



RAM Resources Limited

ABN 23 108 456 444

Half Year Financial Report

31 December 2009

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2009. 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
Neville Bassett	Non-Executive Director
Blair Sergeant	Non-Executive Director (resigned 16 February 2010)
Paul Price	Non-Executive Director (appointed 16 February 2010)

Review of Operations

The Company's activities during the half year have been limited whilst the process of restructuring was completed. The restructure of the Company was completed in October with the injection of additional capital via a placement of new shares and a rights issue and placement of options.

Western Australian Projects

The current focus of the Company is on its exploration projects in Western Australia, **Fallows Field (ELA 45/2727)** and **Dome Triangle (ELA 45/2726)**, which are located near Newcrest Mining Limited's Telfer Gold Mine and are prospective for gold. The Company also retains its 20% residual interest in the Parry Range group of tenements.

Dome Triangle (Gold – 100%)

The Dome Triangle (ELA45/2726) is located approximately 27km to the east of Newcrest Mining Limited's Telfer gold mine and the area has been explored to a limited extent by a number of companies, including Carr Boyd Minerals, Western Mining and Newcrest, over a period of 25 years.

Fallows Field (Gold – 100%)

The Fallows Field tenement (ELA45/2727) is approximately 10km to the south of the Telfer gold mine and covers an area around the old Fallows Field gold mine.

ELA45/2727 is subject to an option agreement with Newcrest Mining Limited whereby Newcrest has a three year option (from date of grant) to acquire the tenement for \$500,000 plus a 1.5% NSR royalty. During the option period, Newcrest also has the right to carry out exploration on the tenement and must keep the tenement in good standing, including paying all outgoings.

No work was carried out during the half year pending the grant of the two Exploration Licenses. The Company is pleased to advise that during December 2009 it entered into a Land Access Agreement ("LAA") with the Martu people who are the traditional owners of the area. The LAA was required prior to submitting the Exploration Licenses to the Department of Mines and Petroleum ("DMP") for granting. The DMP has advised that Exploration Licenses are scheduled for grant in May 2010, after the required statutory advertising period.

New Project Opportunities

The Company was actively evaluating several potential new projects during the half year. These projects are located within Australia and overseas and cover a number of mineral commodities.

On 16 March 2010 the Company announced that it has entered into an agreement to acquire up to 100% of Greenland Resources Limited ("GRL") a UK company, which holds the Motzfeldt multi-element project located in the Gardar Province of Southern Greenland.

Motzfeldt has the potential to become a world class bulk tonnage Tantalum-Niobium deposit, with the potential of additional value add from rare earth credits. The project would currently be classified as an Exploration Target under the JORC guidelines and further exploration work is required to define a JORC compliant resource.

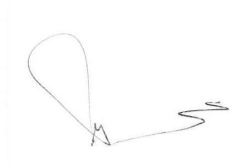
Ram has until 30 April 2010 to complete its due diligence on the Motzfeldt Project, following which it intends to carry out an aggressive exploration programme during the 2010 field season (June – October) with the aim of proving up an initial resource.

Full details of the proposed acquisition are set out in this report under Events Subsequent to Reporting Date on page 13.

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 interim financial report. This Independence Declaration is set out on page 3 and forms part of this directors' report for the half-year ended 31 December 2009.

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
16 March 2010



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 2009, 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 and the entities it controlled during the period.

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

Perth, Western Australia
16 March 2010

L DI GIALLONARDO
Partner, HLB Mann Judd

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Notes	Consolidated	
		31 Dec 2009 \$	31 Dec 2008 \$
Continuing operations			
Revenue		-	-
Other income		69,018	285,278
Debts forgiven		-	370,737
Administration		(178,600)	(542,342)
Depreciation and amortisation expense		(3,942)	(25,319)
Exploration expenditure written off		(85,341)	-
Impairment of non-current assets		-	(17,559,219)
Finance costs		(5,248)	(122,415)
Foreign exchange gain/(loss)		12,845	(316,864)
Loss on sale of equipment		(7,835)	-
Other expenses		(76,879)	(281,898)
Loss before income tax expense	2	(275,982)	(18,192,042)
Income tax expense		-	-
Loss after tax from continuing operations		(275,982)	(18,192,042)
Loss after tax from discontinued operation		-	-
Net loss for the period		(275,982)	(18,192,042)
Other comprehensive income		-	-
Total comprehensive income		(275,982)	(18,192,042)
Basic earnings per share (cents per share)		(0.13)	(14.91)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	Notes	Consolidated	
		31 Dec 2009 \$	30 June 2009 \$
Assets			
Current Assets			
Cash and cash equivalents		773,123	662,381
Trade and other receivables		485,709	62,796
Total Current Assets		1,258,832	725,177
Non-Current Assets			
Property, plant and equipment		46,270	20,706
Deferred exploration and evaluation expenditure	3	-	-
Total Non-Current Assets		46,270	20,706
Total Assets		1,305,102	745,883
Liabilities			
Current Liabilities			
Trade and other payables		190,108	382,108
Borrowings		100,000	265,423
Total Current Liabilities		290,108	647,531
Non-Current Liabilities			
Borrowings		-	7,205
Total Non-Current Liabilities		-	7,205
Total Liabilities		290,108	654,736
Net Assets		1,014,994	91,147
Equity			
Issued capital	4	34,050,278	33,005,172
Reserves		6,879,691	6,724,968
Accumulated losses		(39,914,975)	(39,638,993)
Total Equity		1,014,994	91,147

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Consolidated				
	Issued Capital	Accumulated Losses	Option Reserve	Share Based Payment Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2008	31,885,795	(21,386,549)	5,467,500	674,673	16,641,419
Loss for the period	-	(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
Balance at 31 December 2008	32,792,517	(39,578,591)	6,029,495	695,473	(61,106)
Balance at 1 July 2009	33,005,172	(39,638,993)	6,029,495	695,473	91,147
Loss for the period	-	(275,982)	-	-	(275,982)
Total comprehensive income for the period	33,005,172	(39,914,975)	6,029,495	695,473	(184,835)
Allotment of options	-	-	154,723	-	154,723
Shares issued during the half-year	1,132,197	-	-	-	1,132,197
Share issue costs	(87,091)	-	-	-	(87,091)
Balance at 31 December 2009	34,050,278	(39,914,975)	6,184,218	695,473	1,014,994

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(352,548)	(538,712)
Finance costs	(1,143)	(932)
Interest received	14,018	8,187
Other receipts	-	277,092
Net cash used in operating activities	<u>(339,673)</u>	<u>(254,365)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(48,704)	(4,678)
Proceeds from sale of equipment	11,364	-
Refundable deposit paid	(450,000)	-
Payments for exploration and evaluation expenditure	(85,341)	(1,622,594)
Net cash used in investing activities	<u>(572,681)</u>	<u>(1,627,272)</u>
Cash flows from financing activities		
Proceeds from issue of shares	971,315	961,574
Payments for share issue costs	(87,091)	(54,854)
Payment of finance lease liabilities	(15,851)	(4,322)
Proceeds from issue of options	154,723	561,995
Proceeds from borrowings	-	50,000
Net cash provided by financing activities	<u>1,023,096</u>	<u>1,514,393</u>
Net increase/(decrease) in cash held	110,742	(367,244)
Cash and cash equivalents at the beginning of the period	662,381	485,735
Cash and cash equivalents at the end of the period	<u>773,123</u>	<u>118,491</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim 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 2009 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.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Basis of preparation

The interim report has been prepared on a historical cost basis. 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 interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgements 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 interim 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 2009.

In the half-year ended 31 December 2009, management reassessed its estimates in respect of:

Carrying value of exploration expenditure

The Group performed a detailed review of its exploration tenements at period end to determine whether the related expenditure should continued to be capitalised under AASB 6 or written off to profit or loss. As a result of this review, management has determined that \$85,341 be written off.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2009, 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 2009.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

During the current period, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segment reporting – new AASB 8 *Operating Segments*

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

AASB 127 (revised) required the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must be remeasured to fair value and a gain or loss is recognized in profit or loss. This is consistent with the entity's previous accounting policy if significant influence is not retained.

The Group will in future allocate losses to the non-controlling interest in its subsidiaries even if the accumulated losses should exceed the non-controlling interest in the subsidiary's equity. Under the previous policy, excess losses were allocated to the parent entity.

Lastly, dividends received from investments in subsidiaries, jointly controlled entities or associates after 1 July 2009 are recognized as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period as none of the non-controlling interests have a deficit balance. There have also been no transactions whereby an interest in an entity is retained after the loss of control of that entity, no transactions with non-controlling interests and no dividends paid out of pre-acquisition profits.

Business Combinations

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments included at their respective fair values. Under the Group's previous policy, contingent payments were only recognized when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of the acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognized as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognized at its share of the acquiree's net assets.

If the Group recognizes acquired deferred tax assets after the initial recognition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

The changes were implemented prospectively from 1 July 2009 and there has been no impact on the current period.

Segment Reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Ram Resources Limited.

The changes were implemented and there have been no changes to the current period or prior comparatives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

Consolidated	
31 December 2009	31 December 2008
\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the half-year:

Debt forgiveness	-	370,737
Write-down/impairment of exploration expenditure	(85,341)	(17,559,219)
Consultants	-	(21,231)
Marketing and travel	(19,393)	(127,878)
Company Secretarial	(36,475)	(37,500)

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Consolidated	
31 December 2009 (6 months)	30 June 2009 (12 months)
\$	\$

Costs carried forward in respect of areas of interest in the following phases:

Exploration and evaluation phase – at cost

Balance at beginning of half year	-	18,152,191
Expenditure incurred	85,341	1,641,469
Exploration expenditure written off	(85,341)	(5,426,846)
Sale of Peru concessions	-	(11,521,128)
Asset/debt swap for Kyrgyzstan investments	-	(2,094,891)
Sale of Parry Range tenements	-	(750,795)
Total exploration expenditure	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 4: ISSUED CAPITAL

	Consolidated	
	31 December 2009 \$	30 June 2009 \$
<i>Ordinary shares</i>		
284,178,944 fully paid ordinary shares	34,879,908	33,747,711
Share issue costs	(829,630)	(742,539)
	<u>34,050,278</u>	<u>33,005,172</u>
<i>Movements in ordinary shares on issue</i>	No.	\$
At 1 July 2009	142,682,945	33,747,711
24 August 2009 - Placement	21,375,000	171,000
2 October 2009 - Debt Conversion	20,110,500	160,882
20 October 2009 - Placement	100,000,000	800,000
21 December 2009 - Conversion of Listed Options	10,499	315
At 31 December 2009	<u>284,178,944</u>	<u>34,879,908</u>

NOTE 5: OPTIONS

	Consolidated	
	31 December 2009 \$	30 June 2009 \$
Option Reserve	<u>6,184,218</u>	<u>6,029,495</u>
<i>Movements in options over ordinary shares on issue</i>	No.	\$
At 1 July 2009	124,463,508	6,029,495
21 December 2009 - Conversion of Listed Options	(10,499)	-
2 October 2009 - Allotment	154,722,815	154,723
At 31 December 2009	<u>279,175,824</u>	<u>6,184,218</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 6: SEGMENT REPORTING

Description of segments

The consolidated entity operates predominantly in Australia and formerly conducted business in Kyrgyzstan and Peru, and in one business segment, mineral mining and exploration and substantially all of the entity's resources are deployed for this purpose.

The following table presents the revenue and results regarding geographical segments for the half-year periods ended 31 December 2009 and 31 December 2008.

	Australia	Peru	Kyrgyzstan	Eliminations	Consolidated
	\$	\$	\$	\$	\$
31 December 2009					
Segment expenses	348,024	(857)	-	(2,167)	345,000
Segment result	(279,006)	857	-	2,167	(275,982)
Unallocated revenues and expenses	-	-	-	-	-
Loss from ordinary activities before related income tax expense					(275,982)
Segment assets	1,305,105	-	-	(3)	1,305,102
Segment liabilities	2,279,116	6,004,553	65	(7,993,626)	290,108
31 December 2008					
Segment expenses	19,611,025	5,358,778	166,987	(6,288,731)	18,848,059
Segment result	(18,955,008)	(5,358,778)	(166,987)	6,288,731	(18,192,042)
Unallocated revenues and expenses	-	-	-	-	-
Loss from ordinary activities before related income tax expense					(18,192,042)
Segment assets	2,414,333	49,581	65	(3)	2,463,976
Segment liabilities	4,538,791	5,930,367	65	(7,944,141)	2,525,082

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

NOTE 7: CONTINGENT LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

(a) Appointment and Resignation of Director

On 16 February 2010, Mr Blair Sergeant resigned as a director. Mr Paul Price was appointed as a director on 16 February 2010.

(b) Conversion of Options

On 8 February 2010, the Company issued 8,332 fully paid ordinary shares as a result of the conversion of listed RMRO options, which were exercisable at \$0.03.

(c) Acquisition of Motzfeldt Project

On 16 March 2010 the Company announced that it has entered into a Memorandum of Understanding ("MoU") to acquire up to 100% of Greenland Resources Limited ("GRL") a UK company, which holds the Motzfeldt Lake multi-element project located in the Gardar Province of South Greenland ("Motzfeldt Project").

GRL is an unlisted UK public company, which has as its only asset a 100% interest in a Greenlandic Exploration License 2005/10, which comprises 3 adjacent areas totalling some 84km². The Motzfeldt Project is a multi-element style deposit that contains Tantalum (Ta), Niobium (Nb), and Rare Earth Elements (REE). The acquisition of the Motzfeldt Project is structured in a number of stages, the key terms of the acquisition are set out below:

Initial Interest

The Company may acquire 51% of the issued capital of GRL ("Initial Interest") from the Vendor in consideration for the Company issuing to the Vendor or its nominee:

- (a) 280,000,000 ordinary fully paid shares in the capital of the Company and;
- (b) 280,000,000 options, each with an exercise price of 3 cents and an expiry of 30 March 2012 in the same class as the existing RMRO options of the Company listed on the ASX

The Acquisition of the Initial Interest is subject to a number of conditions precedent including:

- (a) approval by the Government of Greenland of the change of control of GRL and any other necessary approvals and consents required under the laws of Greenland;
- (b) the Government of Greenland extending the term of exploration licence 2005/10 for a further term of 5 years;
- (c) the ASX confirming in writing to the Company that the transaction and matters contemplated by the MOU will not invoke the application of ASX Listing Rule 11.1.3;
- (d) if necessary, shareholders of the Company approving pursuant to ASX Listing Rules 7.1 and 10.1 and 11.2 and Item 7 of section 611 of the Corporations Act 2001 the issue of securities contemplated by the MOU
- (e) The Company completing due diligence to its satisfaction on the Motzfeldt Project on or before 30 April 2010
- (f) The Parties entering into formal documentation on or before 30 April 2010.

Deferred Consideration

The Company has agreed that for the 3 year period commencing on the date of the acquisition of the Initial Interest, it will issue to the Vendor or its nominee the following deferred consideration for the acquisition of the Initial Interest:

- (a) where the market capitalisation of the Company first exceeds \$40,000,000 for a period of 30 consecutive trading days based on the volume average weighted price ("VWAP"), the Company will issue to the Vendor or its nominee 80,000,000 shares;
- (b) where the market capitalisation of the Company first exceeds \$70,000,000 for a period of 30 consecutive trading days based on VWAP, the Company will issue to the Vendor or its nominee 60,000,000 shares;
- (c) where the market capitalisation of the Company first exceeds \$100,000,000 for a period of 30 consecutive trading days based on VWAP, the Company will issue to the Vendor or its nominee 40,000,000 shares; and
- (d) where the market capitalisation of the Company first exceeds \$120,000,000 for a period of 30 consecutive trading days based on VWAP, the Company will date issue to the Vendor or its nominee 20,000,000 Shares,

In calculating the market capitalisation of the Company for the purposes of the deferred consideration the shares and options issued under the MoU are to be ignored.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE (continued)

Second Interest

Following the completion of the acquisition of the Initial Interest the Company at its option may acquire a further 19% (for a total of 70%) of the issued capital of GRL ("**Second Interest**") by:

- (a) paying to the Vendor (or its nominee) \$1,000,000 in cash within 3 years of making the election to acquire the Second Interest; and
- (b) providing sole funding of \$10,000,000 within 3 years of making the election to acquire the Second Interest of expenditure and costs incurred for or on behalf of the Company in connection with the activities of the Company ("Company Expenditure").

Third Interest

Following the completion of the acquisition of the Second Interest the Company may at its option may acquire a further 20% (for a total of 90%) of the issued capital of GRL ("**Second Interest**") by:

- (a) paying to the Vendor (or its nominee) \$2,000,000 in cash within 3 years of making the election to acquire the Third Interest; and
- (b) providing sole funding of \$15,000,000 of Company Expenditure within 3 years of making the election to acquire the Third Interest.

Final Interest

If the Company has acquired the Third Interest it may acquire the remaining issued capital of GRL held by the Vendor ("**Final Interest**") by paying to the Vendor or its nominee the aggregate of;

- (a) \$50,000,000; and
- (b) where the value of the Final Interest (as determined by independent valuation) exceeds \$50,000,000, 25% of the amount by which the Final Interest exceeds \$50,000,000, if any.

Other Terms

The Company paid a \$450,000 deposit prior to 31 December 2009 to secure first rights to the Motzfeldt Project which is refundable in the event that:

- (a) the Vendor elects to terminate the MOU;
- (b) the Purchaser (acting reasonably) is not satisfied with the outcome of its due diligence investigations;
- (c) the parties do not enter into Formal Agreements on or before 30 April 2010 or such other date agreed by the parties in writing; or
- (d) the parties enter into Formal Agreements and any of the conditions precedent to the acquisition of the Initial Interest are not satisfied or waived by the party entitled to do so.

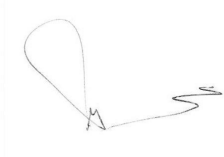
The Vendor shall have the right to nominate up to two suitably qualified persons as directors of the Company.

DIRECTORS' DECLARATION

In the opinion of the directors of Ram Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134, "Interim Financial Reporting", and the Corporations Regulations 2001; and
 - b. 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 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.



Michael Drew
Director

16 March 2010



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 statement of financial position as at 31 December 2009, the condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows 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 2009 ("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 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 Ram 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.

Independence

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

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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 as at 31 December 2009 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

HLB MANN JUDD
Chartered Accountants

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L DI GIALLONARDO
Partner

Perth, Western Australia
16 March 2010