



GREATLANDGOLD

ANNUAL REPORT & ACCOUNTS

for the period ended 30 June 2008



ANNUAL REPORT & ACCOUNTS

Greatland Gold was established in 2005 as a mineral exploration and development company. In July 2006 Greatland Gold plc was admitted to AIM, a market operated by the London Stock Exchange.

The board seeks to increase shareholder value by the systematic evaluation of its existing resource assets, as well as the acquisition of suitable exploration and development projects and producing assets.

Greatland currently has four mineral projects located in Australia and is focused on growth through the development of large gold resources.



FIRETOWER GOLD PROJECT
WARRENTINNA GOLD PROJECT
LISLE GOLD PROJECT



LACKMAN ROCK GOLD PROJECT



GREAT

CONTENTS

03 Chairman's Statement

04 Managing Director's Operating Review

06 Board of Directors

08 Directors' Report

11 Statement of Directors' Responsibilities

12 Corporate Governance Statement

15 Independent Auditor's Report

17 Group Income Statement

18 Group Balance Sheet

19 Company Balance Sheet

20 Group Cash Flow Statement

21 Company Cash Flow Statement

22 Notes to Financial Statements

37 Notice of Annual General Meeting

42 Company information



LANDGOLD



CHAIRMAN'S STATEMENT

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Dear Shareholders

During the year to 30 June 2008 we have made steady and confident progress evaluating our existing mineral resource assets, adding to our portfolio of licence interests, and re-evaluating our strategy going forward.

It has been a busy year for our team, headed by Paul Askins in Australia, who have developed our understanding of the mineralisation at Firetower and Warrentinna and are in the process of conducting further work at the properties. This may involve the use of more advanced surveying techniques the better to define the geological profile of our tenements.

We did envisage, when Greatland Gold was floated in July 2006, that we would have the opportunity to add to our project pipeline. We carefully review and consider acquisition proposals and are pleased to be making judicious additions where we consider the property to have attractive features and where its acquisition would add value for shareholders. We are pleased to have acquired the East Lisle property in northern Tasmania in August 2008.

During the financial year and since, there has been growing turbulence in financial markets. This has translated into weaker fund raising and trading activity on AIM. It is apparent, that for the moment, investors are being cautious with respect to small cap investments in the mining sector and elsewhere. This has led us to take a cautious approach to new investments; paying close attention to our acquisition criteria to ensure shareholder value can be realised.

Our cash balances, which stood at £1.8 million on 30 June 2008, reflect our financial prudence, our commitment to investing in our portfolio, and our frugal rate of overhead expenditure. Our decision to accept funding offers last year has put the company in an enviable position where it does not need to raise funds in the much weaker market conditions of today, and is also in a strong position to take advantage of any opportunities that may arise. We expect to see many offers from distressed sellers over the coming months. Cash levels are adequate having regard to our budgeted expenditure over 2008, which remains steady at a run rate of approximately £535,000 per annum.

During the 2008 financial year Greatland Gold significantly reduced its operating losses through meaningful expense reduction and currency gains. At the same time we maintained a similar level of exploration spend. Our final result for 2008, a pre-tax loss of £404,929 represents an improvement over pre-tax losses of £561,326 in 2007. The final result (EPS -0.21p) is a tribute to our considerable efforts to conserve cash without sacrificing our plans for investing in Greatland's future.

During the 2008 financial year Greatland Gold placed 50,000,000 ordinary shares raising £1,125,000 before expenses. At the end of June 2008 Greatland Gold had 196,550,000 ordinary shares with 6,000,000 options outstanding. Our current cash levels provide funding for foreseeable expenses well into 2010.

I would like to recognise the dedication and commitment shown by staff this year.

Outlook

A planned shift in approach to more joint venture orientated development should ensure lower development costs going forward. The Directors believe Greatland Gold's focused portfolio of Australian mining resource assets is well placed, both in terms of proximity to nearby mines that share the same geological traits as our properties and in terms of demand markets in China and the Far East. We continue to actively develop and broaden our scope and look to 2009 with confidence.

Closing remarks

I would express my sincere gratitude to our shareholders. We will continue to provide timely updates as appropriate. We also take this opportunity to thank our professional advisors for their work.

Andrew R M Bell

Chairman

7 October 2008



MANAGING DIRECTOR'S OPERATING REVIEW

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

During the 12 months to June 2008 Greatland Gold plc ('Greatland' or 'the Company') continued to pursue its strategy to acquire, explore and develop gold prospective properties in Tasmania and Western Australia. The Company currently owns four mineral projects comprising seven mineral licences all located in Australia, the details are tabulated below.

Project/Licence	Size (km ²)	Expiry	Remarks on 2008 Progress
Firetower Project			
Firetower	23	26 Nov 2009	SAM survey, surface sampling
Firetower East	30	26 Nov 2009	Grid based soil sampling
Quamby Brook	97	21 Sep 2012	Regional drainage sampling
Warrentinna Project			
Warrentinna	114	26 Nov 2009	RC drilling and soil sampling
Southern Cross	53	19 Dec 2012	Regional surface sampling
Lisle Project			
East Lisle	230	N/A	Recently acquired
Lackman Project			
Lackman Rock	210	N/A	Awaiting title grant

Exploration activities during the period were ongoing at the Tasmanian properties. At Firetower, we are evaluating magnetic surveys to better define additional targets for gold and base metals mineralisation. At Warrentinna, we will continue to evaluate options including the possibility of an open pit operation following encouraging results from our drilling this year.

Our recent acquisition of East Lisle, in Northern Tasmania is an exciting new prospect that adds significant potential to the Greatland portfolio. We expect to start field operations to substantiate our initial findings which suggested significant gold occurrences and anomalies.

Our objective remains to boost our inferred resources via further exploration work, so developing world class gold assets. We are confident that we remain on track to add value via our diligent exploration work and prudent expansion.

Clearly we remain conscious of external factors and their impact on Greatland's plans for realising shareholder value.

The outlook for gold has improved considerably over 2008. Gold's short-term performance is due to strong demand conditions stemming from strained US financial conditions, investor risk aversion and the historical function of gold as an inflationary hedge. According to the World Gold Council, global dollar demand for gold during Q2 2008 hit a record \$21.2bn; a rise of 9% on 2007. An increasingly relevant factor is gold's appeal to a younger generation of consumers in China, the Middle East and USA. We are encouraged by forecasts suggesting gold should average over \$900 per ounce during 2009.

Given the strong market for gold mining properties we continue to work towards completing sufficient exploration that would allow us to prove up and grow our assets further; to the point where the property may represent an attractive development asset.

Since our last fund raising in July 2007, the environment for raising capital on AIM has deteriorated. Due to the continuing nature of the tight credit environment the directors of Greatland recently concluded that the best way to expand and develop your company's resource base without running down existing capital is to seek joint venture partners, particularly in respect of the Firetower property.



MANAGING DIRECTOR'S OPERATING REVIEW cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

As a result, we have made the strategic decision to seek joint venture partners who can potentially accelerate the development of our projects at a lower cost to Greatland and add the benefit of external expertise. However whilst this search is underway, the Company will continue with budgeted development plans, providing the funds from existing cash resources.

We have made some tangible progress towards meeting our goals during 2007 and 2008 notwithstanding the challenging environment. The board contains a talented team with a diverse skill set that will serve Greatland well over 2009.

I would like to also note, and say a special thank you, for the keen interest and support you have shown as shareholders, in particular to those of you who saw our presentation at Investor Show exhibitions and your follow-up emails to our website. We welcome shareholders' comments and view the recent stake building by Starvest plc as a positive endorsement of our strategy.

We expect to provide timely updates of our progress during the year ahead.

Callum N Baxter

Managing Director
7 October 2008



BOARD OF DIRECTORS

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information



Andrew Bell



Callum Baxter



Paul Askins



John Watkins

Andrew Bell

MA, LLB, Chairman

In the late 1970s Andrew Bell was a natural resources analyst at Morgan Grenfell & Co. His business experience encompasses periods in fund management and advisory work at financial institutions including Grieseson Grant & Co and Phillips & Drew, corporate finance in Hong Kong, and private equity. Andrew Bell is currently Chairman of Regency Mines plc and Red Rock Resources plc, companies trading on AIM.

Callum Baxter

MSc (Ore Deposit Geology), MAIG, MAusIMM, Managing Director

Callum Baxter is a geologist with over fifteen years global multi-commodity experience and is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy.

He has developed considerable experience in the natural resources sector as an exploration geologist with companies that include Orpheus Geoscience Ltd, Eagle Mining Corporation NL, Hunter Exploration NL and Equinox Resources NL. Latterly he was a director and principal geologist for Baxter Geological a mineral exploration services and management support consultancy.

Paul Askins

MSc (Mining and Exploration Geology), MAusIMM, CPGeo, MSEG, Technical Director

Paul Askins is a generalist mineral explorer with considerable experience in the exploration of gold and base metals in Australia and internationally. His experience has been gained from working for companies that include Billiton in Australia, covering all aspect of exploration over a fourteen year period, and as exploration manager for Central Kalgoorlie Gold Mines NL. He currently is an independent consultant advising companies that include Avoca Resources Ltd, Heron Resources Ltd, Capricorn Resources Australia NL, Minorco Aust Ltd, Portman Mining Ltd, Homestake Gold Aust Ltd., Alcaston Mining NL, Placer Pacific, Quaestus Ltd, and A1 Minerals Ltd.

Paul Askins is a member of the Australian Institute of Mining and Metallurgy, the Geological Society of Australia, the Society of Economic Geologists, Inc and the Society for Geology Applied to Mineral Deposits

John Watkins

FCA, Director

John Watkins is a chartered accountant and a former partner of Ernst & Young and Neville Russell. He has experience as a public company director, and is finance director of Starvest plc, a substantial shareholder of the Company. Of his directorships, Starvest plc, Regency Mines plc and Red Rock Resources plc are listed on AIM. He is also Chairman of Lisungwe plc, a mineral exploration company traded on PLUS.

GREATLANDGOLD

DIRECTORS REPORT AND ACCOUNTS FOR THE PERIOD ENDED 30 JUNE 2008

08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information





DIRECTORS' REPORT

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

The Directors present their third annual report on the affairs of the Group and parent company, together with the Group financial statements for the year ended 30 June 2008.

Principal activities and business review

The Company has been established as a mineral exploration and development company focussed on gold in Tasmania and Western Australia. Following a fundraising in the second quarter of 2006, the Company commenced its exploration activity in July 2006 immediately following the admission of its Ordinary shares to trading on AIM.

The developments during the period are given in the Chairman's statement and Managing Director's operating review.

Fundraising

During the year, the Company raised £1,068,750 of new equity, net of expenses, by the issue of 50,000,000 new Ordinary shares at a price of 2.25 pence per share.

Results and dividends

The Group's results are described in the Group Income Statement on page 17. The audited financial statements for the year ended 30 June 2008 are set out on pages 17 to 36.

The Group has incurred a pre-tax loss of £404,929 (2007: £561,326).

The Directors do not recommend the payment of a dividend.

Principle risks and uncertainties

The management of the business and the execution of the Board's strategy are subject to a number of risks:

- Exploration is speculative in nature.
- The economic viability of a project is affected by world commodity prices.
- Commodity prices are subject to international economic trends, currency fluctuations and consumption patterns.

Key performance indicators

Given the straightforward nature of the Group's activities, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Directors and their interests

The Directors who served during the year, together with all their beneficial interests in the shares of the Company at 30 June 2008 and as at 30 June 2007 were as follows:

	30 June 2008			30 June 2007		
	Ordinary shares of £0.001 each	%	Options - Note 4	Ordinary shares of £0.001 each	%	Options £0.001 each
Andrew R M Bell - Note 1	1,500,000	0.76%	500,000	1,500,000	1.02%	500,000
Paul Winston Askins	9,500,000	4.83%	1,500,000	9,500,000	6.48%	1,500,000
Callum Newton Baxter - Note 2	9,500,000	4.83%	1,500,000	9,500,000	6.48%	1,500,000
John Watkins - Note 3	20,750,000	10.56%	500,000	15,750,000	10.75%	500,000



DIRECTORS' REPORT cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Note 1: The interest of Andrew Bell and persons connected with him in Ordinary shares are held through Regency Mines plc of which he is also a director.

Note 2: The interests of Callum Baxter and persons connected with him in Ordinary shares are held through Rock (Nominees) Limited.

Note 3: The interests of John Watkins and persons connected with him are held through Regency Mines plc as to 1,500,000 shares and through Starvest plc as to 19,000,000 shares; he is a director of both companies. In addition, he holds 250,000 shares in a personal capacity.

Note 4: The options over Ordinary shares were granted on 29 March 2007 exercisable at a price of 3 pence at any time on or before 30 June 2012.

Apart from the interests disclosed above, no director held any other interest in the share capital of the Company during the year. No changes in the interests disclosed above have taken place since the year end.

Substantial shareholdings

On 30 June 2008 and 30 June 2007 the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	Ordinary shares of £0.001 each	30 June 2008 Percentage of issued share capital	Ordinary shares of £0.001 each	30 June 2007 Percentage of issued share capital
Paul W Askins	9,500,000	4.83%	9,500,000	9.45%
Barclayshare Nominees Limited	6,744,694	3.43%	4,510,265	3.08%
City Equities (Nominees) Limited	12,455,000	6.34%	6,645,000	4.53%
JIM Nominees Limited	7,455,886	3.79%	4,700,473	3.21%
Pershing Keen Nominees Limited	12,552,999	6.39%	-	-
Raven Nominees Limited	11,678,422	5.94%	26,123,014	17.83%
Rock (Nominees) Limited	11,411,263	5.81%	10,473,763	7.15%
Starvest plc	14,000,000	7.12%	14,000,000	9.55%
Sunvest Corporation Limited	12,000,000	6.11%	12,000,000	8.19%
TD Waterhouse Nominees (Europe) Limited	9,347,436	4.76%	-	-

Share capital

Information relating to shares issued during the period is given in Note 15 to the accounts.

Charitable and political donations

During the period there were no charitable or political contributions.

Payment of suppliers

The Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 30 days of receipt of invoice. At 30 June 2008, the Company's creditors were equivalent to 37 day's costs.

Post balance sheet events

There are no significant post balance sheet events to disclose for the year ended 30 June 2008.

Auditors

The Directors will place a resolution before the annual general meeting to reappoint Chapman Davis LLP as auditors for the coming year.



DIRECTORS' REPORT cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Management Incentives

During the year ended 30 June 2007 the Company granted options over a total of 6,000,000 Ordinary shares as set out in Note 15 to the financial statements as follows:

- 2,000,000 to Gordon McLean, geologist
- 1,500,000 each to Paul Askins and Callum Baxter, executive directors
- 500,000 each to Andrew Bell and John Watkins, non-executive directors.

Otherwise, the Group has no bonus, share purchase, or other management incentive scheme.

Directors' remuneration report

The following information regarding directors' remuneration has been audited by the Company's auditors as required by Schedule 7A to the Companies Act 1985.

The remuneration of the directors paid during the year was fixed by the remuneration committee consisting of Andrew Bell and John Watkins. This has been achieved acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.

During the year, the Board agreed to pay fees to each director of £6,000 per annum (2007: £Nil). In addition to this, the businesses with which the directors are associated have charged fees and expenses relating to professional services provided as set out in note 6 to the financial statements.

Corporate Governance

A corporate governance statement follows on page 12.

Control Procedures

The Board has approved financial budgets and cash forecasts; in addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company ensures that it and its subsidiaries at a minimum comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group will be committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group's aim will be to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group will provide training and support to employees and set demanding standards for workplace safety.

Going Concern

Notwithstanding the loss incurred during the period under review, the Directors are of the opinion that ongoing evaluations of the Company's interests indicate that preparation of the Group's accounts on a going concern basis is appropriate.

By order of the Board

Callum N Baxter

Managing Director
7 October 2008



STATEMENT OF DIRECTORS' RESPONSIBILITIES

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.
- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the AIM market of the London Stock Exchange.

The maintenance and integrity of the Company's website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



CORPORATE GOVERNANCE STATEMENT

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the Combined Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the Combined Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the Combined Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises two Non-Executive Directors one of whom is the Chairman and two Executive Directors. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the Combined Code have been implemented to an appropriate level. The Board, through the Chairman, the Managing Director and the Non-executive Director, maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the period ending 30 June 2008 the Board met four times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors and the Company Secretary, necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee

The Audit Committee considers the Group's financial reporting, including accounting policies, and internal financial controls. The Audit Committee comprises two Directors, John Watkins as Chairman and, Andrew Bell. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Directors' and senior executives' remuneration. It comprises two Directors, Andrew Bell as Chairman, and John Watkins. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in the light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.



CORPORATE GOVERNANCE STATEMENT cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed.

Risks and uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and economic risks

- contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of Australian Dollar, and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding risk

The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity risk

Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Exploration and development risks

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.



CORPORATE GOVERNANCE STATEMENT cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Market risk

The ability of the Group (and the companies it invests in) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Director, senior management and any employee who is in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREATLAND GOLD PLC

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

We have audited the group and parent company financial statements of Greatland Gold plc for the period ended 30 June 2008, which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group and Parent Balance Sheets, Group and Parent Cash Flow Statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985, and as regards the group financial statements, Article 4 of the IAS Regulations. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, Chairman's Statement, Managing Director's Review and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the directors' remuneration report to be audited.



INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF GREATLAND GOLD PLC cont

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 30th June 2008 and of its loss for the period then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 30th June 2008;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements.

Chapman Davis LLP

Registered Auditors

London

7 October 2008



GROUP INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

	Notes	Year ended 30 June 2008	Year ended 30 June 2007
		£	£
Turnover	2	-	6,276
Exploration costs		(326,806)	(327,332)
Administrative expenses		(210,725)	(283,128)
Currency gains		48,159	15,552
Operating loss		(489,372)	(588,632)
Interest receivable		84,443	27,306
Loss on ordinary activities before taxation	3	(404,929)	(561,326)
Tax on loss on ordinary activities	4	-	-
Retained loss for the period attributable to members of the parent Company		(404,929)	(561,326)
Loss per share - basic and diluted	8	(0.21) pence	(0.51) pence

All of the operations are considered to be continuing.

Group statement of recognised income and expense For the year ended 30 June 2008

	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Deficit on revaluation of available for sale financial assets	(26,936)	(16,026)
Income and expense recognised directly in equity	(26,936)	(16,026)
Loss for the financial period	(404,929)	(561,326)
Total recognised income and expense for the financial period	(431,865)	(577,352)



GROUP BALANCE SHEET AS AT 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

	Note	30 June 2008		30 June 2007	
		£	£	£	£
ASSETS					
Non-current assets					
Tangible assets	9	6,265		7,339	
Intangible assets	10	493,016		463,613	
			499,281		470,952
Current assets					
Cash and cash equivalents		1,866,289		1,241,211	
Trade and other receivables	12	64,394		60,982	
Available for sale financial assets	13	96,147		106,203	
Total current assets			2,026,830		1,408,396
TOTAL ASSETS			2,526,111		1,879,348
LIABILITIES					
Current liabilities					
Trade and other payables	14	(97,982)		(88,104)	
TOTAL LIABILITIES			(97,982)		(88,104)
NET ASSETS			2,428,129		1,791,244
EQUITY					
Called-up share capital	15	196,550		146,550	
Share premium reserve	17	2,955,521		1,936,771	
Share based payment reserve	17	74,443		74,443	
Retained earnings		(993,867)		(588,938)	
Other reserves	17	195,482		222,418	
TOTAL EQUITY	17		2,428,129		1,791,244

These financial statements were approved by the Board of Directors on 7 October 2008 and signed on its behalf by:

Andrew R M Bell
Chairman

Callum N Baxter
Director



COMPANY BALANCE SHEET AS AT 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

	Note	30 June 2008		30 June 2007	
		£	£	£	£
ASSETS					
Non-current assets					
Investment in subsidiary	11		250,000		250,000
Current assets					
Cash and cash equivalents		1,815,569		1,196,273	
Trade and other receivables	12	876,987		637,642	
Total Current Assets			2,692,556		1,833,915
TOTAL ASSETS			2,942,556		2,083,915
LIABILITIES					
Current Liabilities					
Trade and other payables	14	(58,679)		(60,060)	
TOTAL LIABILITIES			(58,679)		(60,060)
NET ASSETS			2,883,877		2,023,855
EQUITY					
Called-up share capital	15	196,550		146,550	
Share premium reserve	17	2,955,521		1,936,771	
Share based payment reserve	17	74,443		74,443	
Merger reserve	17	225,000		225,000	
Retained losses	17	(567,637)		(358,909)	
TOTAL EQUITY	17		2,883,877		2,023,855

These financial statements were approved by the Board of Directors on 7 October 2008 and signed on its behalf by:

Andrew R M Bell
Chairman

Callum N Baxter
Director



GROUP CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

	Notes	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Cash flows from operating activities			
Operating loss		(489,372)	(588,632)
Increase in debtors		(3,412)	(18,239)
Increase /(decrease) in creditors		9,878	(136,354)
Depreciation		2,657	2,958
Share based payments		-	74,443
Currency adjustments		(43,922)	(16,788)
Net cash outflow from operations		(524,171)	(682,612)
Cash flows from investing activities			
Interest received		84,443	27,306
Payments to acquire intangible assets		(3,944)	(165,230)
Payments to acquire tangible assets		-	(9,360)
Payments to acquire available for sale financial assets		-	(122,228)
Net cash flows used in investing activities		80,499	(269,512)
Cash inflows from financing activities			
Proceeds from issue of shares		1,125,000	920,000
Transaction costs of issue of shares		(56,250)	(45,313)
Net cash flows from financing activities		1,068,750	874,687
Net (decrease)/increase in cash and cash equivalents	18	625,078	(77,437)
Cash and cash equivalents at the beginning of period		1,241,211	1,318,648
Cash and cash equivalents at end of period	18	1,866,289	1,241,211



COMPANY CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

	Notes	Year ended 30 June 2008	Year ended 30 June 2007
		£	£
Cash flows from operating activities			
Operating loss		(291,877)	(378,063)
Increase in debtors		(48,811)	(2,698)
Decrease in creditors		(1,381)	(123,632)
Share based payments		-	74,443
Net cash outflow from operations		(342,069)	(429,950)
Cash flows from investing activities			
Interest received		83,149	26,099
Loans to subsidiary		(190,534)	(591,806)
Net cash flows used in investing activities		(107,385)	(565,707)
Cash inflows from financing activities			
Proceeds from issue of shares		1,125,000	920,000
Transaction costs of issue of shares		(56,250)	(45,313)
Net cash flows from financing activities		1,068,750	874,687
Net increase/(decrease) in cash and cash equivalents	18	619,296	(120,970)
Cash and cash equivalents at the beginning of period		1,196,273	1,317,243
Cash and cash equivalents at end of period	18	1,815,569	1,196,273



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

1 Principal accounting policies

1.1 Authorisation of financial statements and statement of compliance with IFRS

The group financial statements of Greatland Gold plc for the year ended 30 June 2008 were authorised for issue by the board on 7 October 2008 and the balance sheets signed on the board's behalf by Mr Callum Baxter and Mr Andrew Bell. Greatland Gold plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the group are set out below.

Adoption of standards and interpretations

As at the date of authorisation of these financial statements, there were Standards and Interpretations that were in issue but are not yet effective and have not been applied in these financial statements. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group or company, except for additional disclosures when the relevant Standards come into effect.

1.2 Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

1.3 Basis of preparation

The consolidated financial statements of Greatland Gold plc and its subsidiary have been prepared in accordance with International Reporting Standards (IFRS) as adopted for use in the European Union. The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

1.4 Basis of consolidation

The consolidated accounts combine the accounts of the Company and its sole subsidiary, Greatland Pty Ltd, using the purchase method of accounting. In the Company's balance sheet the investment in Greatland Pty Ltd includes the nominal value of shares issued together with the cash element of the consideration. As required by sections 131 and 133 of the Companies Act 1985 no premium was recognised on the share issue. The difference between nominal and fair value of the shares issued was credited to the merger reserve.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

1.5 Goodwill

Goodwill on acquisition is capitalised and shown within fixed assets. Positive goodwill is subject to annual impairment review with movements charged in the income statement.

Negative goodwill is reassessed by the Directors and attributed to the relevant assets to which it relates.

1.6 Non-current asset investments

Investments in subsidiary companies are classified as non-current assets and included in the balance sheet of the Company at cost at the date of acquisition irrespective of the application of merger relief under the Companies Act.

1.7 Financial assets available for sale

Financial assets available for resale are valued at the lower of cost or the market value at the balance sheet date with any gain or loss carried to the net unrealised financial assets available for sale reserve.

1.8 Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.9 Income tax and deferred taxation

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date. Full provision is made for deferred taxation resulting from timing differences which have arisen but not reversed at the balance sheet date.

1.10 Tangible fixed assets

Fixed assets are depreciated on a straight-line basis at annual rates that will reduce the book amounts to estimated residual values over their anticipated useful lives as follows:-

- Motor vehicles: 25% per annum

1.11 Foreign currencies

Both the functional and presentational currency of Greatland Gold plc is sterling (£). Each group entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the foreign subsidiary, Greatland Pty Ltd is Australian Dollars (A\$).

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

On consolidation of a foreign operation, assets and liabilities are translated at the balance sheet rates, income and expenses are translated at rates ruling at the transaction date. Exchange differences on consolidation are taken to the income statement.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

1.12 Revenue

The Group had no revenue during the period ending 30 June 2008.

1.13 Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1.14 Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

1.15 Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has an overseas subsidiary in Australia whose expenses are denominated in Australian Dollars. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

1.16 Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

1.17 Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

1.18 Exploration and development expenditure

Exploration and development costs include expenditure on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. A substantial proportion of these costs are carried forward in the balance sheet as intangible fixed assets.

Recoupment of capitalised exploration and development costs is dependent upon successful development and commercial exploitation of each area of interest and are amortised over the expected commercial life of each area once production commences. The Company adopts the 'area of interest' method of accounting whereby a substantial proportion of exploration and development costs relating to an area of interest are capitalised and carried forward until abandoned. In the event that an area of interest is abandoned, or if the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure incurred prior to approval of an application is expensed with the exception of refundable rent which is raised as a debtor.

Impairment reviews will be carried out regularly by the Directors of the Company. Where a project is abandoned or is considered not to be of commercial value to the Company, the related costs will be written off.

1.19 Share based payments

The fair value of options granted to directors and others in respect of services provided is recognised as an expense in the profit and loss account with a corresponding increase in equity reserves - the share based payment reserve.

On exercise or cancellation of share options, the proportion of the share based payment reserve relevant to those options is transferred to the profit and loss account reserve. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date charged in the accounting period during which the option becomes unconditional.

The fair value of options is calculated using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Vesting conditions are non-market and there are no market vesting conditions. The exercise price is fixed at the date of grant and no compensation is due at the date of grant.

2 Turnover and segmental analysis

The Group's prime business segment is mineral exploration. The Group operates within two geographical segments, the United Kingdom and Australia. The UK sector consists of the parent company which provides administrative and management services to the subsidiary undertaking based in Australia. The following tables present revenue and loss information and certain asset and liability information by geographical segments:



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

2 Turnover and segmental analysis (cont)

The following tables present revenue and loss information and certain asset and liability information by geographical segments:

	UK £	Australia £	Total £
Year ended 30 June 2008			
Revenue			
Total segment revenue	-	-	-
Total consolidated revenue			-
Result			
Segment results	(291,877)	(197,495)	(489,372)
Loss before tax and finance costs			(489,372)
Interest receivable			84,443
Loss before taxation			(404,929)
Taxation expense			-
Net loss for the year			(404,929)

	UK £	Australia £	Total £
Year ended 30 June 2008			
Assets and liabilities			
Segment assets	1,868,930	561,034	2,429,964
Available for sale assets	-	96,147	96,147
Total assets	1,868,930	657,181	2,526,111
Segment liabilities	(58,679)	(39,303)	(97,982)
Total liabilities			(97,982)

Other segment information			
Capital expenditure	-	3,944	3,944
Depreciation	-	2,657	2,657

	UK £	Australia £	Total £
Year ended 30 June 2007			
Revenue			
Total segment revenue	-	6,276	6,276
Total consolidated revenue			6,276
Result			
Segment results	(378,970)	(209,662)	(588,632)
Loss before tax and finance costs			(588,632)
Interest receivable			27,306
Loss before taxation			(561,326)
Taxation expense			-
Net loss for the year			(561,326)



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

2 Turnover and segmental analysis (cont)

	UK £	Australia £	Total £
Year ended 30 June 2007			
Assets and liabilities			
Segment assets	1,221,462	551,863	1,773,145
Available for sale assets	-	106,203	106,203
Unallocated assets	-	-	-
Total assets	1,221,462	658,066	1,879,348
Segment liabilities	(60,060)	(28,044)	(88,104)
Unallocated liabilities	-	-	-
Total liabilities	-	-	(88,104)
Other segment information			
Capital expenditure	-	174,590	174,590
Depreciation	-	2,958	2,958

3 Loss on ordinary activities before taxation

	2008 £	2007 £
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit	10,600	10,017
Auditors' remuneration - non audit services	500	2,500
Depreciation	2,657	2,958
Directors' emoluments	125,676	115,741
Share based payments - Directors	-	49,622
Share based payments - Staff	-	24,821
Exchange differences - gain	48,159	15,552

Auditors' remuneration for audit services above includes AUS 3,575 (2007: AUS 2,500) charged by Charles Foli (Australia) relating to the audit of the subsidiary company.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

4 Taxation

	2008	2007
	£	£
Analysis of charge in year		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2008	2007
	£	£
Loss on ordinary activities before tax	(404,929)	(561,326)
Standard rate of corporation tax in the UK	28% / 30%	30%
Loss on ordinary activities multiplied by the standard rate of corporation tax	£ (119,454)	£ (168,398)
Effects of:		
Expenses not deductible for tax	574	32
Future tax benefit not brought to account	118,880	168,366
Current tax charge for year	-	-

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which they can be recovered.

5 Employee information

	2008	2007
Staff costs comprised:	£	£
Wages and salaries	67,859	82,426
	Number	Number
Administration	2	2

6 Dividends

No dividends were paid or proposed by the Directors. (2007: £Nil)



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

7 Directors' emoluments

2008	2007
£	£
125,676	165,363

Directors' remuneration

	Directors' fees £	Consultancy fees £	Shares/ options £	Total £
2008				
Executive directors				
P W Askins	6,000	19,676	-	25,676
C N Baxter	6,000	69,000	-	75,000
Non-executive directors				
A R M Bell	6,000	4,000	-	10,000
J Watkins	6,000	9,000	-	15,000
	24,000	101,678	-	125,676
2007				
Executive directors				
P W Askins	-	26,408	18,608	45,016
C N Baxter	-	69,333	18,608	87,941
Non-executive directors				
A R M Bell	-	8,000	6,203	14,203
J Watkins	-	12,000	6,203	18,203
	-	115,741	49,622	165,363

Fees in respect of A R M Bell were payable to Condorex Limited, a company of which he is a director and which provided his services.

Fees in respect of P W Askins were payable to Geotech International Pty Limited, a company of which he is a director and which provided his services at a basic fee of £19,000 and a further fee of £676 related to the provision of professional services.

Fees in respect of C N Baxter were payable to Baxter Geological, a company of which he is a director and which provided his services.

Fees in respect of John Watkins were payable with the addition of VAT to his business as a chartered accountant in public practice.

No pension benefits are provided for any director.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

8 Loss per share

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	2008	2007
	£	£
Loss for the period	(404,929)	(561,326)
Weighted average number of Ordinary shares of £0.001 in issue	193,262,329	110,456,849
Loss per share - basic	(0.21) pence	(0.51) pence
Weighted average number of Ordinary shares of £0.001 in issue inclusive of outstanding options	199,262,329	116,456,849

As inclusion of the potential Ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive, as such, a diluted earnings per share is not included.

9 Tangible fixed assets - Group

	Motor vehicle	Equipment	Total
	£	£	£
At 30 June 2007	9,782	645	10,427
Additions during the period	-	718	718
Foreign exchange rate fluctuations	1,311	184	1,495
At 30 June 2008	11,093	1,547	12,640
Impairment			
At 30 June 2007	2,443	645	3,088
Charge for the period	1,939	718	2,657
Foreign exchange rate fluctuations	446	184	630
At 30 June 2008	4,828	1,547	6,375
Net book amount			
At 30 June 2008	6,265	-	6,265
At 30 June 2007	7,339	-	7,339



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

10 Intangible non-current assets - Group

	£
Exploration properties	
At 30 June 2007	463,613
Additions during the period	3,944
Foreign exchange rate fluctuations	25,459
At 30 June 2008	<u>493,016</u>
Impairment	
At 30 June 2007	-
Charge for the period	-
Foreign exchange rate fluctuations	-
At 30 June 2008	<u>-</u>
Net book amount	
At 30 June 2008	<u>493,016</u>
At 30 June 2007	<u>463,613</u>

Impairment review

As at 30 June 2008, the Directors have carried out an impairment review and confirmed that no impairment charge was required.

11 Non-current asset investments in subsidiary - Company

	£
Cost	
At 30 June 2007	250,000
Additions during the period	-
At 30 June 2008	<u>250,000</u>
Impairment	
At 30 June 2007	-
Charge for the period	-
At 30 June 2008	<u>-</u>
Net book amount	
At 30 June 2008	<u>250,000</u>
At 30 June 2007	<u>250,000</u>

The parent company of the Group holds more than 20% of the share capital of the following company:

Company	Country of registration	Class	Proportion held	Nature of business
Greatland Pty Ltd	Australia	Common	100%	Mineral exploration



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

12 Trade and other receivables

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Current trade and other receivables:				
Prepayments	49,415	26,827	49,415	23,629
Other debtors	14,979	34,155	3,946	1,560
Amounts owing from group undertakings	-	-	823,626	612,453
Total	64,394	60,982	876,987	637,642

13 Available for sale financial assets- Group

	£
Cost	
At 30 June 2007	122,229
Additions during the period	-
Foreign exchange rate fluctuations	16,879
At 30 June 2008	139,108
Impairment	
At 30 June 2007	16,026
Charge to net unrealised financial assets available for resale reserve	24,723
Foreign exchange rate fluctuations	2,212
At 30 June 2008	42,961
Net book amount	
At 30 June 2008	96,147
At 30 June 2007	106,203

Available for sale financial assets consist of investments in listed ordinary shares carried at fair value. These investments are held for strategic purposes.

14 Trade and other payables

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Current trade and other payables:				
Trade creditors	55,926	44,198	20,618	21,956
Accruals	42,056	43,906	38,061	38,104
Total	97,982	88,104	58,679	60,060



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

15 Share capital

The authorised share capital of the Company and the called up and fully paid amounts were as follows:

Authorised	Number	Nominal £
As at 30 June 2007 and as at 30 June 2008, Ordinary shares of £0.001 each	1,000,000,000	1,000,000
Called up, allotted, issued and fully paid		
As at 30 June 2007, Ordinary shares of £0.001 each	146,550,000	146,550
Issued 19 July 2007, at a premium issue price of £0.0225	30,000,000	30,000
Issued 30 July 2007, at a premium issue price of £0.0225	20,000,000	20,000
As at 30 June 2008	196,550,000	196,550

16 Share based payments

In the year ended 30 June 2007, the Company established an employee share option plan to enable the issue of options as part of the remuneration of key management personnel and directors to enable them to purchase ordinary shares in the Company. Under the plan, the options were granted for no consideration, they were granted for a period of five years and vested immediately. Options granted under the plan carry no dividend or voting rights.

Under IFRS 2 'Share Based Payments', the Company determines the fair value of the options issued to directors and employees as remuneration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

The expense was charged in full during the year ended 30 June 2007.

The Company has issued options to subscribe for ordinary shares as follows:

	At 30 June 2007	30 June 2008	Exercisable at 30 June 2008	Exercise price	Date from which exercisable	Expiry date
ARM Bell	500,000	500,000	500,000	3p	29 March 2007	30 June 2012
PW Askins	1,500,000	1,500,000	1,500,000	3p	29 March 2007	30 June 2012
CN Baxter	1,500,000	1,500,000	1,500,000	3p	29 March 2007	30 June 2012
G McLean	2,000,000	2,000,000	2,000,000	3p	29 March 2007	30 June 2012
J Watkins	500,000	500,000	500,000	3p	29 March 2007	30 June 2012
Total	6,000,000	6,000,000	6,000,000			

The fair value of the above share options as expensed in 2007 is £74,443.

The volatility is set by reference to the historic volatility of the share prices of the Company. The Black-Scholes model assumes that an option is only capable of exercise at expiry.

During the period to 30 June 2008, no share options have been issued by the company.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

17 Statements of changes in equity

	Called up share capital	Share premium account	Share based payment reserve	Retained earnings	Other reserves	Total
Group	£	£	£	£	£	£
As at 1 July 2006	100,550	1,108,084	-	(27,612)	238,444	1,419,466
Share capital issued	46,000	874,000	-	-	-	920,000
Cost of share issue	-	(45,313)	-	-	-	(45,313)
Loss for the period	-	-	-	(561,326)	-	(561,326)
Share based payments	-	-	74,443	-	-	74,443
Net unrealised losses on available for sale financial assets	-	-	-	-	(16,026)	(16,026)
As at 30 June 2007	146,550	1,936,771	74,443	(588,938)	222,418	1,791,244
Share capital issued	50,000	1,075,000	-	-	-	1,125,000
Cost of share issue	-	(56,250)	-	-	-	(56,250)
Loss for the period	-	-	-	(404,929)	-	(404,929)
Net unrealised losses on available for sale financial assets	-	-	-	-	(26,936)	(26,936)
As at 30 June 2008	196,550	2,955,521	74,443	(993,867)	195,482	2,428,129

Statements of changes in other reserves

	Merger reserve	Foreign currency translation reserve	Available for sale financial assets reserve	Total other reserves
Group	£	£	£	£
As at 1 July 2006	225,000	13,444	-	238,444
Net unrealised losses on financial assets available for resale	-	-	(16,026)	(16,026)
As at 30 June 2007	225,000	13,444	(16,026)	222,418
Net unrealised losses on financial assets available for resale	-	-	(26,936)	(26,936)
As at 30 June 2008	225,000	13,444	(42,962)	195,482



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

17 (cont) Statements of changes in equity, continued

	Called up share capital	Share premium account	Share based payment reserve	Retained earnings	Merger reserve	Total
	£	£	£	£	£	£
Company						
As at 1 July 2006	100,550	1,108,084	-	(6,945)	225,000	1,426,689
Share capital issued	46,000	874,000	-	-	-	920,000
Cost of share issue	-	(45,313)	-	-	-	(45,313)
Loss for the year	-	-	-	(351,964)	-	(351,964)
Share based payments	-	-	74,443	-	-	74,443
As at 30 June 2007	146,550	1,936,771	74,443	(358,909)	225,000	2,023,855
Share capital issued	50,000	1,075,000	-	-	-	1,125,000
Cost of share issue	-	(56,250)	-	-	-	(56,250)
Loss for the year	-	-	-	(208,728)	-	(208,728)
Share based payments	-	-	-	-	-	-
As at 30 June 2008	196,550	2,955,521	74,443	(567,637)	225,000	2,883,877

Nature and purpose of reserves - Other reserves

Merger Reserve

The merger reserve was created in accordance with the merger relief provisions under Section 131 of the Companies Act 1985 (as amended) relating to accounting for business combinations involving the issue of shares at a premium. In preparing group consolidated financial statements, the amount by which the fair value of the shares issued exceeded their nominal value was recorded within a merger reserve on consolidation, rather than in a share premium account.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Available for sale financial asset reserve

This reserve is used to record the post-tax fair value movements in available for sale assets and investments.

18	Cash and cash equivalents - Group	30 June 2008	Cash flow	30 June 2007
		£	£	£
	Cash at bank and in hand	1,866,289	625,078	1,241,211
	Total cash and cash equivalents	1,866,289	625,078	1,241,211
	Cash and cash equivalents - Company	30 June 2008	Cash flow	30 June 2007
		£	£	£
	Cash at bank and in hand	1,815,569	619,296	1,196,273
	Total cash and cash equivalents	1,815,569	619,296	1,196,273

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

19 Commitments

As at 30 June 2008, the Company had entered into the following commitment:

Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

20 Related party transactions

On 1 July 2006, the Company agreed with Regency Mines plc, a company of which the directors Andrew Bell and John Watkins are also directors, to enter into a sub licence agreement and share the rental, service costs and other outgoings of an office at 115 Eastbourne Mews London W2 6LQ with Regency Mines plc and Red Rock Resources plc. This agreement has been effective throughout the year.

Remuneration of key management personnel

The remuneration of the directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures.

	2008	2007
	£	£
Short-term employee benefits	125,676	115,741
Share based payments	-	49,622
	<u>125,676</u>	<u>165,363</u>

21 Financial instruments - Group

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations. The Group's exposure to currency and liquidity risk is not considered significant. The Group's cash balances are held in Pound Sterling and in Australian dollars, the latter being the currency in which the significant operating expenses are incurred.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation, but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency of the financial assets is as follows:

Cash and short term deposits	30 June 2008	30 June 2007
	£	£
Sterling	1,815,569	1,192,536
Australian Dollars	50,720	48,675
At 30 June 2007	<u>1,866,289</u>	<u>1,241,211</u>

The financial assets comprise interest earning bank deposits.

22 Post balance sheet events

There are no post balance sheet events to disclose

23 Control

There is considered to be no ultimate controlling entity.

24 Profit and loss account of the parent Company

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent Company has not been separately presented in these accounts. The parent Company loss for the period was £208,728 (2007: £351,964).



NOTICE OF ANNUAL GENERAL MEETING

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

Notice is hereby given that the Annual General Meeting of Greatland Gold PLC (the "Company") will be held at 115 Eastbourne Mews, London W2 6LQ on 12 November 2008 at 11am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

ORDINARY BUSINESS

- 1 To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 June 2008.
- 2 To re-elect as a Director of the Company Paul Winston Askins, who retires by rotation under the Articles of Association of the Company and, being eligible, offers himself for re-election.
- 3 To re-appoint Chapman Davis LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.

ORDINARY RESOLUTION

- 4 That to the exclusion of and in substitution for any such authority previously conferred upon them and subsisting at the date of this Resolution (save to the extent that the same may already have been exercised and save for any such authority granted by statute), the Directors be and are hereby authorised, generally and unconditionally for the purpose of section 80 of the Companies Act 1985 to allot relevant securities (as defined in Section 80(2) of that Act) up to a maximum aggregate nominal amount (exclusive of share capital in issue) of £100,000 PROVIDED THAT:
 - a. this authority shall expire on the date of the next annual general meeting of the Company; and
 - b. the Company may before such expiry date make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer, agreement or arrangement as if the authority hereby conferred had not so expired.

SPECIAL RESOLUTION

- 5 That the Directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985, for the period expiring on the date of the next annual general meeting of the Company and at any time thereafter pursuant to any offer, agreement or other arrangement made by the Company before the expiry of this power to the exclusion of and in substitution for any other power granted to them and subsisting at the date of this Resolution (save to the extent that the same may already have been exercised and for any such power granted by statute), to allot, out of any relevant securities (as defined in Section 80(2) of the Companies Act 1985) which they are from time to time authorised to allot, and as if Section 89(1) of that Act and Articles within the Company's Articles of Association did not apply to such allotment any number of equity securities up to a maximum aggregate nominal amount (exclusive of share capital in issue) of £100,000.

SPECIAL BUSINESS

SPECIAL RESOLUTION

- 6 That the existing Articles of Association of the Company shall no longer apply and that in the place of those, the Articles of Association attached to these resolutions and signed by the chairman for identification purposes shall be adopted by the Company, and that the Company Secretary be instructed to file them with the Registrar of Companies.



NOTICE OF ANNUAL GENERAL MEETING

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

ORDINARY RESOLUTION

- 7 That the Directors be authorised to grant or issue and/or ratify the grant or issue of options and/or warrants over the authorised share capital of the Company in an amount not exceeding 13,650,000 ordinary shares of £0.001 each.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232, or by using the reply card, or by mail to:

The Company Secretary

Greatland Gold Plc
c/o Share Registrars Limited
Suite E, First Floor, 9 Lion & Lamb Yard,
Farnham, Surrey GU9 7LL

The signed proxy must be received no later than 48 hours before the time of the meeting, or any adjournment thereof.

Registered Office:

Third Floor
55 Gower Street
London WC1E 6HQ

By order of the Board

Stephen Ronaldson
Company Secretary
17 October 2008

Registered in England and Wales Number: 5625107

NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.



NOTICE OF ANNUAL GENERAL MEETING

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.
- A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

- The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
completed and signed;
sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232; and received by Share Registrars Limited no later than 48 hours prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours prior to the Meeting.



NOTICE OF ANNUAL GENERAL MEETING

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

10. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:

- (i) if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (ii) if more than one corporate representative for the same corporate member attends the Meeting but the corporate member has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.

Issued shares and total voting rights

11. As at 17 October 2008, the Company's issued share capital comprised 196,550,000 ordinary shares of £0.001 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 17 October 2008 is 196,550,000.

Resolution 6

The Notice of Meeting includes resolution 6 to amend the Company's articles of association. The amended articles include amendments to ensure that they comply with the provisions of the Companies Act 2006 (the "2006 Act") which have, or will in the near future, come into force. The provisions of the 2006 Act are in the process of being brought into force. All provisions are anticipated to be in force by 1 October 2009. It is, therefore, proposed that the Company adopts new articles of association at the Meeting to incorporate key changes introduced by the 2006 Act which are currently in force and to generally update the articles.

By way of a brief summary, the principal changes to be made to the current articles include:

1. provisions to make it easier for the Company to communicate with shareholders by electronic means or to allow documents to be communicated electronically or by publishing documents on the Company's website communications;
2. the minimum notice period for calling a general meeting other than an annual general meeting called for the passing of a special resolution has been reduced from 21 days to 14 days in line with the provisions of the 2006 Act;
3. the provision giving the chairman a casting vote in the event of an equality of votes on a shareholder resolution has been removed as it is incompatible with the provisions of the 2006 Act;



NOTICE OF ANNUAL GENERAL MEETING

03	Chairman's Statement
04	Managing Director's Operating Review
06	Board of Directors
08	Directors' Report
11	Statement of Directors' Responsibilities
12	Corporate Governance Statement
15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

- the articles have been updated to reflect the fact that under the 2006 Act proxies have the right to attend, vote (on a poll or a show of hands) and speak at any general meeting as well as dealing with the appointment of multiple proxies and time limits for the appointment and termination of a proxy appointment;
- the regulations relating to the disclosure of interests have been updated;
- the obligation on directors reaching the age of 70 to retire from office at every annual general meeting has been removed;
- to allow the directors to authorise conflicts or potential conflicts of interest, where appropriate;
- the provisions relating to indemnifying directors and officers have been updated and clarified;
- references to extraordinary general meetings have been removed from the articles in line with the 2006 Act; and
- references to extraordinary resolutions have been replaced with references to special resolutions in line with the 2006 Act.

It is expected that further amendments will be required at next year's annual general meeting to reflect further changes under the 2006 Act which will be implemented over the course of the next year.

The new articles will, subject to the passing of resolution 6, come into effect at the conclusion of the AGM. A full copy of the amended articles of association are available from the Company's website at www.greatlandgold.com/company.htm or alternatively a hard copy can be requested by telephoning Stephen Ronaldson, the company secretary, on 02075 806 075



COMPANY INFORMATION

03	Chairman's Statement
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15	Independent Auditor's Report
17	Group Income Statement
18	Group Balance Sheet
19	Company Balance Sheet
20	Group Cash Flow Statement
21	Company Cash Flow Statement
22	Notes to Financial Statements
37	Notice of Annual General Meeting
42	Company Information

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Callum N Baxter - Managing Director
Paul W Askins - Technical Director
John Watkins - Director

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