net cash provided by/(used in) financing activities	1,514,393	5,734,793
Net increase/(decrease) in cash held	(367,244)	71,867
Cash and cash equivalents at the beginning of the period	485,735	576,513
<b>Cash and cash equivalents at the end of the period</b>	<b>118,491</b>	<b>648,380</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

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'.

This condensed 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 Ram 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.

#### **Basis of preparation**

The half-year report has been prepared on a historical cost basis, except for 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. The company is domiciled in Australia and 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.

#### **Significant accounting judgments and key estimates**

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

Except as described below, in preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2008.

In the half-year ended 31 December 2008, management reassessed its estimates in respect of:

#### ***Carrying Value of Exploration Evaluation and Development Expenditure***

The management of the Company reviewed the carrying value of exploration, evaluation and development expenditure, reviewing each area of interest in turn with regard to the estimated realisable value of each area in light of the prevailing circumstances with respect to world financial and commodity markets, and the likelihood of future exploration success.

As a result of the review an impairment charge of \$17,559,219 was made to the income statement for the half year ended 31 December 2008. Furthermore in accordance with AASB 5 "Non Current Assets Held for Sale and Discontinued Operations" the written down value of the areas of interest which are currently held for re-sale have been re-classified as a current asset in the balance sheet as "Assets held for sale".

#### ***Going concern***

Notwithstanding the fact that the consolidated entity has a working capital deficit of \$135,189 and net liabilities of \$61,106, at the end of the half year the Directors are of the opinion that the Company is a going concern for the following reasons;

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- a) On 25 February 2009, the Company announced that it had entered into an asset/debt swap (refer Note 9) the effect of which will be to reduce current borrowings by \$1,487,483 and assets held for sale by an equivalent amount.
- b) On 6 March 2009, the Company announced that it entered into a Heads of Agreement to sell its uranium projects in Peru for consideration of approximately \$600,000 (Refer Note 9). Funds from this sale will be available to meet the immediate cash needs of the Company.
- c) The realisation of other assets and marketable securities held by the Company during the second quarter of 2009 is expected to provide a further \$130,000 in cash.
- d) The Directors also anticipate that a further equity raising will be required and will be completed early in the second quarter of 2009. This raising will provide further working capital for the Company.

Should the sale of the Peru assets discussed in sub-paragraph (b) above or the proposed equity raising not be completed, there is significant uncertainty as to whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

#### Adoption of new and revised Accounting Standards

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.

The table below describes transitional provisions of the Standards and Interpretations that are mandatory for annual reporting periods beginning on or after 1 January 2009 (if not early adopted in the previous year). These Standards are permitted to be early adopted in the current period at the entity's discretion and a summary is therefore presented for information.

Standard or interpretation	Commentary
<b>Applicable to reporting periods on or after 1 January 2009</b>	
AASB 8 <i>Operating Segments</i>	Requires disclosure of segment information on the basis of the information that is presented to the Chief Operating Decision Maker of the entity.
AASB 2007-3 <i>Amendments to Australian Accounting Standards arising from AASB 8</i>	The standard is only applicable to those entities whose securities are publicly traded or who files financial statements with a securities commission in contrast to AASB 114 which is applicable to reporting entities.  Entities may elect to early adopt AASB 8 prior to the mandatory application date.
AASB 101 <i>Presentation of Financial Statements (revised Sept 2007)</i>	The standard introduces a statement of comprehensive income. The following changes will be made to the primary statements:
AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i>	<ul style="list-style-type: none"> <li>- 'balance sheet' will be renamed 'statement of financial position'</li> <li>- 'income statement' will be renamed 'statement of comprehensive income'</li> <li>- 'cash flow statement' will be renamed 'statement of cash flows'.</li> </ul>
	The new terms are not mandatory but will, however, be used in all future accounting standards.
<b>Applicable to reporting periods on or after 1 July 2009</b>	
AASB 3 <i>Business Combinations</i>	The standard introduces several key changes to accounting for business combinations including the expensing of acquisition costs and changes to the treatment of non-controlling interests, step acquisitions and contingent consideration.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

### NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated	
	31 December 2008	31 December 2007
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Debt forgiveness	<b>370,737</b>	351,836
Write-down of exploration expenditure	<b>(17,559,219)</b>	(351,836)
Consultants	<b>(21,231)</b>	(2,013,632)
Marketing & travel	<b>(127,878)</b>	(253,657)
Corporate management	<b>(37,500)</b>	(210,000)

### NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2008	30 June 2008
	(6 Months)	(12 Months)
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of half-year	<b>18,152,191</b>	4,588,471
Acquisition –Kyrgyzstan	-	7,421,988
Acquisition –Peru	-	11,521,158
Expenditure incurred	<b>1,632,012</b>	8,940,835
Impairment	<b>(17,559,219)</b>	(14,320,261)
Transferred to assets held for sale	<b>(2,224,984)</b>	-
Total exploration expenditure	<b>-</b>	18,152,191

Exploration expenditure, in relation to assets or a project area which are held for sale, has been reclassified in these financial statements as a current asset at its expected realisable value and an impairment charge has been made in the income statement in the half year for the difference between the carrying value and the expected realisable value.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

**NOTE 4: ISSUED CAPITAL**

Consolidated

31 December 2008	30 June 2008
\$	\$

**Ordinary shares**

Issued and fully paid

<b>33,535,056</b>	32,573,481
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**Movements in ordinary shares on issue for the half year**

<u>No.</u>	<u>\$</u>
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At 1 July 2008

<b>108,798,016</b>	32,573,481
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1 August 2008 – Placement

<b>16,000,000</b>	960,000
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14 November 2008 – Conversion of listed options

<b>10,500</b>	1,575
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At 31 December 2008

<b>124,808,516</b>	33,535,056
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**NOTE 5: OPTIONS**

Option Reserve

<b>6,029,495</b>	5,467,500
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**Movements in options on issue for the half year**

<u>No.</u>	<u>\$</u>
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At 1 July 2008

<b>11,225,000</b>	6,142,173
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22 July 2008 – issue of Class B options

<b>50,000,000</b>	250,000
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23 September 2008 - issue of listed options

<b>62,399,008</b>	311,995
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1 October 2008 - Listed options convertible at 15 cents (Nil Consideration)

<b>200,000</b>	-
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1 December 2008 – Issue of Director options (Nil Consideration)

<b>1,000,000</b>	20,800
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Expiration of 350,000 options convertible at 50 cents expiring 30 June 2010

<b>(350,000)</b>	-
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12 November 2008 - Conversion of listed options

<b>(10,500)</b>	-
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At 31 December 2008

<b>124,463,508</b>	6,724,968
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

### NOTE 6: SEGMENT REPORTING

#### Geographical segments

The following table presents the revenue and results regarding geographical segments for the half-year periods ended 31 December 2008 and 31 December 2007.

	Australia	Peru	Kyrgyzstan	Eliminations	Consolidated
<b>31 December 2008</b>					
<b>Continuing operations</b>					
<b>Segment revenue</b>	<b>656,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>656,015</b>
<b>Segment result</b>	<b>(18,955,008)</b>	<b>(5,358,778)</b>	<b>(166,987)</b>	<b>6,288,731</b>	<b>(18,192,042)</b>
<b>31 December 2007</b>					
<b>Continuing operations</b>					
<b>Segment revenue</b>	<b>409,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,090</b>
<b>Segment results</b>	<b>(3,624,679)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,624,679)</b>

Geographical segments represent Ram Resources Limited's primary basis of segmentation.

### NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

### NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the half year end the following significant events occurred:

#### Asset/Debt Swap

On 25 February 2009 the Company announced that it had reached an agreement with Pangaea Energy Ltd ("Pangaea") and Range Resources Ltd ("Range") whereby the Company would transfer to Range or its nominee (in this case Pangaea) all of the issued capital of a controlled entity IMC Resource Holdings Ltd, which in turn owns the Kamushanovskoe and Jetym uranium projects in Kyrgyzstan. In return Range would cancel an amount owing to Range of \$1,487,423.

#### Sale of Peru Projects

On 6 March 2009 the Company announced that it entered into a heads of agreement with Macusani Yellowcake Inc ("MYC"), a company listed on the Toronto Venture Exchange (TSXV), to sell its Corachapi and Kihitian uranium projects in Peru for C\$500,000 (Approximately A\$600,000).

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

The Company has agreed to sell to MYC all of its interest in the mining concessions that comprise its Corachapi and Kihitian projects together with all exploration data on the following terms and conditions:

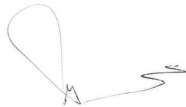
1. The sale is subject to the approval of shareholders of the Company (if required).
2. MYC shall have a period of 30 days to complete due diligence into the financial and legal status of the mining concessions. If MYC is not sufficiently satisfied as to the legal status of the mining concession it may withdraw from the agreement.
3. The consideration is payable in Canadian Dollars as follows:
  - a. Deposit of C\$25,000
  - b. Cash payment on settlement of C\$175,000
  - c. The issue by MYC to the Company of an unsecured convertible debenture with a face value of C\$300,000. The Debenture shall have a five year term, bear interest at 10% per annum and be convertible at the option of the holder anytime after four months from the date of issue into common shares of Macusani at a price equal to 110% of the 20 day average closing price of MYC common shares on the TSX Venture Exchange
4. Settlement will occur at the later of 10 days after the date the shareholders approve the transactions, or the date that the mining concessions can be registered in the public mining register of Peru in the name of MYC.

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Ram Resources Limited ('the company'):

1. The financial statements and notes thereto, as set out on pages 5 to 14 are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. 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 then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



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Michael Drew  
Director

13 March 2009



Accountants | Business and Financial Advisers

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

**To the members of  
Ram Resources Limited**

### **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 Ram Resources Limited 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 Ram Resources Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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>

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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*.

*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 Ram 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 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*.

*Significant Uncertainty Regarding Continuation as a Going Concern*

Without qualification to the conclusion expressed above, we draw attention to Note 1 to the half year financial report which states that the consolidated entity is dependent upon the finalisation of the sale of the Peru assets and the completion of a proposed equity raising to continue as a going concern. Should these matters not be completed there is significant uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities should the consolidated entity not continue as a going concern.

*HLB Mann Judd*

**HLB MANN JUDD**  
**Chartered Accountants**

*L Di Giallonardo*

**Perth, Western Australia**  
**13 March 2009**

**L DI GIALLONARDO**  
**Partner**