

For personal use only

Eldore Mining Corporation Limited

ABN 82 110 884 252

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

Date of Meeting

Thursday, 26 November 2009

Time of Meeting

2.00pm (WST)

Place of Meeting

The Esplanade River Suite Hotel
112 Melville Parade
Como WA 6152

ELDORE MINING CORPORATION LIMITED

ABN 82 110 884 252

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of Eldore Mining Corporation Limited (**Eldore** or the **Company**) will be held at 2.00pm on Thursday, 26 November 2009 at, the Esplanade River Suite Hotel, 112 Melville Parade, Como 6152, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the Financial Report of the Company and of the consolidated entity for the year ended 30 June 2009, together with the reports of the Directors and auditor thereon.

RESOLUTION 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an advisory resolution:

That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2009 Annual Report for the financial year ended 30 June 2009 be adopted.

RESOLUTION 2: Re-election of Mr Bastiaan (Tony) Izelaar as a director of the Company

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That Mr Izelaar, being a Director of the Company who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

RESOLUTION 3: Re-election of Mr Ron Cotton as a director of the Company

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That Mr Ron Cotton, being a Director of the Company who was appointed by the Company's Board of Directors on 11 November 2008 to fill a casual vacancy and who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as an ordinary resolutions:

RESOLUTION 4: Ratification of Placement – 23 December 2008

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue and allotment of 29,000,000 Shares at an issue price of 1.3 cents each, to the parties listed in the Explanatory Statement accompanying this Notice of Meeting and otherwise on the basis set out therein, is ratified and approved."

The Company will disregard any votes cast on this resolution by the parties who participated in the issue as listed in the Explanatory Statement and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5: Proposed Grant of Options

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue within three months of the date of this meeting of 29,000,000 Options, such Options to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting, is approved."

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6: Proposed Capital Raising – Shares and Options

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of 6,115,384 Shares at a subscription price of 1.3 cents each, (together with the grant of one free Option for every Share subscribed for and issued), and otherwise on the terms and conditions contained in the Explanatory Statement forming part of this Notice of Meeting, is approved."

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7: Proposed Capital Raising – Shares

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of 25,000,000 Shares at a subscription price of 0.5 cents each, and otherwise on the terms and conditions contained in the Explanatory Statement forming part of this Notice of Meeting, is approved."

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting at Annual General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 2.00pm on 24 November 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the annual general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the company's website at www.eldore.com

BY ORDER OF THE BOARD

Neville Bassett

Company Secretary

Dated: 20 October 2009

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Eldore Mining Corporation Limited (**Eldore** or the **Company**) in connection with the business to be conducted at the annual general meeting of members to be held at 2.00pm on Thursday, 26 November 2009 at the Esplanade River Suite Hotel, 112 Melville Parade, Como 6152, Western Australia.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

ASX Listing Rule Requirements

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of Eldore is required to an issue of equity securities if the securities will, when aggregated with the securities issued by Eldore during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue and allotment of Shares outlined in resolution 4 did not exceed the 15% limit, however, ASX Listing Rules 7.1 and 7.4 provide that, where a company in general meeting ratifies an issue of equity securities the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby enabling the company to issue further equity securities without exceeding the 15% in 12 months limitation.

Shareholder approval is sought so as to refresh Eldore's 15% equity security placement limit pursuant to ASX Listing Rule 7.1.

The information required by ASX Listing Rules 7.1 and 7.5 to be provided to shareholders is contained within this Explanatory Statement and the Notice of Meeting.

The number of securities to be issued by Eldore under proposed resolutions 5 and 6, when aggregated with the securities issued and for which ratification is sought under resolution 4, will exceed 15% and accordingly shareholder approval is sought for the placements.

The information required by ASX Listing Rules 7.1 and 7.3 to be provided to shareholders is contained within this Explanatory Statement and the Notice of Meeting.

2. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, the 2009 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, Mack & Co, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

3. ADOPTION OF REMUNERATION REPORT (Resolution 1)

The Company is required to include in its Directors Report a detailed Remuneration Report relating to Directors' and executives' remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. The Remuneration Report is set out in the Directors Report section of Company's 2009 Annual Report.

As required by section 250R(2) of the Corporations Act, a resolution that the remuneration report for the year ended 30 June 2009 be adopted is to be put to a vote. The vote on this item is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

4. RE-ELECTION OF DIRECTORS (Resolutions 2 and 3)

Resolutions 2 and 3 relate to the election of Directors. In accordance with the Company's Constitution, Mr Izelaar will retire by rotation at the Annual General Meeting and being eligible offers himself for re-election. Mr Cotton was appointed as a Director by the Board since the last AGM and in accordance with ASX Listing Rule 14.4 and the Company's Constitution, he retires and offers himself for re-election.

A summary of the qualifications and experience of each director is provided in the 2009 Annual Report.

5. RATIFICATION OF PLACEMENT – 23 December 2008 (Resolution 4)

Resolution 4 of the Notice of Meeting proposes the ratification of the issue and allotment of 29,000,000 Shares, thereby satisfying the requirements of ASX Listing Rule 7.4.

On 23 December 2008 the Company announced that it had completed a capital raising of \$456,500 by the placement of 35,115,384 Shares at \$0.013 per Share, together with 35,115,384 Options. The placement was made to sophisticated investors pursuant to section 708 of the Corporations Act.

29,000,000 shares were issued under the Company's 15% capacity on 23 December 2008, with the balance (6,115,384 Shares and 35,115,384 Options) subject to shareholder approval. The issue of 6,115,384 Shares and 35,115,384 Options is the subject of resolutions 5 and 6.

Application will not at this stage be made for official quotation of the Options. However, the Company will apply for official quotation of the Shares issued upon exercise of the Options.

The placement of the 29,000,000 Shares was within the 15% annual limit permitted under ASX Listing Rule 7.1 without shareholder approval. The effect of shareholders passing Resolution 4 will therefore be to restore the Company's ability to issue securities within the limit.

In compliance with the information requirements of ASX Listing Rule 7.5 members are advised of the following particulars in relation to the placement:

(a) Number of securities allotted:

29,000,000 Shares

(b) Price at which the securities were issued:

1.3 cents per Share, together with (subject to shareholder approval as contemplated by Resolution 5) the grant of one free Option for every Share subscribed for and issued.

(c) Terms of the securities:

The Shares rank equally in all respects with the existing Shares on issue. The Options, if approved by shareholders, will be issued on the terms and conditions as outlined in Appendix "A".

(d) Names of the allottees:

The Shares were issued to sophisticated investors pursuant to section 708 of the Corporations Act.

No related party participated in the allotment of Shares.

- (e) Intended use of funds raised:

Funds raised were for furtherance of exploration on the company's Burkina Faso exploration permits and other working capital expenditure.

6. GRANT OF OPTIONS (Resolution 5)

Resolution 5 of the Notice of Meeting proposes the grant of 29,000,000 Options to the parties that subscribed for Shares in the placement completed on 23 December 2008 (Resolution 4), on the basis of one free Option for every Share subscribed for and issued.

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of options:

- (a) Maximum number of options to be issued:

29,000,000

- (b) Date by which Eldore will issue options:

No later than three months after the date of the meeting.

- (c) Price at which options to be issued:

The options are being issued free on the basis of one Option for every Share issued to subscribers to the placement of Shares undertaken on 23 December 2008 and which is more particularly described in section 5 above.

- (d) Names of the allottees:

The allottees are as described in section 5 (d).

- (e) Terms of issue:

The Options will be issued on the terms and conditions as outlined in Appendix "A".

- (f) Intended use of funds raised:

The options will be issued free of charge. There are no funds being raised from the allotment as the Options will be issued as part of the securities package paid for by subscribers to the placement of Shares on 23 December 2008, and which are being granted on the basis of one Option for every Share subscribed for and issued.

- (g) Dates of allotment:

Allotment will occur progressively.

7. CAPITAL RAISING – SHARES AND OPTIONS (Resolution 6)

Resolution 6 of the Notice of Meeting proposes the issue and allotment of 6,115,384 Shares at an issue price of 1.3 cents each, together with the grant of one free Option for every Share subscribed for and issued, to raise \$79,500 (before expenses of the issue).

The proposed issue is part of the total placement package announced on 23 December 2008 (refer section 5), and for which shareholder approval is required. The placement proposed pursuant to resolution 6, combined with the issue of Shares and Options under resolutions 4 and 5, completes a total capital raising of \$456,500.

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of Shares and Options pursuant to resolution 6:

- (a) Maximum number of securities to be issued:
6,115,384 Shares and 6,115,384 Options.
- (b) Date by which Eldore will issue securities:
No later than three months after the date of this meeting.
- (c) Price at which securities to be issued:
1.3 cents per Share, together with the grant of one free Option for every Share subscribed for and issued.
- (d) Basis upon which allottees will be determined:
The allottees are as described in section 5 (d). Directors and their associates are not entitled to participate in the placement.
- (e) Terms of issue:
The Shares will rank equally in all respects with the existing Shares on issue. The Options will be issued on the terms and conditions as outlined in Appendix "A".
- (f) Intended use of funds raised:
Funds raised from the issue will be applied in furtherance of exploration on the company's Burkina Faso exploration permits and other working capital expenditure.
- (g) Dates of allotment:
Allotment will occur progressively.

8. CAPITAL RAISING – SHARES (Resolution 7)

Resolution 7 of the Notice of Meeting proposes the issue and allotment of 25,000,000 Shares at an issue price of 0.5 cents each, to raise \$125,000 (before expenses of the issue).

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of Shares and Options pursuant to resolution 6:

- (a) Maximum number of securities to be issued:
25,000,000 Shares.
- (b) Date by which Eldore will issue securities:
No later than three months after the date of this meeting.
- (c) Price at which securities to be issued:
0.5 cents per Share.
- (d) Basis upon which allottees will be determined:
The allottees will be sophisticated investors under section 708 of the Corporations Act.
No related parties are entitled to participate in the proposed allotment of Shares.

(e) Terms of issue:

The Shares will rank equally in all respects with the existing Shares on issue.

(f) Intended use of funds raised:

Funds raised from the issue will be used for working capital purposes.

(g) Dates of allotment:

Allotment will occur progressively.

9. DEFINITIONS

ASX	means ASX Limited ABN 99 009 076 233.
ASX Listing Rules	means the official listing rules of ASX.
Corporations Act	means the Corporations Act 2001 (Cth).
Eldore or the Company	means Eldore Mining Corporation Limited (ABN 82 110 884 252).
Director	means a director of the Company.
Explanatory Statement	means this Explanatory Statement.
Notice of Meeting	means the notice of annual general meeting which forms part of this Explanatory Statement
Option	means an option to acquire a Share at an exercise price of \$0.03 per Share expiring on 30 September 2011 and otherwise on the terms and conditions as outlined in Appendix "A".
Share	means a fully paid ordinary share in the capital of the Company and Shares has a corresponding meaning.
Shareholder	means a holder of a Share.

APPENDIX "A"

Terms and Conditions of Options

The terms and conditions of the Options are as follows:

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the company.
- (b) The Options are exercisable at 3 cents each.
- (c) The Options will expire on 30 September 2011 (the "**Expiry Date**").
- (d) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are freely transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the company's then existing ordinary fully paid shares. The company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If from time to time on or prior to the Expiry Date the company makes an issue of shares to the holders of ordinary fully paid shares in the company by way of capitalisation of profits or reserves (a **bonus issue**), then upon exercise of their Options, Optionholders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to them upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**bonus shares**) if on the record date for the bonus issue they had been registered as holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised their Options and the shares the subject of such exercise had been duly allotted and issued to them. The bonus shares will be paid up by the company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the Expiry Date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

Proxy Form

The Secretary
Eldore Mining Corporation Limited
Suite B
150 Hay Street
SUBIACO WA 6008

I/We (full name)

_____ of _____
being a member(s) of Eldore Mining Corporation Limited, hereby appoint as my/our proxy

_____ of _____
or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 2.00pm on 26 November, 2009 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

The Chairman intends to vote all undirected proxies in favour of all resolutions.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – B Izelaar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – R Cotton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Placement – 23 December 2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Proposed Capital Raising – Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Proposed Capital Raising – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of

Usual Signature

2009

If the member is a Company:

Signed in accordance with the
Constitution of the company
the presence of:

Director/Sole Director

Dated this

Director/Secretary

day of

Sole Director and Sole Secretary

2009

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Suite B, 150 Hay Street, Subiaco, WA 6008) or sent by facsimile to that office on Fax: 08 9388 8450 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.

For personal use only



2009
ANNUAL REPORT

ABN 82 110 884 252

For personal use only

DIRECTORS

Andrew Waller (Chairman)
Tony Izelaar
Ron Cotton

SECRETARY

Neville Bassett

REGISTERED AND PRINCIPAL OFFICE

Suite B
150 Hay Street
Subiaco WA 6008

Telephone: (08) 9388 8436
Facsimile: (08) 9388 8450

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

AUDITORS

Mack & Co
2nd Floor
35 Havelock Street
West Perth WA 6005

AUSTRALIAN SECURITIES EXCHANGE

Eldore Mining Corporation Limited shares (EDM) and options (EDMO) are listed on the Australian Securities Exchange.

For personal use only

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2009.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:

Andrew Waller
Bastiaan (Tony) Izelaar
Ron Cotton AM – appointed 11 November 2008
Martin Pawlitschek – appointed 11 November 2008; resigned 24 August 2009
Peter Hampshire – passed away 27 October 2008

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

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

Andrew Waller Executive Chairman

Mr Waller's background is in technology development / manufacturing, property development and resources. He was the founder of the telecommunications division of the UDC Group Pty Ltd that formed Cable and Telecoms Limited. Mr Waller was an executive director of Cable and Telecoms Limited.

Mr Waller has extensive public company experience, particularly in the area of capital raising and business development.

Director since 26 April 2007.

During the past 3 years, Mr Waller has also served as a director of the following listed companies:

- Chrome Corporation Ltd (November 2004 – present)
- Acclaim Exploration NL (September 2003 – June 2009)
- Life Therapeutics Ltd (November 2008 – April 2009)
- Nuenco NL (February 2004 – May 2007)

Tony Izelaar Non-Executive Director

Mr Izelaar born in the Netherlands has been educated as a chartered accountant. The early days of his career he worked with KPMG in the Netherlands, before moving in 1990 to the Netherlands Antilles. Mr. Izelaar has been employed as controller, involved in finance and re-insurance divisions, of quoted companies (UK and Amsterdam) before founding an audit and advisory firm under the BDO network.

After 15 years Mr Izelaar decided to remigrate to Europe (Monaco) where he is engaged in financial planning and consulting activities for global clients, both individuals and corporations.

Director since 26 October 2007.

During the past 3 years, Mr Izelaar has also served as a director of the following listed companies:

- Arturus Capital Ltd (March 2009 – present)

Ron Cotton AM Non-Executive Director

Mr Cotton has had an extensive business career across a variety of industries. He served Ampol Petroleum Ltd for 20 years, the last 12 years as Controller and Group General Manager. In 1981 he was appointed as Chief Financial Officer, and was subsequently Group Managing Director – Operations for the John Fairfax Publishing Group, which included newspapers, magazines, Macquarie radio and the Seven Television network.

In 1989 he commenced a consultancy practice in business strategy, negotiation and corporate advice, and now has an extensive portfolio of activities in the public and private sectors.

Currently he the Chair of the Advisory Board of Crown & Marks Executive Search, as well as providing a number of other advisory, consulting and mentoring services.

Director since 11 November 2008.

No other directorships in listed companies in the last 3 years.

Martin Pawlitschek Non-Executive Director

Mr Pawlitschek is a qualified geologist and one of the founding directors of Birrimian (Pty) Ltd, the private mining syndicate which established the portfolio of gold exploration tenements in Burkina Faso recently acquired by the Company. Over the past four years he has held country exploration manager roles in Africa with two Australian listed mining and exploration companies. Prior to that, for a period in excess of 10 years he held senior exploration roles with BHP Billiton in both Australia and Africa.

Mr Pawlitschek was appointed a director on 11 November 2008 and resigned 24 August 2009.

Peter Hampshire Non-Executive Director

Mr Hampshire has been a stockbroker and investment banker for 35 years. He started his career with Slater Walker Merchant Bank in London before moving back to Australia and spent 4 years with Merrill Lynch International. Mr Hampshire then joined Jacksons stockbrokers, followed by a period consulting to and director of both private and public investment and resource companies. Mr Hampshire was a stockbroker with Southern Cross Equities before joining Bell Potter Securities when he became Director of Investments for Admerex Limited.

During his career, Mr Hampshire had consulted to and advised a number of private and public companies in the areas of investment strategy, capital raising and currency and hedging strategies.

Mr Hampshire passed away on 27 October 2008.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Eldore Mining Corporation Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
A Waller	23,000,000	28,700,000
T Izelaar	-	-
R Cotton	-	-

COMPANY SECRETARY

Neville Bassett B.Bus, CA

Mr Bassett was appointed company secretary on 14 December 2007. As a chartered accountant with over 30 years experience, Mr Bassett has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

CORPORATE INFORMATION

Corporate Structure

Eldore Mining Corporation Limited is a limited liability company that is incorporate and domiciled in Australia. Eldore Mining Corporation Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Eldore Mining Corporation Limited	-	parent entity
Robust Mines Limited	-	100% owned controlled entity
Knights Landing Limited	-	100% owned controlled entity
Birrimian Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities

The principal continuing activities during the year of entities within the consolidated entity were exploration for and evaluation of mineral resources.

For personal use only

OPERATING AND FINANCIAL REVIEW

Review Of Operations

Corporate

During the year, the Company raised capital and issued securities as outlined under the heading 'Financing Activities'.

Operating Results

Consolidated loss after income tax for the financial year was \$951,171 (2008: \$4,402,894).

Financial Position

At 30 June 2009, the Company had cash reserves of \$125,490.

Financing and Investing Activities

The company issued the following securities during the year:

- In November 2008, the company completed the acquisition of Knights Landing Ltd and Birrimian Pty Ltd as approved by shareholders on 27 August 2008, resulting in the issue of 50,221,900 ordinary fully paid shares. The fair value of the consideration at date of acquisition was \$1,004,438.
- In December 2008, the company issued 29,000,000 ordinary fully paid shares (together with, subject to shareholder approval at the next general meeting of the company, 29,000,000 free attaching options exercisable at \$0.03 each on or before 30 September 2011) at an issue price of 1.3 cents each, raising gross proceeds of \$377,000.
- In December 2008, the company received subscriptions for an additional 6,115,384 ordinary fully paid shares at an issue price of 1.3 cents each, raising a further \$79,500. Issue of these shares, together with 6,115,384 free attaching options exercisable at \$0.03 each on or before 30 September 2011, is subject to shareholder approval at the next general meeting of the company.

Dividends

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

Project Review

Burkina Faso - Knights Landing Limited (100%)

On 27 November 2008, the company completed the acquisition of all the issued capital of Knights Landing Limited ("KLL"), with KLL acquiring all of the issued capital of Birrimian (Pty) Ltd ("Birrimian"), the holder of 4 Exploration Licences in Burkina Faso in West Africa.

The Burkina Faso properties, covering 795 sq km, comprise four exploration permits:

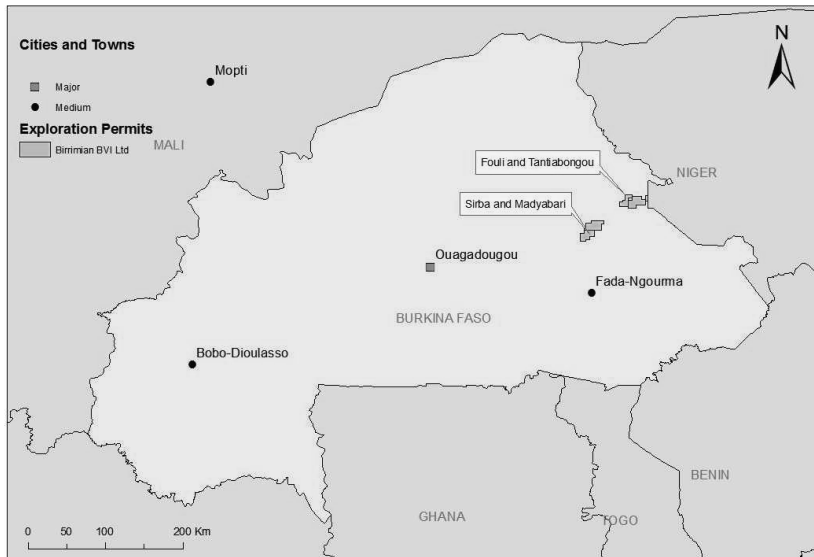
Exploration Permit	Name	Status	Area
351	Sirba	Granted	198 km ²
352	Fouli	Granted	248 km ²
353	Madyabari	Granted	232 km ²
TBA (code not issued)	Tantiabongou	Granted	120 km ²

Since acquisition, the company's consultants have conducted a full review of all permits to select less prospective areas identified by earlier soil and air core sampling programmes. This led to a recommendation for certain areas to be relinquished to comply with statutory reductions.

Consequently, applications were lodged by company staff for reductions in area of approximately 50% on the Fouli, Madyabari and Sirba tenements resulting in a reduction of expenditure commitment of approximately 30%. Whilst the Tantiabongou tenements are not due for a statutory reduction for another 12 months, similar area and expenditure reductions were applied on that project as well.

Company staff also prepared and submitted all half yearly technical reports to the Burkina Faso mining authorities.

The company's consultants also carried out regional reconnaissance infill mapping and rock sampling on the areas not previously covered by the soil sampling and RAB drilling programme. Planning was also undertaken for a RC Drilling programme on the Fouli and Tantiabongou Prospects to follow up on the encouraging RAB drilling intercepts on those prospects.



The field programme was restricted by the onset of the wet season which limits access to the remote locations. Assay results and a full report on this activity are expected by mid next quarter.

This field work follows from the statutory reductions in area on the project areas, as outlined.

The company is currently assessing its options on the Burkino Faso project , and is in discussion with interested parties on joint venture opportunities.

Fiji Projects

The company's exploration interests in Fiji are held through Robust Mines Limited, a wholly owned subsidiary registered in Fiji. The Directors took the decision to write down the carrying value of its investment in Robust Mines Limited and of the Fiji Prospects to \$Nil in 2008 and has not undertaken any exploration work on the licenses in the current financial year.

As previously reported, given the deteriorating situation in Fiji the company has entered into an agreement to dispose of its interest in Robust Mines Limited. All funds held by Robust Mines Limited have been repatriated back to Australia and the company will be sold for a nominal sum.

For personal use only

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the company:

- completed the acquisition of Knights Landing Ltd and Birrimian Pty Ltd as approved by shareholders on 27 August 2008, resulting in the issue of 50,221,900 ordinary fully paid shares; and
- completed a capital raising of \$456,500 to be satisfied by the placement of 35,115,384 ordinary fully paid shares (**Shares**) at \$0.013 per Share, together with 35,115,384 free attaching options exercisable at \$0.03 each on or before 30 September 2011 (**Options**). The Company has allotted and issued 29,000,000 Shares under the Company's 15% placement capacity, as allowed under the ASX Listing Rules, with the balance of 6,115,384 Shares and 35,115,384 Options, to be issued upon and subject to shareholder approval.

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

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years, other than as outlined under the heading 'Operating and Financial Review' of this Report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The consolidated entity will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined under the heading 'Operating and Financial Review' of this Report. The company will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board of Directors	
	Number eligible to attend	Number attended
A Waller	12	12
T Izelaar	12	10
R Cotton	7	7
M Pawlitschek	7	6
P Hampshire	4	3

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and executive of Eldore Mining Corporation Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by the Corporations Act 2001 and its regulations.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes five executives in the parent group receiving the highest remuneration.

For the purposes of this report the term "executive" includes those key management personnel who are not directors of the parent company.

Remuneration Committee

The full Board carries out the role and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of non-executive directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholders interests, the directors are encouraged to hold shares in the company.

The company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Company did not pay any performance-based component of remuneration during the year.

The Company does not have a policy for limiting directors and executives exposure to compensation shares or options.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate fees of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate fees of \$250,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally.

For personal use only

DIRECTORS' REPORT CONT.

If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Compensation may consist of the following key elements:

- Fixed Compensation; and
- Variable Compensation;
 - Short Term Incentive (STI); and
 - Long Term Incentive (LTI).

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay – Long Term Incentives

The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value. Due to the exploration phase of the Company current remuneration is not linked to performance conditions and the Board has not established detailed performance conditions.

Long term incentives (LTI's) granted to directors/ executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of the granting options is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance. The Board feels that the expiring date and exercise price of options currently on issue to the directors and the executives are sufficient to align those of directors and executives with those of the shareholders. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

C. Employment contracts of directors and senior executives

The employment arrangements of directors and executives are not formalised in a contract of employment.

D. Details of remuneration for year

Directors

The following persons were directors of Eldore Mining Corporation Limited during the financial year:

Andrew Waller	Chairman (non-executive)
Tony Izelaar	Director (non-executive)
Ron Cotton	Director (non-executive) – appointed 11 November 2008
Martin Pawlitschek	Director (non-executive) – appointed 11 November 2008; resigned 24 August 2009
Peter Hampshire	Director (non-executive) – passed away 27 October 2008

The following persons were directors of controlled entities during the financial year:

Craig Willis
 Brian Thomas
 Linton Scott
 Trevor Gillard

Executives

The following persons were executives of Eldore Mining Corporation Limited during the financial year:

Neville Bassett Company Secretary – appointed 14 December 2007

There were no other persons that fulfilled the role of a key management person, other than those disclosed as Executive Directors.

Remuneration

Details of the remuneration of each Director and named executive officer of the company, including their personally-related entities, during the year was as follows:

	Year	Short Term Benefits	Post Employment	Share Based Payments	Total	Remuneration consisting of options during the year %
		Salary and fees \$	Superannuation \$	Options \$		
Directors						
A Waller	2009	275,791	-	-	275,791	-
	2008	237,443	3,240	-	240,683	-
P Hampshire	2009	-	-	-	-	-
Passed away 27/10/2008	2008	-	-	-	-	-
T Izelaar	2009	36,000	-	-	36,000	-
	2008	24,600	-	-	24,600	-
R Cotton	2009	32,000	-	-	32,000	-
Appointed 11/11/2008	2008	-	-	-	-	-
M Pawlitschek	2009	-	-	-	-	-
Appointed 11/11/2008	2008	-	-	-	-	-
Resigned 24/8/2009						
T Collver	2009	-	-	-	-	-
Resigned 30/11/2007	2008	152,146	1,800	-	153,946	-
C Thomas	2009	-	-	-	-	-
Resigned 30/11/2007	2008	15,000	1,350	-	16,350	-
B Fulton	2009	-	-	-	-	-
Resigned 30/11/2007	2008	16,000	1,350	-	17,350	-
Executives						
N Bassett	2009	86,800	-	-	86,800	-
Appointed 14/12/2007	2008	18,000	-	-	18,000	-
I Morgan	2009	-	-	-	-	-
Resigned 3/12/2007	2008	14,700	-	-	14,700	-
C Willis	2009	30,000	-	-	30,000	-
	2008	-	-	-	-	-
B Thomas	2009	50,000	-	-	50,000	-
	2008	-	-	-	-	-
Total	2009	510,591	-	-	510,591	-
	2008	477,889	7,740	-	485,629	-

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

For personal use only

DIRECTORS' REPORT CONT.

E. Compensation options to key management personnel

No options were granted as equity compensation benefits to Directors and Executives during the year.

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors and Executives on exercise of compensation options during the year.

DIRECTORS AND AUDITORS INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- (a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses of successfully defending legal proceedings; or
- (b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

SHARE OPTIONS

At the date of this report, the unissued ordinary shares of Eldore Mining Corporation Limited under option are as follows

Grant Date	Date of Expiry	Exercise Price	Number under Option
17 October 2005	17 October 2010	\$0.30	1,000,000
17 October 2005	17 October 2010	\$0.3750	750,000
17 October 2005	17 October 2010	\$0.4375	500,000
24 July 2007	31 December 2009	\$0.04	58,700,000
21 February 2008	31 December 2009	\$0.04	10,000,000
			<hr/> <hr/>
			70,950,000

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

ENVIRONMENTAL REGULATIONS

There have been no recorded incidents of non-compliance with any applicable international, national or local declarations, treaties, conventions or regulations associated with environmental issues during the reporting period. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Eldore Mining Corporation Limited support and have adhered to the principles of corporate governance and have established a set of policies and manuals for the purpose of managing corporate governance. The Company's detailed corporate governance policy statement is contained in the section headed 'Corporate Governance Statement' of the annual report.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The auditor's independence declaration for the year ended 30 June 2009, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of directors.



A Waller
Director

Perth, 30 September 2009

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION




2ND FLOOR, 35 HAVELOCK ST, WEST PERTH WA 6005
PO BOX 609, WEST PERTH WA 6872

TELEPHONE +61 8 9322 2798 FACSIMILE +61 8 9481 2019
E-MAIL: MAIL@MACKCO.COM.AU WEB: MACKCO.COM.AU

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ELDORE MINING CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended Eldore Mining Corporation Limited there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.


MACK & CO


N A CALDER
PARTNER
WEST PERTH

DATE: 30TH SEPTEMBER 2009

The Board of Directors of Eldore Mining Corporation Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Eldore Mining Corporation Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Eldore Mining Corporation Limited's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the Australian Securities Exchange Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 1	Lay solid foundations for management and oversight		
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	2(a)	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	2(h), 3(b), Remuneration Report	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	2(a), 2(h), 3(b), Remuneration Report	Yes
Principle 2	Structure the board to add value		
2.1	A majority of the board should be independent directors.	2(e)	Yes
2.2	The chair should be an independent director.	2(b), 2(c), 2(e)	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2(b), 2(c)	No
2.4	The Board should establish a nomination committee.	2(d)	No
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	2(h)	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	2(b), 2(c), 2(d), 2(e), 2(h)	Yes
Principle 3	Promote ethical and responsible decision-making		
3.1	Establish a code of conduct and disclose the code or a summary as to: <ul style="list-style-type: none"> • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	4(a)	Yes
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary.	4(b)	Yes
3.3	Provide the information indicated in the Guide to reporting on principle 3.	4(a), 4(b)	Yes
Principle 4	Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	3(a)	Yes
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the Board; and • has at least three members. 	3(a)	No

CORPORATE GOVERNANCE STATEMENT CONT.

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
4.3	The audit committee should have a formal charter	3(a)	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	3(a)	Yes
Principle 5			
Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	5(a), 5(b)	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	5(a), 5(b)	Yes
Principle 6			
Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	5(a), 5(b)	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	5(a), 5(b)	Yes
Principle 7			
Recognise and manage risk			
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	6(a)	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	6(a), 6(b), 6(d)	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	6(c)	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	6(a), 6(b), 6(c), 6(d)	Yes
Principle 8			
Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	3(b)	No
8.2	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	3(b), Remuneration Report	Yes
8.3	Provide the information indicated in the Guide to reporting on principle 8.	3(b),	Yes

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

The Board is responsible for:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to

understand at all times the state of the health of the Company;

- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately.
- Approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with that Code; and other policies; and
- Reporting to and advising shareholders.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Chief Executive Officer and Executive Management.

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Board is currently comprised of two non-executive Directors. The skills, experience, expertise, qualifications and terms of office of each director in office at the date of the annual report is included in the Directors' Report.

The Chair is not independent and the role of Chair and chief executive officer are exercised by the same person. The Board considers that, at this stage of the Company's development, the executive role carried out by the Chairman is in the best interests of the Company.

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Executive Chairman is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

2(c) Chairman and Chief Executive Officer

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Board does not comply with the ASX Recommendation 2.2 in that the Chairman, whilst a non-executive, is not an independent Director due to his substantial interest in the Company (refer to 2(e) Independent Directors). The Board has considered this matter and decided that the non-compliance does not effect the operation of the Company.

The Chief Executive Officer is responsible for:

- implementing the Company’s strategies and policies; and
- the day-to-day management of the Company’s business activities

The Board specifies that the roles of the Chairman and the Chief Executive Officer are separate roles to be undertaken by separate people.

Due to the nature of the company’s current activities it does not currently have a chief executive officer and this role is effectively undertaken by the Chairman. The Board considers that, at this stage of the Company’s development, the executive role carried out by the Chairman is in the best interests of the Company. The Board will monitor the need to separate these roles as the company’s circumstances change.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company’s website.

2(e) Independent Directors

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Eldore Mining Corporation Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Board is currently comprised of two independent non-executive Directors.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Eldore Mining Corporation Limited are considered to be independent:

Name	Position
Tony Izelaar	Non-Executive Director
Ron Cotton	Non-Executive Director

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
Andrew Waller	Since 26 April 2007
Tony Izelaar	Since 26 October 2007
Ron Cotton	Since 11 November 2008

In recognition of the importance of independent views and the Board’s role in supervising the activities of management the Chairman should be a non-executive director, however refer 2(c) relating to independence of the Chairman.

For personal use only

2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

2(h) Review of Board performance

The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Eldore Mining Corporation Limited. Primarily, the review will be carried out through consultation by the Chairman and with individual Directors. Directors whose performance is consistently unsatisfactory may be asked to retire.

3. BOARD COMMITTEES**3(a) Audit Committee**

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee and the Audit Committee does not comprise only Non-Executive Directors. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is Mack & Co's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

Non-audit services provided by the auditors during the year are detailed in the financial statements.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the CEO's performance.

For personal use only

The Company has structured the remuneration of its senior executive, where applicable, such that it comprises a fixed salary, statutory superannuation and participation in the Company's employee share option plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration. The Company does not adhere to Recommendation 8.2 Box 8.2 'Non-executive directors should not receive options or bonus payments'. The Company has previously granted options to non-executive directors and, potentially, will do so in the future. The Board is of the view that options (for both executive and non-executive directors) are a cost effective benefit for small companies such as Eldore Mining Corporation Limited that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both shareholders and the optionholder, as optionholders will only benefit if the market value of the underlying shares exceeds the option strike price. Ultimately, shareholders will make that determination.

The board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholders interests, the Directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

4(b) Policy concerning trading in Company securities

The Company's "Dealings in Company Shares and Options Policy" applies to all Directors, officers and employees. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities. The policy stipulates that the only appropriate time for a Director, officer or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by Directors and officers of the Company under the following guidelines:

- No trading is permitted in the period of 14 days prior to the announcement to the ASX of the Company's full year and half year results, and quarterly reports and for a period of two days after their release;
- Guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and
- Prior approval of the Chairman, or in his absence, the approval of two directors is required prior to any trading being undertaken.

Within 24 hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance. The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management has been established ("Risk Management and Internal Control Policy"). Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

6(a) Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

For personal use only

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- at least quarterly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue	2(a)	3,072	20,506	3,072	20,506
Exploration and evaluation expenditure		-	(147,664)	-	(119,893)
Depreciation and impairment	9	(13,837)	(20,407)	(13,837)	(20,407)
Directors fees and benefits expense		(423,791)	(418,197)	(335,876)	(418,197)
Administration, consulting and other expenses	2(b)	(516,615)	(576,923)	(443,409)	(511,062)
Interest and finance costs		-	(1,337)	-	(1,337)
Fair value movement on options	13	-	(727,500)	-	(727,500)
Impairment of exploration and evaluation	10	-	(2,500,000)	-	(2,500,000)
Impairment of other financial assets		-	-	(108,614)	-
Impairment of receivable		-	(31,372)	(44,869)	(114,801)
Loss before income tax expense		(951,171)	(4,402,894)	(943,533)	(4,392,691)
Income tax expense	3	-	-	-	-
Net Loss attributable to members of the Eldore Mining Corporation Limited		(951,171)	(4,402,894)	(943,533)	(4,392,691)
Earnings per Share:		Cents	Cents		
Basic and diluted earnings per share	5	(0.51)	(3.31)		

The accompanying notes form part of these financial statements.

For personal use only

BALANCE SHEET AS AT 30 JUNE 2009

	Note	Consolidated		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
ASSETS					
Current Assets					
Cash and cash equivalents	6	125,490	174,237	52,262	68,230
Trade and other receivables	7	28,195	6,502	70,546	105,273
Total Current Assets		153,685	180,739	122,808	173,503
Non-Current Assets					
Trade and other receivables	7	-	-	144,024	-
Other financial assets	8	-	-	895,824	-
Property, plant and equipment	9	-	13,837	-	13,837
Exploration and evaluation expenditure	10	2,620,655	-	-	-
Total Non-Current Assets		2,620,655	13,837	1,039,848	13,837
Total Assets		2,774,340	194,576	1,162,656	187,340
LIABILITIES					
Current Liabilities					
Trade and other payables	11	2,190,047	48,188	578,363	40,952
Total Current Liabilities		2,190,047	48,188	578,363	40,952
Total Liabilities		2,190,047	48,188	578,363	40,952
Net Assets		584,293	146,388	584,293	146,388
EQUITY					
Issued capital	12	14,117,492	12,736,054	14,117,492	12,736,054
Reserves	13	801,332	793,694	801,332	801,332
Accumulated losses		(14,334,531)	(13,383,360)	(14,334,531)	(13,390,998)
Total Equity		584,293	146,388	584,293	146,388

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

Consolidated

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 July 2007	11,216,808	(8,980,466)	73,832	-	2,310,174
Securities issued during the year	1,541,000	-	-	-	1,541,000
Capital raising costs	(21,754)	-	-	-	(21,754)
Issue of options on conversion of convertible note	-	-	727,500	-	727,500
Total equity transactions	1,519,246	-	727,500	-	2,246,746
Currency translation differences	-	-	-	(7,638)	(7,638)
Total income and expense for the year recognised in equity	-	-	-	(7,638)	(7,638)
Loss attributable to members of the parent entity	-	(4,402,894)	-	-	(4,402,894)
Total income and expense for the year	-	(4,402,894)	-	(7,638)	(4,410,532)
Balance at 30 June 2008	12,736,054	(13,383,360)	801,332	(7,638)	146,388
Securities issued during the year	1,381,438	-	-	-	1,381,438
Capital raising costs	-	-	-	-	-
Total equity transactions	1,381,438	-	-	-	1,381,438
Currency translation differences	-	-	-	7,638	7,638
Total income and expense for the year recognised in equity	-	-	-	7,638	7,638
Loss attributable to members of the parent entity	-	(951,171)	-	-	(951,171)
Total income and expense for the year	-	(951,171)	-	7,638	(943,533)
Balance at 30 June 2009	14,117,492	(14,334,531)	801,332	-	584,293

Parent

	Issued Capital \$	Accumulated Losses \$	Options Reserve \$	Total \$
Balance at 1 July 2007	11,216,808	(8,998,307)	73,832	2,292,333
Securities issued during the year	1,541,000	-	-	1,541,000
Capital raising costs	(21,754)	-	-	(21,754)
Issue of options on conversion of convertible note	-	-	727,500	727,500
Total equity transactions	1,519,246	-	727,500	2,246,746
Loss attributable to members of the parent entity	-	(4,392,691)	-	(4,392,691)
Total income and expense for the year	-	(4,392,691)	-	(4,392,691)
Balance at 30 June 2008	12,736,054	(13,390,998)	801,332	146,388
Securities issued during the year	1,381,438	-	-	1,381,438
Capital raising costs	-	-	-	-
Total equity transactions	1,381,438	-	-	1,381,438
Loss attributable to members of the parent entity	-	(943,533)	-	(943,533)
Total income and expense for the year	-	(943,533)	-	(943,533)
Balance at 30 June 2009	14,117,492	(14,334,531)	801,332	584,293

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE ENDED 30 JUNE 2009

Note	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities				
Payments to suppliers and employees	(402,841)	(1,005,681)	(346,516)	(946,473)
Interest received	3,072	19,790	3,072	19,790
Interest paid	-	(3,912)	-	(3,912)
Net cash (used in) operating activities	6(i) (399,769)	(989,803)	(343,444)	(930,595)
Cash flows from investing activities				
Payments for exploration expenditure	(144,024)	(147,664)	-	(119,893)
Payment of security bond	-	(13,591)	-	-
Loan to controlled entity	-	-	(144,024)	(212,138)
Net cash on acquisition of controlled entity	28,001	-	-	-
Net cash (used in) investing activities	(116,023)	(161,255)	(144,024)	(332,031)
Cash flows from financing activities				
Proceeds from issue of shares	456,500	1,400,000	456,500	1,400,000
Payment of share issue costs	-	(154)	-	(154)
Proceeds from borrowings	15,000	320,000	15,000	320,000
Repayment of borrowings	-	(500,000)	-	(500,000)
Net cash provided by financing activities	471,500	1,219,846	471,500	1,219,846
Net increase (decrease) in cash held	(44,292)	68,788	(15,968)	(42,780)
Cash at beginning of the financial year	174,237	113,087	68,230	111,010
Effect of exchange rate changes	(4,455)	(7,638)	-	-
Cash at end of the financial year	6 125,490	174,237	52,262	68,230

The accompanying notes form part of these financial statements.

1. *Summary of Significant Accounting Policies*

(a) **Corporate Information**

Eldore Mining Corporation Limited (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The financial report was authorised for issue on 30 September 2009.

(b) **Basis of Preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs modified to include fair valuation of derivatives.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and consolidated entity's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the consolidated entity recorded an operating loss of \$951,171 and a cash outflow from operating activities of \$399,769 for the year ended 30 June 2009 and at balance date, had net current liabilities of \$2,036,362. These factors indicate significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund the Group's operations for the 12 month period from the date of this financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and is a going concern because of the following factors:

- The ability to issue additional under the Corporations Act 2001 and ASX Listing Rule 7.1 or otherwise;
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal; and/or
- Creditors owed \$1,600,524 have indicated they will not demand payment of their debts until the consolidated entity has sufficient funds to be able to meet the commitments.

Accordingly, the Directors believe that subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable it and the consolidated entities to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should the company be unable to obtain sufficient funding as outlined above, there is significant uncertainty whether the Company and the consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company and the consolidated entity not be able to continue as going concerns.

The following is a summary of the significant accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

1. *Summary of Significant Accounting Policies (Cont.)*

(b) **Basis of Preparation (Cont.)**

Adoption of new and revised standards

In the year ended 30 June 2009, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2009. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) **Statement of Compliance**

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standard Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board.

(d) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Eldore Mining Corporation Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year (the Group).

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

A list of controlled entities is contained in Note 17. All controlled entities have a June financial year end.

(e) **Business combinations**

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1. *Summary of Significant Accounting Policies (Cont.)*

(f) **Income Tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, expect where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(g) **Foreign currency translation**

Both the functional and presentation currency of Eldore Mining Corporation Limited and its Australian subsidiaries is Australian Dollars, while for the subsidiary with operations overseas, namely Robust Mines Ltd, it is Fijian Dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date.

As at the reporting date the assets and liabilities of the subsidiaries operating overseas are translated into the presentation currency of Eldore Mining Corporation Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(h) **Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

1. *Summary of Significant Accounting Policies (Cont.)*

(i) **Trade and other receivables**

Trade receivables, which generally have 30-90 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. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. Bad debts are written off when identified.

(j) **Property, Plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	15 – 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(k) **Exploration and evaluation expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

1. *Summary of Significant Accounting Policies (Cont.)*

(k) **Exploration and evaluation expenditure (Cont.)**

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) **Financial instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs for assets not at fair value through profit and loss, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged or significant decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

1. Summary of Significant Accounting Policies (Cont.)

(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributable to its net assets at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs 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.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

1. Summary of Significant Accounting Policies (Cont.)

(q) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) 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.

(t) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(u) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to executive directors, employees and consultants of the Group in the form of share-based payments, whereby those individuals render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with these individuals is measured 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 binomial model.

For personal use only

1. Summary of Significant Accounting Policies (Cont.)

(v) Share-based payment transactions(Cont.)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares Eldore Mining Corporation Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(w) Significant Accounting Estimates and Judgments

In the process of applying the Group's accounting policies, management has made the following judgments and estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(k). The application of this policy necessarily requires management to make certain judgements, estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) 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 binomial model.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
2. Revenue and Expenses				
(a) Revenue				
Interest received – other corporations	3,072	19,790	3,072	19,790
Other revenue	-	716	-	716
	3,072	20,506	3,072	20,506
(b) Administration, consulting and other expenses				
Corporate consulting fees	86,800	95,014	86,800	44,044
Audit fee	84,200	64,603	84,200	64,603
ASX & registry fees	28,099	67,671	28,099	67,671
Office rent	36,000	54,500	36,000	54,500
Accounting fees	28,200	28,850	28,200	28,850
Other expenses	253,316	266,285	180,110	251,394
	516,615	576,923	443,409	511,062
3. Income Tax Expense				
(a) Income Tax Expense				
The income tax expense for the year differs from the prima facie tax as follows:				
Loss before income tax	(951,171)	(4,402,894)	(943,533)	(4,392,691)
Prima facie income tax benefit @ 30%	285,351	1,320,868	283,060	1,317,807
Tax effect of non-deductible items	-	(1,005,751)	(46,045)	(1,002,690)
Deferred tax assets not brought to account	(285,351)	(315,117)	(237,015)	(315,117)
Total income tax expense	-	-	-	-
(b) Deferred Tax Assets				
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(f) occur:	988,225	702,884	939,899	702,884

There are no franking credits available to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
4. Auditors Remuneration				
Amounts, received or due and receivable by auditor, Mack & Co, for:				
- auditing or reviewing the financial report	45,000	-	45,000	-
- Other services	1,200	-	1,200	-
	46,200	-	46,200	-
Amounts, received or due and receivable by previous auditor, Ernst & Young, for:				
- auditing or reviewing the financial report	38,000	64,603	38,000	64,603
- Other services	-	-	-	-
	38,000	64,603	38,000	64,603

5. Earnings per Share (EPS)

	Cents	Cents
Basic earnings per share	(0.51)	(3.31)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings – Net loss for year	(951,171)	(4,402,894)
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	187,806,891	133,025,202

Options outstanding (refer note 13(c)) are not considered dilutive as the Group is currently in a loss position, and the issue of further ordinary shares would result in a reduction in loss per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
Note	\$	\$	\$	\$
6. Cash and Cash Equivalents				
Cash at bank and on hand	125,490	174,237	52,262	68,230
Cash at bank earns interest at floating rates based on daily bank deposit rates.				
(i) Reconciliation of loss for the year to net cash flows used in operating activities:				
Loss for the year	(951,171)	(4,402,894)	(943,533)	(4,392,691)
Depreciation	13,837	20,407	13,837	20,407
Fair value movement on options	-	727,500	-	727,500
Exploration expenditure	-	147,664	-	119,893
Allowance for impairment	-	2,531,372	153,483	2,614,801
Foreign exchange loss	12,092	-	-	-
Changes in assets and liabilities				
Receivables	(9,630)	4,772	(10,141)	5,355
Payables	535,103	(18,624)	442,910	(25,860)
Net cash flows (used in) operating activities	(399,769)	(989,803)	(343,444)	(930,595)

(ii) Non-cash financing and investing activities

During the year, the company acquired 100% of the issued capital of Knights Landing Ltd and Birrimian Pty Ltd, the consideration being the issue of 50,221,900 ordinary fully paid shares, inclusive of transaction facilitation fees. The fair value of the consideration at date of acquisition was \$1,004,438.

During the previous financial year, convertible loans of \$500,000 were converted to 25,000,000 ordinary fully paid shares at an issue price of 2 cents each, together with 25,000,000 attaching options exercisable at 4 cents each on or before 31 December 2009. The attaching options were valued using the binomial option pricing model at the date of grant, with the resultant value of \$727,500 being recognised in equity in the option issue reserve.

7. Trade and other receivables

Current

Amount owing by controlled entity	-	-	330,504	330,504
Allowance for impairment	-	-	(276,019)	(231,150)
	-	-	54,485	99,354
Bonds receivable	-	29,355	-	-
Less – provision for impairment	-	(29,355)	-	-
GST recoverable	18,195	6,502	16,061	5,919
Other receivables	10,000	-	-	-
	28,195	6,502	70,546	105,273

Non-Current

Amount owing by controlled entity	-	-	144,024	-
-----------------------------------	---	---	----------------	---

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

Note	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$

7. Trade and other receivables (Cont.)

Terms and conditions relating to the above financial instruments:

- Other receivables are non-interest bearing and generally repayable within 30 days.
- Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- Transactions between the parent entity and its subsidiary consist of intercompany loans, upon which no interest is charged and is repayable on demand. The fair value approximates the carrying value of the receivable. A allowance for impairment loss was recognised as there was objective evidence represented by continuous operating losses that the inter-company loan receivable was impaired.

Reconciliation of provision for impairment loss

At 1 July	29,355	-	231,150	118,366
Charge for year	-	29,355	44,869	112,784
At 30 June	29,355	29,355	276,019	231,150

8. Other financial assets

Non-Current

Shares in controlled entities – at cost	-	-	1,004,438	-
Provision for impairment loss	-	-	(108,614)	-
	-	-	895,824	-

The fair value approximates the carrying value of investments. An allowance for impairment loss is recognised where there is objective evidence that the investment in controlled entities is impaired due to current and prospective activities being undertaken by the controlled entities in regards to their exploration projects.

Reconciliation – Non Current

At cost:

At 1 July	-	-	-	-
Additions	-	-	1,004,438	-
Allowance for impairment	-	-	(108,614)	-
At 30 June	-	-	895,824	-

9. Property, Plant and Equipment

Plant and equipment – at cost	56,061	56,061	56,061	56,061
Accumulated depreciation	(43,278)	(32,595)	(43,278)	(32,595)
Accumulated impairment losses	(12,783)	(9,629)	(12,783)	(9,629)
	-	13,837	-	13,837
Total written down amount	-	13,837	-	13,837

Reconciliation

At 1 July 2008, net of accumulated depreciation	13,837	34,244	13,837	34,244
Additions	-	-	-	-
Transfer to parent	-	-	-	-
Depreciation charge	(10,683)	(10,778)	(10,683)	(10,778)
Impairment	(3,154)	(9,629)	(3,154)	(9,629)
At 30 June 2009, net of accumulated depreciation	-	13,837	-	13,837

The impairment loss of \$9,629 relates to the scrapping of assets no longer of economic use to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

Note	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
10. Exploration and Evaluation Expenditure				
Expenditure brought forward	-	2,500,000	-	2,500,000
Tenement acquired from acquisition of controlled entity	2,476,631	-	-	-
Expenditure incurred	144,024	-	-	-
Allowance for impairment	-	(2,500,000)	-	(2,500,000)
Expenditure carried forward	2,620,655	-	-	-

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

11. Trade and Other Payables

Current

Trade payables and accruals (i)				
- Deferred	1,600,524	-	536,433	-
- Other	30,358	48,188	41,930	40,952
Owing under contract of sale (ii)	559,165	-	-	-
	2,190,047	48,188	578,363	40,952

- (i) Trade creditors are non-interest bearing and are normally settled on 30 day terms. Deferred trade creditors have undertaken to not demand payment of their debts until the Company has sufficient funds to be able to meet its ongoing financial commitments. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Owing under contract of sale represents the amount outstanding pursuant to the agreement for the acquisition of Birrimian Pty Ltd.

12. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	14,117,492	12,736,054	14,117,492	12,736,054
----------------------------	-------------------	------------	-------------------	------------

(b) Movement in ordinary shares on issue

	Number	\$	Number	\$
At 1 July 2007	71,295,284	11,216,808	71,295,284	11,216,808
Issue for cash – 24/7/2007	30,000,000	600,000	30,000,000	600,000
Issue on conversion of loan – 24/7/2007	25,000,000	500,000	25,000,000	500,000
Issue in satisfaction of fees – 24/7/2007	7,050,000	141,000	7,050,000	141,000
Issue for cash – 21/2/2008	10,000,000	300,000	10,000,000	300,000
Expenses of issue	-	(21,754)	-	(21,754)
At 1 July 2008	143,345,284	12,736,054	143,345,284	12,736,054
Issue on acquisition of Knights Landing Ltd – 28/11/2008	25,000,000	500,000	25,000,000	500,000
Issue on acquisition of Birrimian Pty Ltd – 28/11/2008	19,221,900	384,438	19,221,900	384,438
Issue in satisfaction of facilitation fee – 28/11/2008	6,000,000	120,000	6,000,000	120,000
Issue for cash – 23/12/2008	29,000,000	377,000	29,000,000	377,000
Expenses of issue	-	-	-	-
At 30 June 2009	222,567,184	14,117,492	222,567,184	14,117,492

12. Issued Capital (Cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 1,000,000 unlisted options expiring 17 October 2010 at an exercise price of 30 cents each.
- 750,000 unlisted options expiring 17 October 2010 at an exercise price of 37.5 cents each.
- 500,000 unlisted options expiring 17 October 2010 at an exercise price of 43.75 cents each.
- 68,700,000 listed options expiring 31 December 2009 at an exercise price of 4 cents each.

No options were granted during the financial year. No options were exercised and 2,500,000 options exercisable at 6 cents each lapsed during the financial year.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
Note	\$	\$	\$	\$
13. Reserves				
Option reserve	801,322	801,332	801,322	801,332
Foreign currency translation reserve	-	(7,638)	-	-
	801,322	793,694	801,322	801,332

Option reserve:

Nature and purpose of reserve

The option issue reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of share options.

Movements in reserve

Opening balance 1 July	801,332	73,832	801,332	73,832
Issue of options on conversion of convertible note	-	727,500	-	727,500
Closing balance 30 June	801,322	801,332	801,322	801,332

Foreign currency translation reserve:

Nature and purpose of reserve

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

Movements in reserve

Opening balance 1 July	(7,638)	-	-	-
Currency translation differences	7,638	(7,638)	-	-
Closing balance 30 June	-	(7,638)	-	-

14. Commitments

Share Sale Deed

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

Pursuant to a Share Sale Deed for the acquisition of Birrimian Pty Ltd, the consolidated entity has a commitment to issue further ordinary fully paid shares as consideration for the acquisition of all the issued capital of Birrimian Pty Ltd upon a feasibility study with respect to any of the mining tenements held by Birrimian Pty Ltd becoming bankable and an offer being made to Knights Landing Ltd by a recognised resource financier on terms which are acceptable to Knights Landing Ltd in its absolute discretion ("Feasibility Study Condition"). The number of Eldore Shares to be issued in the second tranche shall be equal to US\$2,000,000 worth of Eldore Shares based on the conversion rate stipulated by the Reserve Bank of Australia on the date the Feasibility Study Condition is achieved, at a deemed issue price equal to the volume weighted average price of fully paid ordinary shares in the capital of Eldore trading on ASX in the 30 days prior to the achievement of the Feasibility Study Condition.

Exploration Commitments

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

Not later than one year	<u>462,980</u>	-	-	-
-------------------------	----------------	---	---	---

If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

15. Business Combinations

During the year the company acquired 100% of the voting shares of Knights Landing Ltd and facilitated the acquisition by Knights Landing Ltd of 100% of the voting shares of Birrimian Pty Ltd.

The total cost of the combination was \$1,004,438 and comprised an issue of equity instruments and the payment of cash. The Group issued 50,221,900 ordinary fully paid shares, being 31,000,000 shares in respect to Knights Landing Ltd and 19,221,900 shares in respect to Birrimian Pty Ltd, with an issue price based on the quoted price of shares at the date of exchange.

The fair value of the identifiable assets and liabilities of Knights Landing Ltd and its controlled entity as at the date of acquisition were:

	Recognised on acquisition \$	Carrying Value \$
Cash and cash equivalents	28,001	28,001
Trade and other receivables	12,062	12,062
Tenement interests, exploration and evaluation expenditure	2,476,631	480,000
Trade and other payables	(953,091)	(953,091)
Fair value of identifiable net assets	<u>1,563,603</u>	<u>(433,028)</u>
Cost of the combination:		
Deferred cash consideration – Birrimian Pty Ltd	559,165	
Shares issued, at fair value		
- Knights Landing Ltd	620,000	
- Birrimian Pty Ltd	384,438	
Direct costs relating to the acquisition	-	
Total cost of the combination	<u>1,563,603</u>	

The cash inflow (outflow) on acquisition is as follows:

Net cash acquired with subsidiary	28,001
Cash paid	-
Net cash inflow	<u>28,001</u>

From date of acquisition Knights Landing has contributed \$108,614 to the net loss of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

16. Financial Reporting by Segments

The consolidated entity operates in one industry segment, being minerals exploration and development, and in the geographical segments as set out below. The Group's primary segment format is geographical as each segment represents a strategic business unit that offers different risks and rates of return.

Geographical segments

The following table presents the revenue and profit information regarding geographical segments for the years ended 30 June 2009 and 30 June 2008 and the assets and liabilities as at 30 June 2009 and 30 June 2008.

	Burkino Faso	Fiji	Australia	Total
30 June 2009				
Revenue				
Other revenue	-	-	3,072	3,072
Unallocated revenue	-	-	-	-
Total consolidated revenues				<u>3,072</u>
Result				
Loss before income tax	-	-	(951,171)	(951,171)
Unallocated profit	-	-	-	-
				<u>(951,171)</u>
Income tax expense				-
Net loss for year				<u>(951,171)</u>
Assets and Liabilities				
Segment assets	2,620,655	54,485	99,200	2,774,340
Segment liabilities	1,039,165	-	1,150,882	2,190,047
	Burkino Faso	Fiji	Australia	Total
30 June 2008				
Revenue				
Other revenue	-	-	716	716
Unallocated revenue	-	-	-	19,790
Total consolidated revenues				<u>20,506</u>
Result				
Loss before income tax	-	(122,989)	(4,298,358)	(4,421,347)
Unallocated profit	-	-	-	18,453
				<u>(4,402,894)</u>
Income tax expense				-
Net loss for year				<u>(4,402,894)</u>
Assets and Liabilities				
Segment assets	-	106,590	87,986	194,576
Segment liabilities	-	7,236	40,952	48,188

17 Related Party Disclosure

(a) Subsidiaries

The consolidated financial statements include the financial statements of Eldore Mining Corporation Limited and the subsidiaries listed in the following table.

	County of Incorporation	% Equity Interest		Investment at cost	
		2009 %	2008 %	2009 \$	2008 \$
At cost					
Robust Mines Ltd	Fiji	100	100	500,000	500,000
Knights Landing Ltd	Australia	100	-	620,000	-
Birrimian Pty Ltd	Burkino Faso	100	-	384,438	-
				<u>1,504,438</u>	500,000
Allowance for impairment				<u>(608,614)</u>	(500,000)
				<u>895,824</u>	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

17. Related Party Disclosure (Cont.)

(b) Parent entity

Eldore Mining Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 18.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

	Consolidated		Parent Entity	
	Note	2009 \$	2008 \$	2009 \$
Rent paid to Sagacity Partners Pty Ltd for the rental of the office and equipment. Mr Collver, a director during the year, is the principal of Sagacity Partners Pty Ltd.	-	54,500	-	54,500
Fees paid to Sagacity Partners Pty Ltd to reimburse the costs of a sub-contractor, for the provision of management accounting and corporate services. Mr Collver, a director during the year, is the principal of Sagacity Partners Pty Ltd.	-	51,022	-	51,022
Accounting and consulting services fees paid to Colin Thomas & Associates. Mr Thomas, a director during the year, is a principal of the firm.	-	14,750	-	14,750

Transactions with related parties were made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

Eldore Mining Corporation Limited has provided unsecured, interest free loans to its controlled entities, as disclosed in Note 7. An impairment assessment is undertaken each financial year by examining the financial position of the controlled entity and the market in which the controlled entity operates to determine whether there is objective evidence that the controlled entity is impaired. When such objective evidence exists, the company recognises an allowance for the impairment loss.

18. Director and Executive Disclosures

(a) Compensation of Key Management Personnel

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Short-Term employee benefits	510,591	477,889	422,676	477,889
Post Employment benefits	-	7,740	-	7,740
Other Long-Term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	-	-	-	-
Total compensation	510,591	485,629	422,676	485,629

18. Director and Executive Disclosures (Cont.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

(b) Option holdings of Key Management Personnel

	Balance 01/07/08	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/09	Vested and Exercisable
Directors						
A Waller	28,700,000	-	-	-	28,700,000	28,700,000
T Izelaar	-	-	-	-	-	-
R Cotton	-	-	-	-	-	-
	Balance 01/07/07	Granted as Remuneration	Options Exercised	Net Change Other #	Balance 30/06/08	Vested and Exercisable
Directors						
A Waller	-	-	-	28,700,000	28,700,000	28,700,000
T Collver	750,000	-	-	(750,000)	-	-
C Thomas	750,000	-	-	(750,000)	-	-

There are no options held by executives at both balance sheet dates.

(c) Shareholdings of Key Management Personnel

	Balance 01/07/08	Granted as Remuneration	Acquired	Disposed	Net Change Other#	Balance 30/06/09
Directors						
A Waller	23,000,000	-	-	-	-	23,000,000
T Izelaar	-	-	-	-	-	-
R Cotton	-	-	-	-	-	-
	Balance 01/07/07	Granted as Remuneration	Acquired	Disposed	Net Change Other#	Balance 30/06/08
Directors						
A Waller	3,700,000	-	25,300,000	(6,000,000)	-	23,000,000
T Collver	19,500,000	-	4,950,000	-	(24,450,000)	-
C Thomas	310,000	-	900,000	-	(1,210,000)	-
B Fulton	-	-	900,000	-	(900,000)	-

There are no shares held by executives at both balance sheet dates.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

(d) Loans with Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

19. Issue of Options on Conversion of Convertible Notes

During the previous year, 25,000,000 options expiring 31 December 2009, exercisable at 4 cents each were issued, attaching to 25,000,000 ordinary fully paid shares issued at an issue price of 2 cents each, on the conversion of a convertible loan with a face value of \$500,000, the assessed fair value of the options being \$727,500.

The assessed fair value of the options was determined using a binomial option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	24/07/2007
Dividend yield (%)	-
Expected volatility (%)	80.00
Risk-free interest rate (%)	6.23
Expected life of options (years)	2.44
Underlying share price (\$)	0.051
Option exercise price (\$)	0.04
Value of Option (\$)	0.0291

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

20. Financial Risk Management

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group does not speculate in the trading of derivative instruments. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the company has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

20. Financial Risk Management (Cont.)

At balance date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
<i>Financial Assets</i>				
Cash and cash equivalents (interest-bearing accounts)	125,490	174,237	52,262	68,230
Net exposure	125,490	174,237	52,262	68,230

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. The 0.5% sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical LIBOR movements over the last 3 years.

At 30 June 2008, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Group would have been affected as follows:

Judgements of reasonably possible movements:

Post tax profit – higher / (lower)

+ 0.5%	627	871	261	341
- 0.5%	(627)	(871)	(261)	(341)

Equity – higher / (lower)

+ 0.5%	627	871	261	341
- 0.5%	(627)	(871)	(261)	(341)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business and an amount owing pursuant to a contract of sale. Trade payables were non interest bearing and were due within the normal 30-60 days terms of creditor payments. Refer Note 11 for terms of deferral of payment.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

20. Financial Risk Management (Cont.)

Consolidated

	Less than 6 months	6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
As at 30 June 2009							
Trade and other payables	30,358	1,600,524	-	-	-	1,630,882	1,630,882
Financial liabilities							
- Non-interest bearing	559,165	-	-	-	-	559,165	599,165
	<u>589,523</u>	<u>1,600,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,190,047</u>	<u>2,190,047</u>
As at 30 June 2008							
Trade and other payables	48,188	-	-	-	-	48,188	48,188
Financial liabilities							
- Non-interest bearing	-	-	-	-	-	-	-
	<u>48,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,188</u>	<u>48,188</u>

Parent

	Less than 6 months	6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
As at 30 June 2009							
Trade and other payables	41,930	536,433	-	-	-	578,363	578,363
Financial liabilities							
- Non-interest bearing	-	-	-	-	-	-	-
	<u>41,930</u>	<u>536,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,363</u>	<u>578,363</u>
As at 30 June 2008							
Trade and other payables	40,952	-	-	-	-	40,952	40,952
Financial liabilities							
- Non-interest bearing	-	-	-	-	-	-	-
	<u>40,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,952</u>	<u>40,952</u>

Credit risk

Credit risk arises from the financial assets of the Company, which comprise deposits with banks and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the Balance Sheet represents the Company's maximum exposure to credit risk in relation to those assets.

The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts. Trade and other receivables are expected to have a maturity of less than 6 months, for both year ends.

There are no significant concentrations of credit risk within the Company.

Commodity Price and Foreign Currency Risk

The Group's exposure to price and foreign currency risk is minimal given the Group is still in an exploration phase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 CONT.

20. *Financial Risk Management (Cont.)*

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

Capital Management

The objective of capital management of the Group is to maximise the shareholders wealth and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the group's capital by assessing the group's financial risks and future cash flow requirements and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the group since the prior year.

21. *Events Subsequent to Year End*

There are no matters or circumstances that have arisen since 30 June 2009 that have or may significantly affect the operations, results, or state of affairs of the consolidated entity in future financial years.

In accordance with a resolution of the directors of Eldore Mining Corporation Limited, I state that:

1. In the opinion of the directors:
 - a) The financial statements and notes and additional disclosures included in the directors' report designated as audited, of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2009.

On behalf of the Board



A Waller
Director

Perth, 30 September 2009

For personal use only



— GROWTH SUCCESS WEALTH —

2ND FLOOR, 35 HAVELOCK ST, WEST PERTH WA 6005
PO BOX 609, WEST PERTH WA 6872

TELEPHONE +61 8 9322 2798 FACSIMILE +61 8 9481 2019
E-MAIL: MAIL@MACKCO.COM.AU WEB: MACKCO.COM.AU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDORE MINING CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Eldore Mining Corporation Limited (the Company) and Controlled Entities (the Group), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. In addition to our audit report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Basis for Disclaimer of Auditor's Opinion

We have not obtained sufficient appropriate audit evidence in relation to the parent entity and its subsidiaries to enable us to gather all information and explanations we require in order to form an opinion on the consolidated financial report.

In addition to the above matters, the financial statements have been prepared on a going concern basis which assumes the commercial realisation of the future potential of the consolidated entity's assets, and discharge of its liabilities in the normal course of business. The directors have stated that there are reasonable grounds to believe that the consolidated entity is a going concern. As a result of the existence of the scope limitation described above, we were unable to assess whether the going concern basis of preparing the financial report is appropriate.

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation of scope of our work, as described in the preceding paragraphs, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the financial report of Eldore Mining Corporation Limited is in accordance with the Corporations Act 2001, including:


- (a) Giving a true and fair view of Eldore Mining Corporation Limited's financial position as at 30 June 2009 and of its performance for the year ended on that date, and
- (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Report on Other Legal and Regulatory Requirements

Due to the matters described in the Basis for Disclaimer of Auditor's Opinion paragraph, we have not been given all information, explanation and assistance necessary for the conduct of the audit to determine whether other legal and regulatory requirements have been complied with as required by the Corporations Act 2001 and other regulatory requirements as may be deemed appropriate.



 MACK & CO



 N A CALDER
 PARTNER
 WEST PERTH

DATE: 30TH SEPTEMBER 2009

For personal use only

STOCK EXCHANGE INFORMATION

HOLDINGS AS AT 24 SEPTEMBER 2009

Number of Securities Held	FULLY PAID SHARES No. of Holders	OPTIONS 31 December 2009 No. of Holders
1 to 1,000	2	-
1,001 to 5,000	6	-
5,001 to 10,000	38	-
10,001 to 100,000	120	43
100,001 and over	164	45
Total Number of Holders	<u>330</u>	<u>88</u>
Number of holders of less than a marketable parcel	124	
Percentage of the 20 largest holders	60.65%	85.16%

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

	Number
Rosepoint Nominees Pty Ltd	23,000,000

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

20 Largest Holders of Securities as at 24 September 2009:

Fully Paid Ordinary Shares

	No.	%
1. Rosepoint Nominees Pty Ltd	17,700,000	12.35
2. Chrome Corporation Limited	15,881,709	7.14
3. Alimold Pty Ltd	9,905,621	4.45
4. Goldney Pty Ltd	8,000,000	3.59
5. Bell Potter Nominees Ltd	6,519,274	2.93
6. Serge Justin Tegawende Nitjema	6,407,300	2.88
7. Martin Joachim Pawlitschek	6,407,300	2.88
8. Audace Ntungicimpaye	6,407,300	2.88
9. Oak Mountain Ltd	6,000,000	2.70
10. Waterox Pty Ltd	6,000,000	2.70
11. Sagacity Partners Pty Ltd	5,430,000	2.44
12. Margrave Holdings Pty Ltd	5,403,161	2.43
13. Lawnbet Pty Ltd	5,378,500	2.42
14. Ilanda Associates Limited	5,243,097	2.36
15. Ajava Holdings Pty Ltd	5,000,000	2.25
16. Mining Consultants Limited	4,570,000	2.05
17. HSBC Custody Nominees Pty Ltd	4,051,864	1.82
18. Sagacity Holdings (New Zealand) Pty Ltd	3,750,000	1.68
19. Azur Capital Group Limited	3,675,000	1.65
20. Ianaki Semerdziev	3,225,000	1.45
	<u>134,955,126</u>	<u>60.65</u>

Options 31 December 2009

		No.	%
1.	Rosepoint Nominees Pty Ltd	18,200,000	26.49
2.	Alimold Pty Ltd	6,950,000	10.12
3.	Waterox Pty Ltd	6,000,000	8.73
4.	Ajava Holdings Pty Ltd	5,000,000	7.28
5.	Bell Potter Nominees Ltd	3,000,000	4.37
6.	Larissa Belonogoff	2,150,000	3.13
7.	Tyche Investments Pty Ltd	2,000,000	2.91
8.	Thomas Booth	2,000,000	2.91
9.	Bonarc Pty Ltd	1,900,000	2.77
10.	Thomas Booth	1,500,000	2.18
11.	Jill Hampshire	1,400,000	2.04
12.	Fodemo Pty Ltd	1,300,000	1.89
13.	Troy Holmes Pty Ltd	1,050,000	1.53
14.	Scottish & Colonial Ltd	1,000,000	1.46
15.	Azur Capital Group Limited	1,000,000	1.46
16.	Ilanda Associates Limited	1,000,000	1.46
17.	Kim Terry	1,000,000	1.46
18.	Addenbrooke Pty Ltd	716,666	1.04
19.	Palla Nominees Pty Ltd	666,667	0.97
20.	Renford Consultants Limited	656,667	0.96
		58,490,000	85.16

Restricted Securities

There are no restricted securities or securities subject to voluntary escrow.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Mining Tenements

Burkina Faso (Birrimian Pty Ltd - 100%)

Exploration Permit	Name	Status	Area
351	Sirba	Granted	198 km ²
352	Fouli	Granted	248 km ²
353	Madyabari	Granted	232 km ²
TBA (code not issued)	Tantiabongou	Granted	120 km ²

For personal use only

For personal use only

For personal use only



SUITE B
150 HAY STREET
SUBIACO WA 6008

TEL: 08 9388 8436
FAX: 08 9388 8450