CHROME CORPORATION LIMITED
AND CONTROLLED ENTITIES

ABN 30 003 207 467

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

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CORPORATE DIRECTORY

Directors

Mr Peter COOK
(Non-Executive Chairman)
Mr Brian THOMAS
(Managing Director)
Mr Andrew WALLER
(Non Executive Director)
Mr David OSIKORE
(Non Executive Director)

Company Secretaries

Mr Andrew CHAPMAN
Mr Dennis LOVELL

Registered Office

Suite B, 150 Hay Street
Subiaco WA 6008
Telephone: +61 (0) 8 9388 8430
Facsimile: +61 (0) 8 9388 8450

Principal Place of Business

Suite B, 150 Hay Street
Subiaco WA 6008
Telephone: +61 (0) 8 9388 8430
Facsimile: +61 (0) 8 9388 8450
Website: www.chromecorp.com

Solicitors

Blakiston and Crabb
1202 Hay Street
West Perth WA 6005

Country of Incorporation

Australia

Auditors

BDO Kendalls Audit and Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008
Perth WA 6000
Telephone: +61 (0) 8 9360 4200
Facsimile: +61 (0) 8 9481 2524

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone: +61 (0) 8 9323 2000
Facsimile: +61 (0) 8 9323 2033

Home Exchange

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code: CCI

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders

It is my pleasure as your new Chairman to present you with the Chrome Corporation Limited ("CCI") Annual Report for the year ending 30 June 2009.

Although appointed subsequent to balance date, I have closely followed CCI as a shareholder during the year.

In the world that was CCI significant success, volatility and change has occurred, whilst in the larger economic environment in which we exist, the past year has been one of unprecedented financial, equity and metal market volatility.

The previously announced and approved sale of the Ruighoek Chrome Project to AMCOL International Corporation experienced delays in settlement and eventually a partial settlement was completed in February 2009. An option to acquire arrangement at the discretion of AMCOL and a deferred put option arrangement in favour of CCI has been established to enable a deferred completion of the sale without significant disadvantage or variation from the initially agreed sale price. CCI however have endured erosion in the expected final value due to strong appreciation in the Australian Dollar exchange rates and remains exposed to these fluctuations.

CCI is now well funded and it is my pleasure to steer the company to a new and exciting direction in the gold industry as an explorer and potential producer.

On 18 June 2009, CCI reached agreement to acquire all the assets of private gold explorer, Pacific Niugini Minerals Limited ("PNM"). This transaction was completed in September 2009.

PNM was established in 2006 to explore for gold and copper in Papua New Guinea and holds 5 exploration titles covering 3,961 square kilometres and is headed by a prominent PNG geologists, David Osikore, and chaired by Mr Bill Searson, a well established and well-regarded PNG geologist and public figure in the PNG resource and government sectors. As a result of the CCI shareholders approving the acquisition of PNM, David Osikore and myself have now joined the Board of Directors of the Company.

From a geological perspective, PNG sits on the Pacific "Rim of Fire" is highly regarded as having some of the most prospective geology for gold and porphyry copper-gold mineralisation in the world. I look forward to the ensuing year as our exploration and development aspirations in PNG unfold.

On behalf of the Board I would like to thank our staff, internal and external stakeholders and our shareholders for their patience and continued belief in the company.

Yours faithfully

Peter Cook
Chairman

REVIEW OF OPERATIONS

CORPORATE

Chrome Corporation Limited ("Company or CCI") proceeded with the previously approved sale of the Ruighoek Chrome Project to New York Stock Exchange listed AMCOL (NYS:ACO) for US$26.4m (AUD41 million at the time).

The fluctuations in exchange rates and re-structured settlements dates are such that the headline sale price for the Ruighoek Chrome Project is no longer valid. The following table reconciles the expected proceeds and sale price for shareholders and includes cost of sales and other outgoings to arrive at a net sale outcome for the Company:

Sale Tranche	US$ Price	USD:AUD	A$ Price
Stage 1 - Sale of 53%	14,000,000	0.6438	21,745,883
Repayment of US$6m Loan	(6,000,000)	0.6438	(9,319,664)
BEE Acquisition Costs	(1,008,463)	0.6438	(1,566,423)
Withholding Taxes & Fees	(2,518,171)	0.6438	(3,911,418)
Year 1 – Option Fees US$75k/m	900,000	0.8000*	1,125,000
Year 2 – Option Fees US$150k/m	1,800,000	0.9000*	2,000,000
Stage 2 – Sale of 47%	12,395,800	0.9000*	13,773,111
Withholding Taxes & Fees	(929,685)	0.9000*	(1,032,983)
Put Option Fees	(300,000)	0.9000*	(333,333)
Total Sale Proceeds	18,343,681		22,480,174

* forecast estimate of exchange rate

Share Issues

CCI completed the following placements during the year to generate funds for working capital whilst waiting for completion of the sale of the Ruighoek Chrome Project to AMCOL. These were:

1. September 2008 - 1,900,001 shares at A$0.11 per share together with 1,900,001 free attaching listed options (exercise price of $0.30, expiring 30 September 2011) to raise A$209,000 before costs.
2. November 2008 - 17,734,744 ordinary fully paid shares at an issue price of $0.06 per share together with 17,734,744 free attaching listed options (exercise price of $0.30, expiring 30 September 2011) to raise $1.06m before costs.

Unmarketable Parcel Sale ("UMP")

CCI completed a review of its capital structure which determined that it had 2,242 shareholders, 1,611 of whom did not hold marketable parcels of shares of $500. An UMP process was completed on July 17, 2009 to enable small holders to dispose of their shares for no brokerage cost.

A total of 1,103 shareholders holding unmarketable parcels of shares totalling 982,454 shares participated in the process. Those shares were sold on market and the proceeds distributed to the shareholder involved. All costs associated with the disposal of these shares were borne by the Company. The outcome is that shareholders who participated in the sale will receive 7.132 cents per share.

Investment Strategy

Following the Stage 1 Settlement of the AMCOL purchase of the Ruighoek Project, the Company agreed on an investment strategy going forward for whatever surplus funds were available. It was agreed that the Company would pursue a diversified strategy of investing approximately one third of the funds in three investment categories, namely:

1. Bank Deposits;
2. Listed Equities;
3. Corporate bond or convertible note issues with a premium coupon rate and access to equity upside.

The Bank Deposits were continued with the Company's current Bankers, accounts were established with several stockbrokers and contacts were made with a private asset manager to access investment opportunities.

REVIEW OF OPERATIONS (cont)

OPERATIONS

Ruighoek Chrome Project –South Africa

Divestment Process

Chrome Corporation Limited ("Company or CCI") proceeded with the previously approved sale of the Ruighoek Chrome Project to New York Stock Exchange listed AMCOL (NYS:ACO)for US$26.4m (AUD$41 million at the time).

Settlement was deferred due to a number of delays in gaining consents and approvals in South Africa, namely the Competition Commission, the Minister of Minerals and Energy and the Reserve Bank Exchange Control Department.

During the period that CCI and AMCOL were pursuing the above approvals, the meltdown in the international financial and capital markets caused by the global financial crisis resulted in the purchaser's previously approved bank financing arrangements for the funding of the transaction to change significantly. A good faith renegotiation occurred with the sale agreement amended to the following key amendments to the terms of the agreement announced on 23 February 2009 were:

1. AMCOL to purchase 53% of Bonmerci for consideration of US$14 million ("Stage 1 Completion");
2. CCI to repay outstanding US$6 million loan to AMCOL upon Stage 1 Completion;
3. AMCOL be granted a call option to purchase the remaining 47% equity in Bonmerci from CCI for US$12.4 million exercisable at any time for a period of 24 months (the purchase by AMCOL of the remaining 47% equity in Bonmerci from CCI, whether by call option or put option, to be referred to as ("Stage 2 Completion");
4. CCI to be paid a monthly option fee of US$75,000/month for the first 12 months and US$150,000/month for the second 12 months;
5. CCI to be granted a put option to sell the remaining 47% equity in Bonmerci to AMCOL for US$12.4 million for a one off fee of US$300,000, which fee is only payable if the put option is exercised by CCI;
6. Stage 1 Completion and Stage 2 Completion are not conditional on any further approvals.

On 26 February 2009 CCI announced that Stage 1 Completion had occurred. The outstanding US$6 million loan to AMCOL was repaid and provision was made for payment of the 7.5% Withholding Tax due to the South African Revenue Service for the assessable capital gain on the settled part of the transaction.

Following Stage 1 Completion, AMCOL and their South African partners took full operational control of the Ruighoek Chrome Project and continued the open cut mining of chrome ore from the LG6 and LG6A chrome seams commenced in October 2008.

Black Economic Empowerment ("BEE")

In November 2008 CCI through it's 100% owned subsidiary, Bonmerci Investments 103 (Pty) Ltd, signed a Heads of Agreement with Blue Horison Investments 1 (Pty) Ltd, a wholly owned subsidiary of Aka Resources Holdings (Pty) Ltd, for the conditional sale of their 26% BEE shareholding in Batlhako Mining Limited. The agreement allowed Batlhako to engage a Black Economic Empowerment partner better aligned with the emerging Broad Based Black Economic Empowerment guidelines of increased participation by local communities and landowners in resource projects.

On 25 March 2009 CCI announced that final settlement of the sale of a 26% shareholding in Batlhako had occurred. The shares were purchased by Bonmerci for ZAR30m plus forgiveness of the outstanding ZAR9.5m owed by Aka Resources from the original share purchase by Aka Resources of the Batlhako shares for ZAR10m.

Operations

With the Mining Right for open cut chrome mining at Ruighoek Chrome Project granted in June 2008, AMCOL notified CCI in October 2008 of their wish to commence mining operations as had been previously agreed whereby with settlement imminent, AMCOL could fund Batlhako Mining Limited to commence operations at Ruighoek. At settlement CCI was reimbursed for all of these outgoings with the exception of the capital required to complete the Waste Treatment Plant at the Ruighoek Mine Site.

REVIEW OF OPERATIONS (cont)

Volclay South Africa (Pty) Ltd, a company jointly owned by AMCOL and their South African partner, Niemcor Africa (Pty) Ltd, commenced the open cut mining operations in October 2008 on the LG6 and LG6A chrome seams using Benhaus, a local chrome mining contracting specialist. During the December quarter 25,188 tonnes of chrome ore was removed from site with a further 60,000 tonnes mined in the March quarter and 46,000 tonnes mined up to 30 June for a total of 125,188 tonnes for the 2008/2009 year.

AMCOL have recently announced their intention to have a new processing plant on site at Ruighoek commissioned by April next year

Ruighoek Resource Statement (February 2008)					
	Seam	Category	Tonnes	Cr_2O_3%	Cr:Fe Ratio
Open Cut	LG6	Indicated	812,300	43.21	1.54
		Inferred	413,370	37.97	1.43
	LG6A	Inferred	82,700	34.65	1.41
Total Open Cut			1,308,370	41.01	1.50
Underground	LG6	Inferred	11,500,000	43.95	1.55

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Mr Brian Thomas BSc, MBA, SAFin, MAusIMM, MAICD and Mr Brad Knell BSc (Hons) (Geology), GDE (Mining), Pr. Sci. Nat, MSAIMM. Mr Brian Thomas is a full time employee of Chrome Corporation Limited. Mr Brad Knell is not a full time employee of the Company and is a Principal of geological and geotechnical consultants, Lefatshe Solutions cc. Each of Mr Thomas and Mr Knell have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to duly qualify as a Competent Person as defined in the 2004 Edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Each of Mr Thomas and Mr Knell consent to the inclusion in the report of the matters based upon their information in the form and context to which it appears.

Pacific Niugini Minerals Limited

CCI announced on 18 June 2009 the intention to acquire all the capital in unlisted PNG gold explorer, Pacific Nuigini Minerals Ltd ("PNM"). PNM is an unlisted public company established in 2006 to explore for gold and copper in Papua New Guinea. The Company's 100% owned PNG subsidiary Pacific Nuigini Minerals (PNG) Ltd which holds 5 exploration titles covering 3,961 square kilometres in Papua New Guinea is headed by prominent PNG geologist, David Osikore, and chaired by Mr Bill Searson, a well established and well-regarded public figure in the PNG resource and government sectors.

Following completion of due diligence and receiving shareholder approval on 31 August 2009, CCI issued to PNM shareholders two (2) fully paid CCI shares for every one (1) PNM share and to PNM option holders one (1) option to acquire a CCI share at a price of 20 cents expiring on 30 June 2014. On completion of the transaction two nominees of PNM, Mr Peter Cook and Mr David Osikore were appointed to the board of CCI.

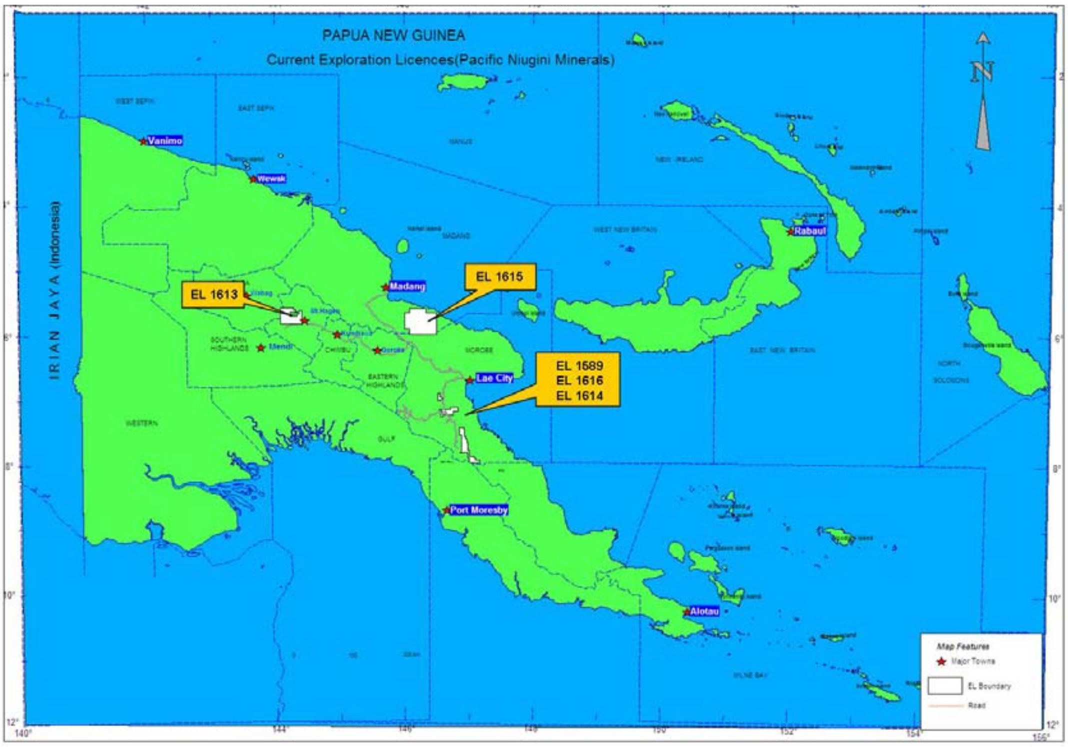
CCI considers that these quality assets in such a prospective location as PNG, represents a significant opportunity for an advanced investment in the gold industry. PNM is owned and managed by highly regarded technical people based in PNG with substantial on–ground presence. In addition the owners also include the founders of Abelle Limited who in recent years brought the Wafi, Golpu and Hidden Valley Projects back to prominence, before being taken over by Harmony Gold. Most importantly, PNM is headed by well-regarded local Papua New Guinean identities in the resources and government sectors, Bill Searson and David Osikore both of whom have considerable experience in dealing with all levels of PNG business, government, landowner communities and government agencies.

Assets of Pacific Niugini Minerals Ltd.

PNM's tenements are located in three provinces of Papua New Guinea. EL1589, EL1614 and EL1616 are located in Morobe Province. EL1613 and EL1615 are located in Western Highlands and Madang provinces. All tenements are situated inland, with elevations ranging from 600m – 2700m above sea level. Topography is mostly extreme, covered by dense tropical rainforests. Rainfall is high (2 - 3m) for the most part of the year.

Papua New Guinea laws recognise the rights of local landowners. PNM has established working relationship with the Mineral Resource Authority (MRA), Provincial Governments, local business entities and key local level government officers and landowner/community leaders.

REVIEW OF OPERATIONS (cont)



Morobe Province Exploration Titles

The Morobe Province, and in particular the gold towns of Wau and Bulolo are where PNG's rich mineral history began in the 1920's. A gold boom of many small alluvial miners soon gave way to commercial scale dredging, the most significant being the Bulolo Alluvial Field which in the 1930's was one of the most prolific gold producers in the world.

Famous as the birthplace of Placer Dome, one of the world's foremost gold miners and the most successful in PNG, the recorded production from alluvial dredging is estimated at 413.7 Million Tonnes at a recovered 0.16g/t Gold for the production of over 2.15 million ounces.

Modern day exploration and mining at Gold Ridges by Renison, the discovery of Hidden Valley and Wafi by CRA and other owners of recent times have rapidly pushed the Morobe Goldfields to prominence. Under a newly formed joint venture between Harmony Gold and Newcrest, the Hidden Valley Gold-Silver Mine is being developed. The nearby Wafi Gold and Golpu Porphyry Copper-Gold deposits are massive and world-class deposits in their own right and are undergoing mine development studies.

PNM has a significant land position within this province with three titles covering 935.76 square kilometres. These are:

EL 1616 – Bulolo (271.2 sq. km)

This tenement covers the vast bulk of gold production from within the Morobe Province which has come from gold dreging of the Bulolo Gravel Flats between 1939 and 1973, although significantly interrupted during World War II. EL1616 contains the best of the historically productive Bulolo gravel flats. Gold production from these gravel flats totalled 2.15 million ounces from the processing of 413.7 million tonnes of gravel at a recovered grade of 0.16g/t Gold.

A review of previous dredging operations has indicated that they may have terminated on a "false bottom" of a volcanic ash. The same review also indicated that the parts of gravel flat were not dredged and dredging did not on many occasions ever reach full gravel depth. This suggests good potential for further bulk-tonnage alluvial gold resources with a number of gravel deposits away from main area of dredging operation still remain to be dredged.

REVIEW OF OPERATIONS (cont)

Although the main historic focus within this tenement is alluvial gravel mining for gold, there has been other sporadic exploration works completed within the tenement by Bulolo Development Company, CRAE, and the PNG Geological Surveys for primary ore sources. Target metals of past explorers were mainly gold and copper. The tenements however lack detailed exploration by techniques and analytical standards.

PNM intends to investigate the feasibility of commencing small scale alluvial testing in the area whilst conducting the hard rock exploration with the view to generating drill targets for the next year. Should the alluvial testing prove the feasibility of alluvial gold mining, PNM will move quickly to establish commercial scale operations at Bulolo.

EL 1589 – Zenag (64.4sq km)

EL1589 is located 65 kilometres southwest of Lae City and 12 kilometres southeast of Wafi/Golpu epithermal gold and porphyry copper-gold deposit. Works completed in EL1589 and surrounding titles owned by others have revealed wide-spread elevated gold in creeks with best historical gold results were: 99.3 g/t Au, 14.6 g/t Au & 4.64 g/t Au.

PNM considers EL1589 very prospective for gold and porphyry copper–gold deposits. Sporadic stream sediment sampling and aeromagnetic survey data by previous companies suggested potential for structurally controlled epithermal gold and large porphyry copper-gold mineralisation systems. A magnetic high at the central western portion of the tenement suggests underlying intrusive magnetic body. This magnetic body was recently mapped and sampled by Harmony Gold immediately west of the EL1589 boundary. Harmony reported best surface trenching results of 15m @ 24 g/t Au and 1.44% Cu.

PNM intends to commence preparation of drilling infrastructure to allow the full drill testing of this highly prospective target.

EL 1614 – Garaina (600.16 sq. km)

EL1614 is in Morobe Province, Papua New Guinea. The tenement is 110km southeast of Lae and 50km southeast of Wau Town. EL1614 has had limited modern day exploration with parts of the current EL1614 area investigated by Bureau of Mineral Resource (BMR) in the 1950's. In the more recent times, Highland Gold Limited explored for nickel and gold in the late 1980s at area to northeast of Garaina Station. Nickel, gold and copper occurrences were reported in the past. PNM believes the area has potential for discovery of gold, copper and nickel laterite deposits.

The area is largely unexplored using modern exploration techniques and therefore will require modern day exploration techniques (airborne geophysics or remote sensing techniques) to quickly develop exploration targets.

Madang Province

EL 1615 – Gusap

EL1615 is located in Madang Province, covering 2,171 square kilometres of Finisterre Ranges east of Gusap. The Finisterre Ranges runs parallel to the Ramu – Markham Fault Zone. EL1615 is situated 50km southeast of Madang Town and about 150km northwest of Lae.

Porphyry style copper and gold mineralisation was reported in rock chip (float & outcrop) from head waters of Gusap, Buru and Lalam Rivers. At the headwaters of Gusap and Buru (approximate location) a massive chalcopyrite float returned 17% copper and 0.40 g/t gold. A gossan outcrop near Wangeto along the Lalam River reported 0.66% copper.

The Finisterre Ranges remain largely under explored since the early 1980's. The copper-gold mineralisation although known for some time did not attract further investigation largely because most Companies had a view the Finisterre Ranges were geologically less prospective based on the documented geology.

Large porphyry, epithermal gold and nickel deposit were discovered at Yandera (Marengo) Kainantu (Barrick) and Ramu (MMC) about 20km, 95km and 90km to the southwest, and west respectively of EL1615. PNM considers the area to have excellent potential for discovery of economic porphyry copper – gold and skarn deposit.

REVIEW OF OPERATIONS (cont)

Western Highlands Province

EL 1613 – Mt Hagen

EL1613 is located near Papua New Guinea's third largest city, Mt Hagen City, in the Western Highlands Province. An excellent road network exists with infrastructures and others services easily accessible from Mt Hagen. The EL covers prospective areas of the northwest-southeast striking mineralised Bismarck Fault Zone corridor which hosts numerous copper gold and other base-metal occurrences including the copper molybdenum Yandera deposit (127MT @0.7% copper) which is being progressed to Prefeasibility Study and Simbai gold deposits are located on the Bismarck and the Bundi Fault Zones. The Kuta epithermal gold and base metal prospect is located immediately south of EL1613.

PNM believes the area is highly prospective for structurally controlled copper and gold deposits.

The information in this report that relates to the Exploration Results for Pacific Niugini Minerals Ltd is based upon information compiled by Mr Peter Cook (BSc(Applied Geology)), MSc Min Econ, M.AusIMM.. Mr Cook is a consultant to Pacific Niugini Minerals (PNG) Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to duly qualify as a Competent Person as defined in the 2004 Edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cook consents to the inclusion in the report of the matters based upon their information in the form and context to which it appears.

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2009.

DIRECTORS

The names of the directors in office and at any time during, or since the end of, the year are as follows. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr Peter Cook (Appointed 31 August 2009) BSc Applied Geol, MSc (Min Econ), MAusIMM

Mr Cook is a Geologist and Mineral Economist and is the current Non-Executive Chairman and former Managing Director of Metals X Ltd. In the past decade he has been the Managing Director of Hill 50 Ltd, Harmony Gold Australia Pty Ltd, Abelle Ltd and Bluestone Tin Ltd.

He is currently a Non-Executive Director of Aragon Resources Ltd, Metals X Ltd and Westgold Resources Ltd.

Mr Brian Thomas BSc, MBA, SAFin, MAusIMM, MAICD

Mr Thomas is a geologist with 20 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. This knowledge is complemented with 12 years in the Australian financial services sector working in corporate stock broking, investment banking, funds management and an Australian commercial bank before joining Chrome Corporation.

Currently Mr Thomas is a non-executive director of Aragon Resources Limited and White Cliff Nickel Limited. In the past three years he has also been a director of Namibian Copper NL.

Mr Andrew Waller

Mr Andrew Waller has extensive public company experience, particularly in the area of capital raising and business development with a background in technology development/manufacturing, property development and resources.

Currently Mr Waller is a Director of ElDore Mining Corporation Limited.

In the past three years he has also been a director of Nuenco NL and Acclaim Exploration NL.

Mr David Osikore (Appointed 31 August 2009) BSc

Mr Osikore BSc is a Geologist and has extensive exploration experience working for groups such as Bougainville Copper Limited, Placer Dome, Ingold (a subsidiary of INCO) and Renison Goldfields. In recent times he has been a Senior Geologist with Aurora Gold Limited, the Exploration Manager for Abelle Ltd responsible for their Wafi and Hidden Valley Projects and he was appointed the PNG Exploration Manager for Harmony Gold after their take-over of Abelle Ltd. David has considerable experience in dealing with all levels of PNG business, government, landowner communities and government agencies.

Mr Osikore has not held any other public company directorships in the past three years.

Mr Richard Linnell (Resigned 1 September 2009) BSc (Hons)

Mr Linnell has been active in the resources sector for over thirty years and has significant global experience in the development and marketing of resources and commodities. In his early career he was involved in the establishment of the Delta Manganese Project (now Manganese Metal Company) and the Murray & Roberts Industrial Corporation, the industrial holding company of the Murray and Roberts Construction Group. Mr Linnell's other positions have included marketing manager for the Stainless Steel division of Middelburg Steel & Alloys and general manager of the Manganese Division of Samancor, a joint venture between Billiton Plc and the Anglo American Corporation. In 1997 Mr Linnell became responsible for Billiton Plc's exploration and development activities throughout Africa. Whilst at Billiton Plc, Mr Linnell was an originator of the Bakubung Initiative, a forum designed to revive the South African mining industry and which led to the establishment of the Eskom Council. Mr Linnell is currently Non-Executive Chairman of Coal of Africa Ltd and a Non-Executive Director of GRD Limited.

Currently Mr. Linnell is a Director of Coal of Africa Ltd and GRD Ltd. In the past 3 years he has been a director of Resource and Investment NL.

COMPANY SECRETARIES

Mr Andrew Chapman CA, F Fin

Mr Chapman is a chartered accountant with over 15 years experience with publicly listed companies operating in the resources and technology sectors, where he has held positions as Company Secretary and Chief Financial Officer and has experience in the areas of corporate acquisitions, divestments and capital raisings. Mr Chapman is an associate member of the Institute of Chartered Accountants (ICAA) and is a fellow of the Financial Services Institute of Australia (F Fin) and is the Company Secretary for two other listed resources companies.

Mr Dennis Lovell (appointed 31 August 2009) CA

Mr Lovell is a Chartered Accountant with more than 40 years experience in corporate financial management in a range of industries including mineral exploration, mining, manufacturing and wholesale and retail operations in Australia and overseas. He has consulted to a number of ASX listing and capital raising projects and has acted as company secretary and financial director to a number of public listed companies.

PRINCIPAL ACTIVITIES

The principal activities of the economic entity during the financial year consisted of the development of the Chromite Ore assets in South Africa.

During the financial year the Company completed part settlement of the sale of 53% of the Ruighoek Chrome Project to AMCOL International Corporation.

OPERATING RESULTS

The consolidated profit of the economic entity for the financial year after providing for income tax amounted to $4,336,363 (2008: loss of $3,552,797).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2009, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

EMPLOYEES

The consolidated entity had 2 employees (including Directors and officers) as at 30 June 2009 (2008: 2)

REVIEW OF OPERATIONS

A full review of the operations of the consolidated entity during the year ended 30 June 2009 is included on pages 3 to 8.

FINANCIAL POSITION

The net assets of the economic entity have increased by $5,650,826 from $3,829,394 at 30 June 2008 to $9,480,220 in 2009. This increase has largely resulted from the following factors:

- The proceeds received on the sale of 53% of the Ruighoek Chrome Project.
- The repayment of the AMCOL loan during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year other than as disclosed in this report or the consolidated financial statements.

AFTER BALANCE DATE EVENTS

On 19 June 2009 the Company announced that it would acquire Pacific Nuigini Minerals Ltd ("PNM"), a Papua New Guinea based exploration company with almost 4,000 sq km of highly prospective ground covering significant exploration projects in the Morobe, Western Highlands and Madang Provinces of PNG.

On 31 August 2009 the Company's shareholders approved the acquisition of PNM with the consideration being the issue of 35,900,200 ordinary fully paid shares and 17,950,100 unlisted options with an exercise price of $0.20 each expiring 30 June 2014 to the PNM shareholders.

Upon settlement of the acquisition two nominees from PNM have been appointed to the Chrome board being Mr David Osikore and Mr Peter Cook, with Mr Cook being appointed Chairman. Mr Richard Linnell resigned as the Company's Chairman on 1 September 2009.

There is no other matter or circumstance that has arisen since the end of the financial year to the date of this report, which has 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.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Further information on likely developments and the expected results are not included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The economic entity's operations are subject to significant environmental regulations under the laws of the Republic of South Africa. These issues are dealt with by the Managing Director of Batlhako Mining Ltd and the economic entity is not aware of any matter that requires disclosure with respect to any significant environmental regulation in respect of its activities.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period 1 July 2008 to 30 June 2009 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each director and executive of Chrome Corporation Limited.

(A) Principles used to determine the nature and amount of remuneration (Audited)

Remuneration Policy

The remuneration policy of Chrome Corporation Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The Board of Chrome Corporation Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

During the year ended 30 June 2009, the economic entity did not have a separately established nomination or remuneration committee. Considering the size of the economic entity, the number of directors and the economic entity's early stages of its development, the Board are of the view that these functions could be efficiently performed with full Board participation.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board. The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive 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 fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. The Directors are not required to hold any shares in the Company under the Constitution of the Company, however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Managing Director and Executive Remuneration Structure

Based on the current stage in the Company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is share price performance over the review period. At present, remuneration is not impacted solely by the Company's share price performance, including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders) but also other mitigating factors such as the sale of the Company's Ruighoek Project.

Individual and Company operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of Executives and the need to be flexible and multi-tasked, as the Company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.

Remuneration consists of the following key elements:
Fixed remuneration; and
Variable remuneration
Short term incentives (STI); and
Long term incentives (LTI).

The proportion of fixed remuneration and variable remuneration is established for each executive by the Board.

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 industry and external advice. Executives receive their fixed remuneration in cash.

Executive directors can be employed by the Company on a consultancy basis, on board approval, with remuneration and terms stipulated in individual consultancy agreements.

Variable Remuneration – Short Term Incentive (STI)

The objective of the STI is to link the increase in shareholder value over the year with the remuneration received by the Executives charged with achieving that increase. The total potential STI available is set at a level so as to provide sufficient incentive to the Executives to achieve the performance goals and such that the cost to the Company is reasonable in the circumstances.

Annual STI payments granted to each executive depend on their performance over the preceding year and are based on recommendations from the Managing Director following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of annual STI payments available for Executives across the Company is subject to the approval of the Board. Payments are usually delivered as a cash bonus. During the financial year there was a total STI payment of $1,175,000 to directors and staff linked directly to the sale of the Company's investment in the Ruighoek Chrome Project. This was approved by the Board on 26 February 2009 and was not based on any set criteria but rather an agreed amount.

Variable Remuneration – Long Term Incentive (LTI)

The objective of the LTI plan 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 level of LTI granted is, in turn, dependent on the seniority of the Executive and the responsibilities the Executive assumes in the Company and is granted at the discretion of the Board.

LTI grants to Executives are delivered in the form of share options. These options are issued at an exercise price determined by the Board at the time of issue. They are issued to align the directors interests with that of the shareholders. The Company does not have a formal employee Share Option Plan.

(B) Remuneration of Directors and Executives (Audited)

Details of the remuneration of directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Company and the Group are set out in the following tables.

The key management personnel of the Company and the Group include the directors and the following executive officers who have or did have authority and responsibility for planning, directing and controlling the activities of the entity:

- Trevor Gillard – Managing Director Batlhako Mining Ltd
- Andrew Chapman - Company Secretary and Chief Financial Officer

2009	Short Term				Post Employment	Share Based Payments		
	Cash Salary & Fees	Cash Bonus	Non-Cash Benefits	Consultancy Agreement	Superannuation Contribution	Options	Total	% Performance Related
Directors	$	$	$	$	$	$	$	
Richard Linnell	60,000	-	-	-	-	-	60,000	-
Brian Thomas	300,000	950,000	31,136	-	27,000	-	1,308,136	72.62
Andrew Waller	-	-	-	180,340	-	-	180,340	-
Total	360,000	950,000	31,136	180,340	27,000	-	1,548,476	
Executives								
Andrew Chapman	76,578	25,000	-	-	-	-	101,578	24.61%
Trevor Gillard*	201,981	165,028	-	7,500	22,286	-	396,795	41.59%
Total	278,559	190,028	-	7,500	22,286	-	498,373	

*Mr Gillard resigned effective 31 May 2009

2008	Short Term				Post Employment	Share Based Payments		
	Cash Salary & Fees	Cash Bonus	Non-Cash Benefits	Consultancy Agreement	Superannuation Contribution	Options	Total	% Performance Related
Directors	$	$	$	$	$	$	$	
Richard Linnell	60,000	-	-	-	-	140,000	200,000	-
Brian Thomas	300,000	-	-	-	27,000	140,000	467,000	-
Andrew Waller	-	-	-	209,885	-	140,000	349,885	-
Total	360,000	-	-	209,885	27,000	420,000	1,016,885	-
Executives								
Andrew Chapman	71,886	-	-	-	-	-	71,886	-
Trevor Gillard	165,801	-	-	-	17,021	-	182,822	-
Total	237,687	-	-	-	17,021	-	254,708	-

(C) Compensation options to Directors – Granted and vested during the year (Audited)

There were no options granted or vested during the current financial year.

During the 2007/08 financial year listed options were granted as equity compensation benefits to the Directors as disclosed below. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at various exercise prices with various expiry dates. The options vested immediately and were issued to encourage directors to generate future shareholder wealth.

2009	Granted and Vested Number	Terms and Conditions of Each Grant				
		Grant Date	Value per Option at Grant Date $	Exercise Price $	First Exercise Date	Last Exercise Date
Directors						
Richard Linnell	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
Brian Thomas	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
Andrew Waller	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
TOTAL	15,000,000					

(D) Values of Options Granted as Part of Remuneration (Audited)

There were no options granted or exercised during the 2009 financial year.

	% of remuneration as options	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Total value of options granted, exercised & lapsed during the year
2008					
Directors					
Richard Linnell	70%	140,000	-	-	140,000
Brian Thomas	29%	140,000	-	-	140,000
Andrew Waller	40%	140,000	-	-	140,000

There were no alterations to terms and conditions of options granted as remuneration since their grant date.

The maximum grant value, which will be payable assuming that all service and performance criteria are met, is equal to the number of options granted multiplied by the fair value at grant date. The minimum payable assuming that service and performance conditions are not met is zero.

(a) The value of options granted in the year is the market value of the listed options at grant date. The total value of the options granted is included in the table above.

(b) The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

(c) The value of the options that lapsed during the year represents the benefit forgone and is calculated at the date the option lapsed based on market value. No options lapsed in the year.

(E) Analysis of options and rights over equity instruments granted as compensation (Audited)

Details of vesting profiles of the options granted as remuneration to each key management person to the Group and each of the specified Company executives and Group executives are detailed below:-

	Options Granted		% vested in year	% forfeited in year (A)	Financial years in which grant vests
Directors	Number	Date			
Richard Linnell	5,000,000	6.12.07	100%	-%	2007/08
Brian Thomas	5,000,000	6.12.07	100%	-%	2007/08
Andrew Waller	5,000,000	6.12.07	100%	-%	2007/08

(A) The % forfeited in the year represents the reduction from the maximum number of options available to vest due to the highest level performance criteria not being achieved.

The Company does not have a policy to prohibit executives from entering into arrangements to protect the value of unvested options awarded.

(F) Employment Contracts of Directors and Senior Executives (Audited)

Remuneration and other terms of employment for the Managing Director (Mr Brian Thomas) are formalised in an employment agreement. Major provisions of the agreement relating to remuneration are set out below.

Mr Brian Thomas, Managing Director

- Term of Agreement – Employment Agreement. Indefinite until terminated by either party in accordance with provisions set out in the employment agreement
- Remuneration $300,000 per annum plus superannuation and expenses
- 3 month termination clause

Should the Company decide to terminate the Managing Director in lieu of notice it will pay 6 months of the Managing Director's Salary Package at the time at which notice is given in which event the Managing Director's employment will cease immediately upon receipt by him of such payment.

Mr Andrew Waller, Director

Mr Waller has no formal agreement between himself and the Company. He is paid a monthly fee of €8,000 per month for services rendered to the Company on an indefinite basis.

Directors' Interests in Shares and Options of the Company

Particulars relating to:

- Shares in Chrome or in a body corporate that is related to Chrome in which a Director has a relevant interest and the nature and extent of that interest; and
- Relevant interests held in equity securities and other securities with rights of conversion to equity in Chrome at the date of this report are:

2009		Options Over Ordinary Shares	
	Ordinary Shares	30/09/09 Exercisable at 40 cents	30/06/14 Exercisable at 20 cents
Richard Linnell (resigned 1 September 2009)	-	5,000,000	-
Brian Thomas	250,000	5,000,000	-
Andrew Waller	5,322,070	6,640,000	-
Peter Cook (appointed 31 August 2009)	14,713,838	-	5,000,000
David Osikore (appointed 31 August 2009)	6,000,000	-	3,000,000

2008		Options Over Ordinary Shares
	Ordinary Shares	30/09/09 Exercisable at 40 cents
Richard Linnell	-	5,000,000
Brian Thomas	-	5,558,418
Andrew Waller	4,560,000	6,640,000

The material contracts involving Directors' interests during the financial year and up to the date of the Directors' Report are disclosed in Note 7 of the financial statements and elsewhere in the Chrome 2009 Annual Report.

MEETINGS OF DIRECTORS

During the financial year meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings	
Director	Attended	Held
Mr R Linnell	7	10
Mr B Thomas	10	10
Mr A Waller	10	10

INDEMNIFYING OFFICERS OR AUDITOR

During the financial year the Company has paid premiums to insure the Directors against certain liabilities arising out of their conduct while acting as an officer of the Company. The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. Under the terms and conditions of the insurance contract the premium paid cannot be disclosed.

OPTIONS

At the date of this report, the unissued ordinary shares of Chrome Corporation Ltd under option are as follows:

Date of options granted	Expiry Date	Exercise Price	Number of Options
28/09/2006	30/09/2009	$0.40	67,106,759
06/12/2007	30/09/2009	$0.40	15,000,000
01/10/2008	30/09/2011	$0.30	1,900,000
01/09/2009	30/09/2011	$0.30	21,819,744
01/09/2009	30/06/2014	$0.20	17,950,100
			123,776,603

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Chrome Corporation Ltd support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is contained in the Corporate Governance section of the Financial Report.

DIRECTORS' REPORT (cont)

NON-AUDIT SERVICES

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

Taxation Services: $14,717

The auditor's independence declaration for the year ended 30 June 2009 is on page 19. This declaration forms part of this directors' report.

Signed in accordance with a resolution of the Board of Directors.

Mr B Thomas
Managing Director

Dated 14 October 2009

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008
PO Box 700 West Perth WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

14 October 2009

Chrome Corporation Limited
Suite B,150 Hay Street
SUBIACO WA 6008

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD McVEIGH TO THE DIRECTORS OF CHROME CORPORATION LIMITED

As lead auditor of Chrome Corporation Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Chrome Corporation Limited and the entities it controlled during the period.

B. McVeigh

BG McVeigh
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Continuing Operations					
Revenue	4(a)	532,940	111,458	517,396	111,458
Other income	4(b)	-	167,073	-	715,374
Finance costs	5(a)	(125,000)	(392,233)	(125,000)	(392,233)
Depreciation		(7,162)	(6,198)	(7,162)	(6,198)
Employee benefits expense		(404,245)	(775,881)	(404,245)	(775,881)
Directors fees		(240,340)	(269,885)	(240,340)	(269,885)
Foreign exchange losses		(3,059,020)	-	(3,059,020)	-
Other expenses	5(b)	(2,124,493)	(1,403,336)	(1,848,469)	(1,402,337)
Share of loss of equity accounted associate	13	(778,496)	-	-	-
(Loss) from continuing operations before income tax		(6,205,816)	(2,569,002)	(5,166,840)	(2,019,702)
Income tax expense	6	-	-	-	-
(Loss) from continuing operations for the year		(6,205,816)	(2,569,002)	(5,166,840)	(2,019,702)
Profit/(Loss) from discontinued operations before income tax	24	11,958,916	(983,795)	6,672,714	154,542
Income tax expense	6	(1,416,737)	-	-	-
Profit/(Loss) from discontinued operations after income tax		10,542,179	-	-	-
Profit/(Loss) attributable to minority equity interest		-	-	-	-
Profit/(Loss) attributable to members of the parent entity		4,336,363	(3,552,797)	1,505,874	(1,865,160)
Continuing Operations					
Basic profit/(loss) per share (cents per share)	9	(3.94)	(1.81)		
Diluted profit/(loss)loss per share (cents per share)	9	N/A	N/A		
Earnings per Share					
Basic profit/(loss) per share (cents per share)	9	2.76	(2.50)		
Diluted profit/(loss) per share (cents per share)	9	2.76	N/A		

The accompanying notes form part of these financial statements.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

BALANCE SHEETS
AS AT 30 JUNE 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10(a)	3,072,044	419,873	3,045,414	419,873
Trade and other receivables	11	2,012,813	12,571	2,013,353	9,639,830
Prepayments		-	5,786	-	5,786
Financial assets	12	413,858	-	413,858	-
Assets classified as held for sale	24	-	10,377,428	-	-
TOTAL CURRENT ASSETS		5,498,715	10,815,658	5,472,625	10,065,489
NON-CURRENT ASSETS					
Other receivables	11	1,744,220	-	1,230,766	-
Financial assets	12	-	-	3,498,920	3,498,920
Property, plant and equipment	15	38,430	43,299	38,430	43,299
Investment in equity accounted investee	13	2,215,068	-	-	-
Deferred exploration & evaluation	16	171,939	-	171,939	-
TOTAL NON-CURRENT ASSETS		4,169,657	43,299	4,940,055	3,542,219
		9,668,372	10,858,957	10,412,680	13,607,708
CURRENT LIABILITIES					
Trade and other payables	17	121,170	81,515	121,170	81,515
Provisions	18	66,982	50,120	66,982	50,120
Borrowings	19	-	6,246,600	-	6,246,600
Liabilities classified as held for sale	24	-	651,328	-	-
TOTAL CURRENT LIABILITIES		188,152	7,029,563	188,152	6,378,235
NON-CURRENT LIABILITIES					
Provisions	18	-	-	-	-
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		188,152	7,029,563	188,152	6,378,235
NET ASSETS		9,480,220	3,829,394	10,224,528	7,229,473
EQUITY					
Issued capital	20	119,394,679	117,905,498	119,394,679	117,905,498
Reserves	21	1,197,948	1,372,666	1,197,948	1,197,948
Accumulated losses		(111,112,407)	(115,448,770)	(110,368,099)	(111,873,973)
Parent Interest		9,480,220	3,829,394	10,224,528	7,229,473
Minority Interest	28	-	-	-	-
TOTAL EQUITY		9,480,220	3,829,394	10,224,528	7,229,473

The accompanying notes form part of these financial statements.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

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

Economic Entity	Share Capital Ordinary	Accumulated Losses	Option Reserve	Foreign Exchange Reserve	Share Based Payment Reserve	Minority Equity Interests	Total
	$	$	$	$	$	$	$
Balance at 1 July 2007	115,473,536	(111,895,973)	647,040	(127,146)	130,908	-	4,228,365
Net movement from foreign operations translation	-	-	-	301,864	-	-	301,864
Net income recognised directly in equity	-	-	-	301,864	-	-	301,864
Loss attributable to members of economic entity	-	(3,552,797)	-	-	-	-	(3,552,797)
Net income and expense recognised during the year	-	(3,552,797)	-	301,764	-	-	(3,251,033)
Transactions with equity holders in their capacity as equity holders							
Shares issued during the year	3,029,774	-	-	-	-	-	3,029,774
Transaction costs	(597,812)	-	-	-	-	-	(597,812)
Share based payments	-	-	-	-	420,000	-	420,000
Balance at 30 June 2008	117,905,498	(115,448,770)	647,040	174,718	550,908	-	3,829,394
Balance at 1 July 2008	117,905,498	(115,448,770)	647,040	174,718	550,908	-	3,829,394
Net movement from foreign operations translation	-	-	-	(174,718)	-	-	(174,718)
Net income recognised directly in equity	-	-	-	(174,718)	-	-	(174,718)
Profit/(Loss) attributable to members of economic entity	-	4,336,363	-	-	-	-	4,336,363
Net income and expense recognised during the year	-	4,336,363	-	(174,718)	-	-	4,161,645
Transactions with equity holders in their capacity as equity holders							
Shares issued during the year	1,518,185	-	-	-	-	-	1,518,185
Transaction costs	(29,004)	-	-	-	-	-	(29,004)
Balance at 30 June 2009	119,394,679	(111,112,407)	647,040	-	550,908	-	9,480,220

The accompanying notes form part of these financial statements

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

Parent Entity

	Share Capital Ordinary $	Accumulated Losses $	Option Reserve $	Share Based Payment Reserve $	Total $
Balance at 1 July 2007	115,473,536	(110,008,813)	647,040	130,908	6,242,671
Loss attributable to members of parent entity	-	(1,865,160)	-	-	(1,865,160)
Total income and expense recognised during the year	-	(1,865,160)	-	-	(1,865,160)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	3,029,774	-	-	-	3,029,774
Transaction costs	(597,812)	-	-	-	(597,812)
Share based payment	-	-	-	420,000	420,000
Balance at 30 June 2008	117,905,498	(111,873,973)	647,040	550,908	7,229,473
Balance at 1 July 2008	117,905,498	(111,873,973)	647,040	550,908	7,229,473
Profit/(Loss) attributable to members of parent entity	-	1,505,874	-	-	1,505,874
Total income and expense recognised during the year	-	1,505,874	-	-	1,505,874
Transactions with equity holders in their capacity as equity holders					
Shares issued during the year	1,518,185	-	-	-	1,518,185
Transaction costs	(29,004)	-	-	-	(29,004)
Balance at 30 June 2009	119,394,679	(110,368,099)	647,040	550,908	10,224,528

The accompanying notes form part of these financial statements.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

CASH FLOW STATEMENTS
FOR YEAR ENDED 30 JUNE 2009

	Note	Economic Entity		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		25,365	146,402	-	-
Payments to suppliers and employees		(6,026,205)	(2,201,757)	(5,961,851)	(2,010,188)
Interest received		213,049	139,373	175,180	266,000
Borrowing costs		-	(392,239)	-	(392,239)
Development expenditure		-	(246,068)	-	-
Bonmerci option fees		404,263	-	404,263	-
Dividends received		-	-	10,895,525	-
Other receipts		64,274	-	43,784	-
Income tax paid		(1,416,737)	-	-	-
Repayment of Blackthorn deposit		-	(250,000)	-	(250,000)
Net cash used in operating activities	25(a)	(6,735,991)	(2,804,289)	5,556,901	(2,386,427)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for patents, trademarks		-	(3,101)	-	-
Loans to/(repaid by) related parties		-	(76,276)	8,489,055	(799,755)
Loans to other parties		(2,858,954)	(421,046)	(2,858,954)	(421,046)
Purchase of property, plant and equipment		(62,345)	(101,646)	(2,293)	(42,108)
Payments for investments		(520,641)	-	(520,641)	-
Exploration expenditure		(171,939)	-	(171,939)	-
Deposits		(3,524)	-	-	-
Net proceeds on disposal of discontinued operations	13	20,026,051	-	-	-
Net cash provided by/(used in) investing activities		16,408,648	(602,069)	4,935,228	(1,262,909)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		508,280	6,413,673	-	6,413,673
Repayment of borrowings		(9,355,769)	(5,980,500)	(9,355,769)	(5,980,500)
Proceeds from capital raising		1,518,185	3,029,774	1,518,185	3,029,774
Cost of capital raising		(29,004)	(597,812)	(29,004)	(597,812)
Net cash provided by financing activities		(7,358,308)	2,865,135	(7,866,588)	2,865,135
Net (decrease)/ increase in cash and cash equivalents held		2,314,349	(541,223)	2,625,541	(784,201)
Cash and cash equivalents at beginning of financial year		757,695	1,298,918	419,873	1,204,074
Cash and cash equivalents at end of financial year	10 (b)	3,072,044	757,695	3,045,414	419,873

The accompanying notes form part of these financial statements.

Note 1: Reporting Entity

Chrome Corporation Limited (the “Company”) is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as “the Group”).

Note 2: Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB’s) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures the financial report also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 13 October 2009.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for held-for-trading financial assets which are measured at fair value.

The methods used to measure fair values are discussed further in note 3(k).

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the Company’s functional currency. The functional currency of the Group’s South African subsidiaries is the South African Rand.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 13 – fair value of put/call options over equity accounted investment
Note 13 – carrying equity accounted investment at cost
Note 16 – measurement of recoverable amount of exploration assets
Note 22 – contingent liabilities and contingent assets
Note 26 – share based payments
Note 29 – financial instruments – fair value estimation

Note 3: Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods, presented in these consolidated financial statements, and have been applied consistently across the Group. The financial report includes separate financial statements for the Company as an individual entity and the consolidated entity consisting of the Company and its subsidiaries.

Note 3: Significant Accounting Policies (cont)

(a) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2009 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities controlled by Chrome. Control exists when Chrome has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by Chrome.

In the Company's financial statements, investments in subsidiaries are carried at cost less impairment. The ultimate recoverability of investments in controlled entities is dependent upon the successful exploitation of the underlying assets.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries are consistent with the parent.

(iii) Investment in Associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounting investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In the Company's financial statements, investments in associates are recognised and carried at cost.

(b) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(c) Foreign Currency Transactions and Balances

Transactions in foreign currencies have been converted at rates of exchange ruling on the date of those transactions. At balance date, amounts receivable and payable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Realised and unrealised gains and losses are brought to account in determining the profit or loss for the financial year.

(d) Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when the Group has passed control of the goods or other assets to the buyer. Revenue is measured at the fair value of the consideration received or receivable.

Interest income on is recognised on a time proportion basis using the effective interest method.

Note 3: Significant Accounting Policies (cont)

(e) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax for the period is the expected tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates, which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure deferred tax. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Note 3: Significant Accounting Policies (cont)

(g) Cash and Cash Equivalents

For cash flow statements purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(h) Investments and Other Financial Assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Chrome commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Note 3: Significant Accounting Policies (cont)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Chrome Corporation has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(i) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments traded in active markets
The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

Financial instruments not traded in active markets
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Note 3: Significant Accounting Policies (cont)

Trade receivables and payables
The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that they do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Share-based payment transactions
The fair value of employee share options is measured using the binomial model. Measurement inputs include share price on a measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(j) Property, Plant and Equipment

Recognition and measurement
Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent costs
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
Depreciation on other assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture, fittings and equipment: 3-5 years

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 [note 3(g)].

Note 3: Significant Accounting Policies (cont)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When re-valued assets are sold, it is the Group's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation 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 or sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise 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.

(l) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(m) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the balance sheet.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Finance Expenses

Finance expenses comprise interest expense on borrowings, changes in fair value of financial assets at fair value through profit and loss and impairment losses recognised on financial assets.

Borrowing costs are recognised in profit or loss using the effective interest method.

Note 3: Significant Accounting Policies (cont)

(p) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro *rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting NOTE

policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(q) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(iii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions note being met.

(r) New Standards and Interpretations Not Yet Adopted

Applicable Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the annual reporting period ending 30 June 2009. A full assessment has not yet been completed of the impact of all the new or amended Accounting Standards and interpretations issued but not effective. These are outlined in the table below:

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

Note 3: Significant Accounting Policies (cont)

Reference	Title	Summary	Application date of standard*	Application date for Company*
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	1 July 2009

Note 3: Significant Accounting Policies (cont)

AASB 3 (Revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending Standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	1 July 2009

Note 3: Significant Accounting Policies (cont)

AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	1 July 2009
ASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company	1 January 2009	1 July 2009

Note 3: Significant Accounting Policies (cont)

ASB 2008-7 (cont)		accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.		
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	1 July 2009

Note 3: Significant Accounting Policies (cont)

AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	1 July 2009
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined.	1 January 2010	1 July 2010

Note 3: Significant Accounting Policies (cont)

AASB 2009-5 (cont)		These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).		
AASB 2009-7	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	1 July 2009
Amendments to International Financial Reporting Standards**	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of AASB 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	1 July 2010

* designates the beginning of the applicable annual reporting period unless otherwise stated

** pronouncements that have been issued by the IASB and IFRIC but have not yet been issued by the AASB.

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

Note 4: Revenue and Income	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Revenue from continuing operations					
Interest received other persons		128,677	111,458	113,133	111,458
Option fee income		404,263	-	404,263	-
		532,940	111,458	517,396	111,458
Revenue from discontinued operations					
Interest received other persons		27,939	27,915	-	-
Interest received intercompany		-	-	212,189	154,542
Rental revenue		53,263	107,063	-	-
Dividends received		-	-	10,895,525	-
Other revenue		20,490	38,299	-	-
		101,692	173,277	11,107,714	154,542
(b) Other Income from continuing operations					
Reversal of provision for diminution in Batlhako		-	-	-	548,301
Unrealised gain on translation		-	167,073	-	167,073
		-	167,073	-	715,374
Other income from discontinued operations					
Gain on sale of investment		17,268,095	-	-	-

Note 5: Other Expenses

Loss before income tax includes the following specific expenses:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Finance Costs				
Interest on Convertible note	-	392,233	-	392,233
Loan agreement fee	125,000	-	125,000	-
	125,000	392,233	125,000	392,233
(b) Other Expenses (net of expenses from discontinued operations)				
Rental expense on operating leases				
- minimum lease payments	29,186	22,777	29,186	22,777
Professional and consultants fees	148,000	249,957	148,000	249,957
Allowance for doubtful debts	874,200	497,322	874,200	497,322
Fair value changes in held-for-trading financial assets	106,783	-	106,783	-
Administration expenses	966,324	633,280	690,300	632,281
	2,124,493	1,403,336	1,848,469	1,402,337
Other Expenses from discontinued operations				
Depreciation	20,577	-	-	-
Employment benefits expenses	1,354,712	-	1,175,000	-
Professional and consultants fees	819,050	-	800,000	-
Foreign exchange loss	1,473,088	-	-	-
Success fee on sale of investment	2,460,000	-	2,460,000	-
Rental expenses	7,748		-	-
Administration expenses	219,981		-	-
	6,355,156	-	4,435,000	-

Note 6: Income Tax Expense

		Economic Entity		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
(a)	Income Tax Expense				
	Current tax	1,416,737	-	-	-
	Deferred tax	-	-	-	-
		1,416,737	-	-	-
(b)	The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:	5,753,101	(3,552,797)	1,505,874	(1,865,190)
	Prime facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2008: 30%)	1,725,930	(1,065,839)	451,762	(559,557)
	Add:				
	Tax effect of:				
	- other non-allowable items	(2,420,173)	159,815	(1,824,037)	47,307
	- exempt foreign losses	148,134	-	-	-
		(546,109)	(906,024)	(1,372,275)	(512,250)
	Adjustment for tax losses of subsidiary companies under tax consolidation regime	-	-	(891,588)	-
	Less:				
	Tax effect of:				
	- issue costs charged to equity	(82,919)	(95,846)	(82,919)	(81,179)
	Deferred tax asset in relation to tax losses and timing differences not brought to account	2,045,765	1,001,870	2,346,782	593,429
	Income tax attributable to entity	1,416,737	-	-	-
	The applicable weighted average effective tax rates are as follows:	26.0%	0%	0%	0%
(c)	Unused tax losses and other timing differences not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 3(e) occur				
	- temporary differences	202,732	404,751	202,732	390,084
	- tax losses:				
	- Domestic/foreign operating losses	4,361,556	2,898,388	4,361,556	2,490,992
	- capital losses	181,883	-	181,883	-
		4,746,171	3,303,139	4,746,171	2,881,076

Note 7: Key Management Personnel Compensation

(a) Directors

The following persons were directors of Chrome Corporation Ltd during the financial year:

(i) Chairman – Non-executive
Mr Richard Linnell

(ii) Executive Director
Mr Brian Thomas – Managing Director

(iii) Non-executive Director
Mr Andrew Waller

(b) Key management personnel compensation

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Short –term employee benefits	1,521,476	569,885	1,521,476	569,885
Post-employment benefits	27,000	27,000	27,000	27,000
Share-based payments	-	420,000	-	420,000
	1,548,476	1,016,885	1,548,476	1,016,885

(i) Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of Chrome Corporation Limited, including their personally related parties, are set out below.

2009	Balance at the start of the year	Granted during the year as Compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Richard Linnell	5,000,000	-	-	-	5,000,000	5,000,000
Brian Thomas	5,558,418	-	-	(558,418)	5,000,000	5,000,000
Andrew Waller	6,640,000	-	-	-	6,640,000	6,640,000
	17,198,418	-	-	(558,418)	16,640,000	16,640,000

All options are vested and exercisable at the end of the year.

Note 7: Key Management Personnel Compensation (continued)

2008	Balance at the start of the year	Granted during the year as Compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Richard Linnell	-	5,000,000	-	-	5,000,000	5,000,000
Brian Thomas	558,418	5,000,000	-	-	5,558,418	5,558,418
Andrew Waller	5,468,855	5,000,000	-	(3,828,855)	6,640,000	6,640,000
	6,027,273	15,000,000	-	(3,828,855)	17,198,418	17,198,418

All options are vested and exercisable at the end of the year.

(ii) Share holdings

The numbers of shares in the company held during the financial year by each director of Chrome Corporation Ltd, including their personally related parties, are set out below.

2009	Balance at the start of the year	Granted during the year as Compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Richard Linnell	-	-	-	-	-
Brian Thomas	-	-	-	250,000	250,000
Andrew Waller	4,550,000	-	-	772,070	5,322,070
Total	4,550,000	-	-	1,022,070	5,572,070

2008	Balance at the start of the year	Granted during the year as Compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Richard Linnell	-	-	-	-	-
Brian Thomas	-	-	-	-	-
Andrew Waller	4,684,500	-	-	(134,500)	4,550,000
Total	4,684,500	-	-	(134,500)	4,550,000

Note 8: Auditors' Remuneration	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report - BDO Kendalls Audit and Assurance (WA) Pty Ltd	42,434	44,943	42,434	44,943
- other services - BDO Kendalls (WA) Pty Ltd	14,717	35,622	14,717	35,622
- auditing or reviewing the financial report - BDO Spencer Steward (Jhb) Inc.	24,987	14,005	-	-
	82,138	94,570	57,151	80,565

Note 9: Earnings per Share

		Economic Entity 2009 $	Economic Entity 2008 $
(a)	Reconciliation of Earnings to Profit or Loss		
	Profit/(Loss)	4,336,363	(3,552,797)
	Earnings used to calculate basic EPS	4,336,363	(3,552,797)
(b)	Reconciliation of Earnings to Profit or Loss from Continuing Operations		
	Profit/(Loss) from continuing operations	(6,205,816)	(2,569,002)
	Earnings used to calculate basic EPS from continuing operations	(6,205,816)	(2,569,002)
(c)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	157,374,187	141,945,173

Diluted earnings per share is not shown at 30 June 2009 as the options have little or no chance of being exercised and would therefore not have a dilutive impact on the number of shares outstanding or increase loss per share. At 30 June 2009 82,106,789 options were outstanding which could potentially dilute basic earnings per share in the future.

Note 10: Cash and Cash Equivalents

10(a) Cash at bank and on hand

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at bank and in hand, net of cash classified as held for sale	3,072,044	419,873	3,045,414	419,873
	3,072,044	419,873	3,045,414	419,873

10(b) Reconciliation to cash at the end of the year

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at bank and in hand	3,072,044	419,873	3,045,414	419,873
Cash classified as held for sale	-	337,822	-	-
Balance as per Cash flows statement	3,072,044	757,695	3,045,414	419,873

Note 11: Trade and Other Receivables

CURRENT		Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Other Debtors, net of other debtors classified as held for sale		3,384,335	509,893	3,384,335	507,903
Allowance for doubtful debts		(1,371,522)	(497,322)	(1,371,522)	(497,322)
		2,012,813	12,571	2,012,813	10,581
Amounts receivable from controlled entity:					
Chrome Holdings Ltd	(i)	-	-	540	7,380,121
Batlhako Mining Ltd	(i)	-	-	-	2,249,128
		-	-	540	9,629,249
		2,012,813	12,571	2,013,353	9,639,830

All loans that are past due have been impaired.

Note 11: Trade and Other Receivables (cont)

The weighted average interest rate for loans outstanding at year end is 7.72%

		Economic Entity		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Movement in allowance for doubtful debts:					
Balance at 1 July		(497,322)	-	(497,322)	-
Increase in provision	(ii)	(874,200)	(497,322)	(874,200)	(497,322)
Balance at 30 June		(1,371,522)	(497,322)	(1,371,522)	(497,322)
NON-CURRENT					
Amounts receivable from associated entity:					
Chrome Holdings Ltd	(i)	-	-	-	-
Bonmerci Investments 103 (Pty) Ltd	(i)	513,454	-	-	-
Batlhako Mining Ltd	(i)	1,230,766	-	1,230,766	-
Less: Provision for diminution		-	-	-	-
		1,744,220	-	1,230,766	-
Movement in allowance for doubtful debts:					
Balance at 1 July		-	-	-	(548,301)
(Increase)/ write back in provision	(ii)	-	-	-	548,301
Balance at 30 June		-	-	-	-

Terms and Conditions

(i) Transactions between Chrome and its controlled entities consist of intercompany loans, upon which no interest is charged, other than the loan to Batlhako Mining Limited which charged interest until its sale which settled on 26 February 2009. From this date Bonmerci Investments 103 (Pty) Ltd and Batlhako Mining Ltd were no longer controlled entities as the consolidated entity only held a 47% interest. There is no interest charged on these loans and they will be repaid upon settlement of the remaining 47% interest in these companies to AMCOL.

(ii) An impairment allowance was raised for receivables past due at year end and which the directors believed there was some uncertainty as to their recovery

(iii) An impairment allowance raised in the 2007 financial year was written back in 2008 due to the sale of the Ruighoek Chrome Project to AMCOL which on settlement will result in the loans being repaid in full.

Note 12: Financial Assets

(a) Held for trading financial assets (current)

Held for trading assets as at 30 June at fair value		413,858	-	413,858	-

(b) Available for sale financial assets (non-current)

Investments in controlled entities - cost		-	-	3,498,920	3,498,920
		-	-	3,498,920	3,498,920

(c) Other assets

Bonds and guarantees	(i)	15,000	15,000	15,000	15,000
Impairment	(i)	(15,000)	(15,000)	(15,000)	(15,000)
		-	-	-	-

Note 12: Held for Trading and Available for Sale Assets (cont)

(i) The majority of the bonds and guarantees are unconditional environmental performance bonds required under the Mining Act 1978. Bonds are calculated by the Department of Industry and Resources using an estimation of rehabilitation cost per hectare for each activity that results in land disturbance on the tenements. The bonds are returned once the rehabilitation has been completed and when the Company can demonstrate that the rehabilitation area is moving towards a functioning ecosystem.

Note 13. Investment in Equity Accounted Investee

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Investment in equity accounted investee	2,215,068	-	-	-

As a result of the deconsolidation referred to below Bonmerci Investments 103 (Pty) Ltd and its 100% subsidiary, Batlhako Mining Ltd became an associate of Chrome with effect from 26 February 2009 and is treated as an equity accounted investee for accounting purposes. Chrome holds a 47% interest in Bonmerci at balance date.

Movement in carrying amounts

Balance at 1 July	6,369,282	-	-	-
Disposal of interest in investee	(3,375,718)	-	-	-
Share of loss after income tax	(778,496)	-	-	-
Balance at 30 June	2,215,068	-	-	-

Summary financial information for Bonmerci not adjusted for the percentage ownership held by the Group:

	2009
	$
Current assets	3,891,341
Non-current assets	793,918
Total assets	4,685,259
Current liabilities	4,343,699
Non-current liabilities	4,231,346
Total liabilities	8,575,045
Net Assets (deficiency in)	(3,889,786)
Revenues	4,583,612
Expenses	(6,239,987)
Income tax benefit	-
Loss	(1,656,375)

In the financial statements of the Company investments in associates are accounted for at cost less Chrome's share of the net profit or loss of Bonmerci. The agreement with AMCOL states that the remaining 47% interest will be sold for US$12.4 million to be settled within the next 24 months following the initial settlement. Until that date Chrome will receive US$75,000 per month for the first twelve months from 26 February 2009 and US$150,000 per month for the second twelve months until settlement which could occur at any time in the 24 month period.

Due to the uncertainty as to when the settlement of the 47% interest will occur the directors have agreed that it is not possible to value the put and call option and have accordingly not included a valuation in the financial report. The income received from the put and call option will be recognised on the date of receipt.

Note 13. Investment in Equity Accounted Investee (cont)

Deconsolidation of Bonmerci Investments 103 (Pty) Ltd

In March 2008 the Group announced it had entered into an agreement with AMCOL International Corporation ("AIC") to purchase, subject to shareholder approval and South African regulatory approvals, the Group's 74% interest in the Ruighoek Chrome Project in South Africa for $41 million. The transaction involves the sale of the Group's South African 100% owned subsidiary Bonmerci Pty Ltd.

On 23 February 2009 Chrome and AIC agreed to vary the conditional share sale agreement dated 5 March 2008 between Chrome, Chrome Holdings Limited ("Chrome Holdings") and AIC whereby AIC or its nominated buyer ("AMCOL") agreed to purchase 100% of the equity in Bonmerci Investments 103 (Pty) Ltd ("Bonmerci"), the holder of 74% of the shares in Batlhako Mining Ltd ("Batlhako"), the registered holder of the Ruighoek Chrome Project.

Settlement of this transaction occurred on 26 February 2009 on a partial basis with the balance of the sale to occur at a later date. Upon settlement data controlling interest was passed to AMCOL and as a result Bonmerci has been deconsolidated from the books of Chrome.

The deconsolidation had the following effect on the Group's and Company's assets and liabilities:

Group

Bonmerci's assets and liabilities at 26 February 2009

Cash and cash equivalents	448,134
Exploration	8,754,381
Property, plant and equipment	1,626,798
Other assets	1,119,814
Borrowings	(4,013,050)
Trade creditors	(116,244)
Other liabilities	(912,439)
Net assets	6,907,394
Consideration received	20,474,185
Cash disposed of	(448,134)
Net cash inflow	20,026,051

Note 14: Controlled Entities

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)	
Parent Entity		2009	2008
Chrome Corporation	Australia		
Subsidiaries of Chrome Corporation			
Chrome Holdings Ltd	Australia	100	100
Bonmerci Investments 103 (Pty) Ltd (i)	South Africa	47	100
Batlhako Mining Ltd (i)	South Africa	47	74
ACN 134 911 345 Pty Ltd	Australia	100	-

(i) These were subsidiaries of the Company until 26 February 2009 upon which controlling interest passed to AMCOL as set out in Note 13. Results through to 26 February 2009 have been consolidated into the accounts of the Group. Results from 26 February to 30 June 2009 have been equity accounted as described in Note 13.

Note 15: Plant and Equipment

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(a) At cost				
Plant and equipment	50,850	1,247,006	50,850	48,557
Accumulated depreciation	(12,420)	(45,163)	(12,420)	(5,258)
Total Plant and equipment	38,430	1,201,843	38,430	43,299
(b) Reconciliation				
As at 1 July	1,201,843	1,158,995	43,299	7,390
Additions	491,124	74,222	2,293	42,107
Disposals	(1,626,798)	-	-	-
Depreciation expense	(27,739)	(31,374)	(7,162)	(6,198)
Net carrying value	38,430	1,201,843	38,430	43,299
Less: Classified as held for sale	-	(1,158,544)	-	-
	38,430	43,299	38,430	43,299

Note 16: Exploration and Evaluation Expenditure

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Costs carried forward in areas of interest in:				
Carrying amount of exploration and evaluation, net of exploration and evaluation classified as held for sale	171,939	-	171,939	-

As part of the completion of the acquisition of the exploration property the Company must pay an additional US$125,000 plus US$250,000 in the Company's shares. This remains outstanding at the end of the financial year and is included in creditors.

Note 16: Exploration and Evaluation Expenditure (cont)

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining tenements. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

Capitalised costs amounting to $171,939 (2008: $246,068) have been included in cash flows from operating activities in the cash flow statement.

Reconciliation

A reconciliation of the carrying amounts of exploration and evaluation and evaluation expenditure is set out below:

Exploration and/or evaluation expenditure				
Carrying amount at beginning of year	-	8,751,395	-	-
Additions	171,939	3,098	171,939	-
Exploration written off	-	-	-	-
Transferred to held for sale	-	(8,754,493)	-	-
Carrying amount at end of year	171,939	-	171,939	-

Note 17: Trade and Other Payables

Unsecured liabilities				
Trade payables, net of trade payables classified as held for sale	46,643	39,595	46,643	39,595
Sundry payables and accrued expenses, net of sundry and accrued expenses classified as held for sale	74,527	41,920	74,527	41,920
	121,170	81,515	121,170	81,515

Note 18: Provisions

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Current				
Employee benefits	66,982	50,120	66,982	50,120
Non- current				
Restoration, net of restoration classified as held for sale	-	-	-	-
Movement in provisions				
Carrying amount at beginning of year	-	769,428	-	-
Reduction in provision	-	(144,095)	-	-
Transferred to held for sale	-	(625,333)	-	-
Carrying amount at end of year	-	-	-	-

Provision for Mine Rehabilitation

A provision has been recognised for the costs to be incurred for the environmental rehabilitation of the Ruighoek mining site which will be utilised for the exploration of chromite ore. It is anticipated that the environmental rehabilitation will occur within 5 years. This provision is classified as held for sale as it forms part of the sale of the Ruighoek Chrome Project to AMCOL.

Note 19: Borrowings

	Note				
CURRENT					
Unsecured Liabilities					
Loan AMCOL	(a)	-	6,246,600	-	6,246,600
Convertible Note	(b)	-	-	-	-
		-	6,246,600	-	6,246,600

a) Chrome Corporation Limited entered into a Sale and Purchase Agreement with AMCOL International Corporation Limited (AMCOL) to sell to AMCOL the Company's 74% interest in the Ruighoek Chrome Project in South Africa for A$41 million subject to certain conditions including shareholder and regulatory approvals. A deposit of US$6 million was received on 5 March 2008. Upon part settlement on 26 February 2009 the deposit was deducted from the sales proceeds and has now been repaid in full. The deposit was non-interest bearing and AMCOL had a mortgage over the shares of Chrome Holdings Limited.

(b) During the 2005 financial year, convertible notes were issued to fund the payments per the EBCK / Chrome Corporation Agreement.

The basic terms of the convertible note are as follows:

(i) Convertible notes will mature on 28 February 2008.
(ii) 10% Coupon payable quarterly.
(iii) Conversion price will be 2.5 cents or 90% of 20 day Volume Date Weighted Average Price, whichever is greater.
(iv) Convertible at any time 3 months after date of issue.

The convertible notes were repaid in full on 7 March 2008. There is no material equity component for the convertible note at 10% coupon rate.

Note 20: Issued Capital

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(a) Issued and paid up capital				
167,284,722 (2008: 143,564,977) fully paid ordinary shares	119,394,679	117,905,498	119,394,679	117,905,498

(i) The company's shares have no par value and there is no limit to the amount of authorised capital.

	2009		2008	
	Number of shares	$	Number of shares	$
(b) Movement in shares on issue				
Beginning of the year	143,564,977	117,905,498	1,672,518,263	115,473,536
Issued during the year				
• consolidation of share capital	-	-	(1,588,892,503)	-
• placements	23,719,745	1,518,185	59,936,638	3,028,742
• exercise options	-	-	2,579	1,032
• less transaction costs	-	(29,004)	-	(597,812)
End of the year	167,284,722	119,394,679	143,564,977	117,905,498

Note 20: Issued Capital

(i) The Company finished a consolidation of its share capital on a 1 for 20 basis on 5 July 2007. At that time a share placement was completed via the issue of 59,936,638 shares at 10 cents each with one free attaching option for every 2 shares held exercisable at $0.40 each expiring 30 September 2009. It should be noted that $3 million was received prior to 30 June 2007 of this placement.

(ii) The Company conducted the following placements during the year ended 30 June 2009:

- 1,900,001 shares at an issue price of $0.11 each with one free attaching unlisted option ($0.30 expiring 30 September 2011)
- 21,819,744 shares at an issue price of $0.06 each.

(iii) During the 2008 financial year, 2,579 listed options were exercised at a price of $0.40 each (2007:$0.02). There were no options exercised in the current financial year.

(iv) Term and conditions

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	2009 Number	2008 Number
(c) Options outstanding		
At balance date there were unissued ordinary shares in the chief entity under option as follows:		
Unlisted 30 September 2011 options at an exercise price of $0.30 each	1,900,001	-
Listed 30 September 2009 options at an exercise price of $0.40 each	82,106,789	82,106,789

Options held at the beginning of reporting period.

On 1 July 2008 there were 82,106,789 listed options with an exercise price of $0.40 expiring 30 September 2009.

Options issued during the 2008 financial year

(a) On 4 July 2007 26,799,407 listed options with an exercise price of $0.40 each expiring 30 September 2009 were issued and vested.
(b) On 18 July 2007 727,079 listed options with an exercise price of $0.40 each expiring 30 September 2009 were issued and vested.
(c) On 10 September 2007 2,441,854 listed options with an exercise price of $0.40 each expiring 30 September 2009 were issued and vested.
(d) On 6 December 2007 15,000,000 listed options with an exercise price of $0.40 each expiring 30 September 2009 were issued and vested.

Note 21: Reserves

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Option Reserve	647,040	647,040	647,040	647,040
Share Based Payments Reserve	550,908	550,908	550,908	550,908
Foreign currency translation reserve	-	174,718	-	-
	1,197,948	1,372,666	1,197,948	1,197,948

(a) Foreign Currency Translation Reserve
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary

(b) Option Reserve
The option reserve records items recognised as expenses on valuation of share options issued to third parties.

(c) Share Based Payment Reserve
The share based payment reserve records items recognised as expenses on valuation of the options issued to directors.

Note 22: Contingent Liabilities and Contingent Assets

As set out in Note 13, the Company has granted a call option over the remaining 47% interest in Bonmerci. The Company is entitled to receive option payments of US$75,000 per month for the first 12 months from 26 February 2009 and US$150,000 per month for the second 12 months from 26 February 2010.

Option payments have not been accrued for or valued as exact timing of completion of the sale of the remaining 47% is uncertain. Completion date will affect the amount ultimately received.

As set out in Note 13, the Company also has a put option over the remaining 47% interest in Bonmerci. If the put option is exercised by Chrome, the amount of proceeds to be received from the sale of the 47% will be reduced by US$300,000.

Note 23: Segment Reporting

The consolidated entity operated in one primary industry, that of chromite ore exploration, and two geographical segments being Australia and South Africa.

Primary Reporting – Geographical Segments

2009	Australia $	South Africa (discontinued) $	Unallocated $	Consolidated $
Revenue				
Revenue	532,940	101,692	-	634,632
Other Revenue	-	-	17,268,095	17,268,095
Total Revenue	532,940	101,692	17,268,095	17,902,727
Result				
Segment Result	(6,205,816)	(512,848)	12,471,764	5,753,100
Profit/(Loss) before income tax	(6,205,816)	(512,848)	12,471,764	5,753,100
Income tax	-	-	(1,416,737)	(1,416,737)
Profit/(Loss) after income tax	(6,205,816)	(512,848)	11,055,027	4,336,363
Assets				
Segment Assets	9,668,372	-	-	9,668,372
Total Assets	9,668,372	-	-	9,668,372
Liabilities				
Segment Liabilities	188,152	-	-	188,152
Total Liabilities	188,152	-	-	188,152
Other				
Capital Expenditure	2,293	488,831	-	491,124
Depreciation and amortisation of segment assets	7,162	20,577	-	27,739
Total Other	9,455	509,408	-	518,863
Cash Flow Information				
Net cash used in operating activities	(5,338,624)	(1,397,367)	-	(6,735,991)
Net cash used in investing activities	(3,553,827)	19,962,475	-	16,408,648
Net cash used in financing activities	(7,866,588)	508,280	-	(7,358,308)

Note 23: Segment Reporting (cont)

2008	Australia $	South Africa (discontinued) $	Unallocated $	Consolidated $
Revenue				
Operating Revenue	-	145,362		145,362
Other Revenue	-	-	306,446	306,446
Total Revenue	-	145,362	306,446	451,808
Result				
Segment Result	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Loss before income tax	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Income tax	-	-		-
Loss after income tax	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Assets				
Segment Assets	481,529	10,377,428	-	10,858,957
Total Assets	481,529	10,377,428	-	10,858,957
Liabilities				
Segment Liabilities	6,378,235	651,328	-	7,029,563
Total Liabilities	6,378,235	651,328	-	7,029,563
Other				
Capital Expenditure	42,108	59,538	-	101,646
Depreciation and amortisation of segment assets	6,198	25,176	-	31,374
Total Other	48,306	84,714	-	133,020
Cash Flow Information				
Net cash used in operating activities	(2,927,650)	123,361	-	(2,804,289)
Net cash used in investing activities	(1,262,908)	660,839	-	(602,069)
Net cash used in financing activities	2,865,135	-	-	2,865,135

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length. These transfers are eliminated on consolidation.

Business Segments

The economic entity has one business segment:

Exploration – conducting feasibility in relations to mining projects in South Africa

Note 23: Segment Reporting (cont'd)

Geographical Segments

The economic entity's head office is located in Australia, with exploration work carried out in South Africa.

Note 24: Discontinued Operation

In March 2008 the Group announced it had entered into an agreement with AMCOL International Corporation ("AMCOL") to purchase, subject to shareholder approval and South African regulatory approvals, the Group's 74% interest in the Ruighoek Chrome Project in South Africa for $41 million. The transaction will involve the sale of the Group's South African 100% owned subsidiary Bonmerci Pty Ltd. Settlement of this transaction occurred on 26 February 2009 on a partial basis with the balance to occur at a later date. Accordingly the Group has shown all amounts related to South African operations as discontinued operation in the income statement and balance sheet in 2008. This includes gains in relation to disposal as the Group has an agreement to sell the remaining 47% of Bonmerci to AMCOL and turn the focus away from South Africa to Papua New Guinea.

Due to the uncertainty as to when the settlement of the 47% interest will occur the directors have agreed that the remaining investment be shown as an investment in equity accounted investee rather than a held for sale financial asset.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
Results of discontinued operation	$	$	$	$
Revenue	101,692	173,277	11,107,714	154,542
Expenses	(5,410,871)	(1,157,072)	(4,435,000)	-
	(5,309,179)	(983,795)	6,672,714	154,542
Income tax expense	-	-	-	-
Profit/(loss) after income tax of discontinued operation	(5,309,179)	(983,795)	6,672,714	154,542
Gain on sale of discontinued operation before income tax	17,268,095	-	-	-
Income tax expense	(1,416,737)	-	-	-
Gain on sale of discontinued operation after income tax	15,851,358	-	-	
Profit/(loss) for the year from discontinued operations	10,542,179	(983,795)	6,672,714	154,542
Assets and liabilities held for sale operations				
Assets				
Trade and other receivables	-	126,569	-	-
Cash and cash equivalents	-	337,822	-	-
Plant and Equipment	-	1,158,544	-	-
Deferred exploration & evaluation	-	8,754,493	-	-
Investment in associate	-	-	-	-
Assets classified as held for sale	-	10,377,428	-	-
Liabilities				
Trade and other payables	-	25,995	-	-
Provision for rehabilitation	-	625,333	-	-
Liabilities classified as held for sale	-	651,328	-	-
Cash flow information - held for sale operations				
Net cash used in operating activities	(1,397,367)	123,361	-	-
Net cash used in investing activities	(19,962,475)	(660,839)	-	-
Net cash used in held for sale operations	-	-	-	-

Note 25: Cash Flow Information

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax					
Profit/(Loss) after income tax		4,336,363	(3,552,797)	1,505,874	(1,865,160)
Depreciation		27,739	31,374	7,162	6,198
Share based payments		-	420,000	-	420,000
Gain on sale of investment		(17,268,095)	-	-	-
Write off bad debts		10,803	9,541	-	-
Provision for doubtful debts		874,200	497,322	874,200	497,322
Unrealised exchange gain		4,997,393	(167,073)	2,984,169	(167,073)
(Reversal of)/Provision for diminution in Batlhako		-	-	-	(548,301)
Provision for diminution in investments		106,783	-	106,783	-
Changes in assets and liabilities, net of the effects of purchase and disposal subsidiaries					
Increase/(decrease) in payables and borrowings		164,557	(427,234)	70,784	(323,615)
Increase/(decrease) in provisions		60,688	113,533	16,862	14,348
(Increase)/decrease in other operating assets		5,786	571,121	5,786	(2,301)
(Increase)/decrease in receivables		(52,208)	(300,076)	(14,719)	(417,846)
Cashflow from operations		(6,735,991)	(2,804,289)	5,556,901	(2,386,427)

Note 26: Share-based Payments

Directors and Executives Option

The Company has issued no listed options to Directors during the current financial year. The terms and conditions of those listed options are the same for all option holders in that class.

All listed options issued to Directors vest and are exercisable immediately.

Other relevant terms and conditions applicable to options granted as above include:

- any Directors or Executives vested options that are unexercised by the anniversary of their grant date will expire; and
- upon exercise, these options will be settled in ordinary shares of Chrome Corporation Limited.

Summary of options issued to Directors

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued.

	2009 No.	2009 WAEP	2008 No.	2008 WAEP
Outstanding at the beginning of the year	15,000,000	0.40	-	-
Granted during the year			15,000,000	0.40
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Net change other*	-	-	-	-
Outstanding at the end of the year	15,000,000	0.40	15,000,000	0.40

All of the above options have vested and are exercisable.

Note 26: Share-based Payments (cont)

Summary of options issued to Directors

There were no options issued to directors during the year.
Directors

- 15,000,000 listed options over ordinary shares with an exercise price of $0.40 each, exercisable immediately until 30 November 2009.

Summary of weighted average remaining contract life of options issued to Directors

The weighted average contractual life for the options outstanding at 30 June 2009 is 0.25 years (2008: 1.25 years).

Range of exercise price of options issued to Directors

The exercise price for all listed options outstanding at the end of the year was $0.40 (2008: $0.40).

Weighted average fair value of options granted to Directors

The weighted average fair value of listed options outstanding the end of the year was $0.028 (2008: $0.028).

Option pricing of model of options issued to Directors

The fair value of the listed options is estimated at the date of grant using the listed market price of the options. The market price of the listed options in the 2008 financial year at the date of grant was 2.8 cents per listed option.

Note 27: Subsequent Events

On 19 June 2009 the Company announced that it would acquire Pacific Nuigini Minerals Ltd ("PNM"), a Papua New Guinea based exploration company with almost 4,000 sq km of highly prospective ground covering significant exploration projects in the Morobe, Western Highlands and Madang Provinces of PNG.

On 31 August 2009 the Company's shareholders approved the acquisition of PNM with the consideration being the issue of 35,900,200 ordinary fully paid shares and 17,950,100 unlisted options with an exercise price of $0.20 each expiring 30 June 2014 to the PNM shareholders.

Upon settlement of the acquisition two nominees from PNM have been appointed to the Chrome board being Mr David Osikore and Mr Peter Cook with Mr Cook being appointed Chairman. Mr Richard Linnell resigned as the Company's Chairman on 1 September 2009.

Note 28: Minority Interest

On 2 February 2006, Bonmerci Investments 103 (Pty) Ltd sold 26% of it's investment in Batlhako Mining Ltd to Blue Horison Investments 1 (Pty) Ltd a wholly owned subsidiary of Black Empowerment partner Aka Resources Holdings (Pty) Ltd. It re-acquired that interest on 26 February 2009 as part of the sale of Bonmerci Investments 103 (Pty) Ltd to AMCOL International Limited and therefore owned 100% at the time of sale. Its remaining 47% interest post settlement is treated as an investment in associate. (Refer Note 14)

The Minority interest is represented as follows:

	Economic Entity	
	2009	2008
	$	$
Minority Interest Share in Batlhako Mining Ltd		
Share Capital	-	6
Accumulated Losses	-	(6)
	-	-

Note 29: Financial Risk Management

Overview

This note presents information about the Company's and Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Company and the Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers cash. For the Company it arises from receivables due from subsidiaries.

At the balance sheet date the Group has loaned a total $2,750,000 to parties that are due for repayment within twelve months, with $750,000 of that total being past due. The directors believe that the $750,000 is fully recoverable, but have made a provision for that amount in the Group's receivables.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables

As the Group operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other intercompany receivables and investments. While management does not expect any counterparty to fail to meet its obligations due to one amount being past due as noted below it deemed that an impairment be made.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Consolidated	
		Carrying amount	
	Note	2009	2008
Loans and receivables	*11*	3,757,033	12,571
Cash and cash equivalents	*10*	3,072,044	419,873

		Company	
		Carrying amount	
	Note	2009	2008
Loans to subsidiaries	*11*	540	9,629,249
Receivables	*11*	3,243,579	10,581
Cash and cash equivalents	*10*	3,045,414	419,873

Impairment losses

The Group's receivable from Ilanda & Associates is past due and although the Group believes it to be fully recoverable, the amount of $750,000 has been provided for.

The Group has made an impairment of $874,200 (2008: $497,322) in other receivables as recovery of the amount owed is uncertain.

Note 29: Financial Risk Management (cont)

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 Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company had a loan from AMCOL which represents the deposit paid by AMCOL of US$6,000,000 for the purchase of the Ruighoek Chrome Project. This loan was repaid from consideration for the project at settlement on 26 February 2009. The Group does not have any other external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated
30 June 2009

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Financial assets	2,012,813	2,012,813	12,813	2,000,000	-	-
Trade and other payables	(121,170)	(121,170)	(121,170)	-	-	-
	1,891,643	1,891,643	(108,357)	2,000,000	-	-

Consolidated
30 June 2008

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Financial assets	12,571	12,571	12,571			
AMCOL loan	(6,246,600)	(6,246,600)	(6,246,600)	-	-	-
Trade and other payables	(81,515)	(81,515)	(81,515)	-	-	-
	(6,315,544)	(6,315,544)	(6,315,544)	-	-	-

Company
30 June 2009

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Financial assets	2,012,813	2,012,813	12,813	2,000,000	-	-
Trade and other payables	(121,170)	(121,170)	(121,170)	-	-	-
	1,891,643	1,891,643	(108,357)	2,000,000	-	-

Company
30 June 2008

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Financial assets	10,581	10,581	10,581	-	-	-
AMCOL loan	(6,246,600)	(6,246,600)	(6,246,600)	-	-	-
Trade and other payables	(81,515)	(81,515)	(81,515)	-	-	-
	(6,317,534)	(6,317,534)	(6,317,534)	-	-	-

Note 29: Financial Risk Management (cont)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, which is primarily the Australian dollar (AUD). The currency in which these transactions primarily are denominated is the South African Rand (Rand).

The Group has an option to receive US$12.4 million settlement of the balance of the sale of its interest in the Ruighoek Chrome Project (refer Note 13 for details). This amount is not reflected in the Group's consolidated balance sheet as the exact timing of completion of the sale of the remaining 47% is unknown.

The Group has not entered into any derivative financial instruments to hedge such transactions.

Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

Exposure to currency risk

The Group's exposure to the Rand at balance date was as follows, based on notional amounts:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Cash	-	337,822	-	-
Trade and other receivables	-	126,569	-	-
Trade payables	-	(25,995)	-	-
Gross balance sheet exposure	-	438,396	-	-
Forward exchange contracts	-	-	-	-
Net exposure	-	438,396	-	-

The Group's exposure to the US Dollar at balance date was as follows, based on notional amounts:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
AMCOL loan	-	(6,246,600)	-	(6246,600)
Gross balance sheet exposure	-	(6,246,600)	-	(6,246,600)
Forward exchange contracts	-	-	-	-
Net exposure	-	(6,246,600)	-	(6,246,600)

The Group also receives a monthly option payment of US$75,000 for the first twelve months from 26 February 2009 and US$150,000 for the twelve months from 26 February 2010.The option payment will cease when the remaining interest is sold which timing cannot be determined at this time.

Note 29: Financial Risk Management (cont)

Sensitivity analysis

The Board has estimated that given market conditions a 10% movement in currency rates is appropriate to provide a sensitivity analysis of the Company's currency risk.

A 10 percent strengthening of the Australian dollar against the Rand and US Dollar at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Consolidated		Company	
	Equity	Profit or loss	Equity	Profit or loss
30 June 2009				
Rand	-	-	-	-
US Dollar	-	-	-	-
30 June 2008				
Rand	43,840	43,840	-	-
US Dollar	624,660	624,660	624,660	624,660

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The Group is not exposed to cash flow volatility from interest rate changes on borrowings as the convertible notes carry a fixed rate of interest of 10% per annum and were repaid during the 2008 financial year.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 90 day rolling periods or less.

Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Weighted Average Interest Rate	Carrying Amount $	Weighted Average Interest Rate	Carrying Amount $
Consolidated		2009		2008
Variable rate instruments				
Cash and cash equivalents	3.75%	3,072,044	5.25%	419,873
Trade and other receivables	7.72%	2,012,813	-	-
AMCOL loan	-	-	-	(6,246,600)
		5,084,857		(5,826,727)
Company				
Variable rate instruments				
Cash and cash equivalents	3.75%	3,045,414	5.25%	419,873
Trade and other receivables	-	-	-	-
AMCOL loan	-	-	-	(6,246,600)
		3,045,414		(5,826,727)

Note 29: Financial Risk Management (cont)

Interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Board has estimated that given market conditions a change of 100 basis points in interest rates is appropriate to assess the Company's sensitivity to variable rate instruments. A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

Consolidated

	Profit or loss		Equity	
Effect in thousands of AUD	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2009				
Variable rate instruments	30,720	(30,720)	30,720	(30,720)
30 June 2008				
Variable rate instruments	4,199	(4,199)	4,199	(4,199)

Company

	Profit or loss		Equity	
Effect in thousands of AUD	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2009				
Variable rate instruments	30,454	(30,454)	30,454	(30,454)
30 June 2008				
Variable rate instruments	4,199	(4,199)	4,199	(4,199)

Other Market Price Risk

Other equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Group is exposed to equity price risk arising from its held-for-sale equity investments. With respect to the equity price risk arising from the Company's held-for-sale equity investments, the maximum exposure is equal to the carrying amount of the Company's held-for-sale equity investments which at balance date is $413,858.

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to no commodity price risk.

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value. The basis for determining fair values is disclosed in note 13.

Note 29: Financial Risk Management (cont)

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date, at 30 June 2008 the only borrowings were the convertible notes which have a fixed interest rate.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 30: Capital and other commitments

The Company has no capital expenditure commitments to perform minimum exploration works and/or to expend minimum amounts of money on such works in designated exploration areas as it holds no exploration tenements. All exploration tenements are held through subsidiaries.

(a) Operating lease commitments

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Future operating lease rentals of office space provided for in the financial statements and payable:				
- not later than one year	21,000	-	-	-
- later than one year but not later than five years	-	-	-	-
	21,000	-	-	-

(b) Remuneration commitments

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Commitments for the payment of salaries and other remuneration under long term contracts in existence at reporting date but not recognised as liabilities, payable:				
- not later than one year	75,000	75,000	75,000	75,000

Amounts disclosed are remuneration commitments that relate to termination payments arising from employment agreements of Directors and Executives referred to in the Remuneration Report. The amounts are not recognised as liabilities and are not included in the Directors or Executive Remuneration.

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
(c) Exploration commitments				
In order to maintain current rights of tenure to exploration permits, the consolidated entity has certain obligations to expend minimum amounts of money. The following exploration expenditure requirements have not been provided for in the financial report and are payable:				
- not later than one year	360,000	-	-	-

Note 31: Related Party Transactions

Ultimate parent

Chrome Corporation Limited is the ultimate Australian parent entity.

Identification of Related parties

Ownership interests in wholly owned entities and associate are set out in Note 13.

Wholly Owned Entities and Associate Entities

Unsecured loans due to the parent entity from each of its wholly owned entities or associates are as follows:

	2009 $	2008 $
Chrome Holdings Limited	540	7,380,121
Bonmerci Investments 103 (Pty) Ltd (i)	513,454	-
Batlhako Mining Limited (i)	1,230,766	2,249,129
	1,744,760	9,629,249

(i) These entities are no longer wholly owned subsidiaries effective 26 February 2009 of the parent entity upon the sale of 53% of the share capital to AMCOL International Limited.

Other Transactions

Mr Brian Thomas is a director and beneficial shareholder of Knights Landing Limited of which the Company has loaned to it $76,276 (2008: $73,736). This amount has been fully provided for in the 2009 financial year. Mr Thomas does not control Knights Landing Limited.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements comprising the income statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001 and* :

(i) comply with Accounting Standards and the *Corporations Regulations 2001* and:

(ii) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and the consolidated entity.

(b) In the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the remuneration disclosures set out on pages 9 to 13 of the Directors' Report (as part of the audited Remuneration Report) for the year ended 30 June 2009 comply with section 300A of the *Corporations Act 2001.*

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

In the Director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr B Thomas
Managing Director

Dated this 14 October 2009

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008
PO Box 700 West Perth WA 6872
Phone 61 8 9380 8400
Fax 61 8 9380 8499
aa.perth@bdo.com.au
www.bdo.com.au

ABN 79 112 284 787

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHROME CORPORATION LIMITED

We have audited the accompanying financial report of Chrome Corporation Limited, 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 of the consolidated entity comprising the disclosing entity and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

BDO Kendalls

Auditor's Opinion

In our opinion the financial report of Chrome Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(a) (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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001.*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Chrome Corporation Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

BG McVeigh
Director

Signed in Perth, Western Australia
Dated this 14th day of October 2009.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

CORPORATE GOVERNANCE STATEMENT

Following the introduction of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* (ASX Principles and Recommendations), and the revised second edition of the ASX Principles and Recommendations, Chrome Corporation Limited has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Company's corporate governance practices for the year ending 30 June 2009 and as at the date of this report are outlined in this corporate governance statement.

The Company has considered each recommendation provided in the ASX Principles and Recommendations, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

For further information on corporate governance policies adopted by the Company, refer to the corporate governance section of our website: www.chromecorp.com.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

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)	No
2.2	The chair should be an independent director.	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)	Yes
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:	4(a)	Yes
	• 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.		
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 #	ASX Corporate Governance Council Recommendations	Reference	Comply
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:	3(a)	No
	• 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.		
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 role of the Board is to be 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 provide leadership for and the supervision of the Company's senior management.

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;
- Assessing the effectiveness of senior management's implementation of systems and 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 approving the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance and assuring itself 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 and two executive Director. Details of the members of the Board, their experience, expertise, qualifications, terms of office and independent status are set out in the Directors' Report of the Annual Report under the heading "Directors". During the financial year the Board comprised only one executive director however this position has now changed with the appointment of new directors post balance date.

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 Chief Executive Officer 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 affect the operation of the Company. During the financial year the then Chairman was independent and a non-executive which did meet ASX Recommendation 2.2 during that period.

The Chief Executive Officer is responsible for:

- implementing the Company's strategies and policies; and
- running the affairs of the Company under the delegated authority from the Board.

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

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 in accordance with the Company's "Selection of New Directors Policy".

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 Chrome 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 Company does not comply with ASX Recommendation 2.1. While there are two non-executive Directors there is not a majority of independent Directors on the Board. In accordance with the definition of independence above only one of the Directors of the Company is considered to be independent.

The Board believes that the Company is not of sufficient size to warrant the inclusion of more independent non-executive Directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive Directors. The Company maintains a mix of Directors from different backgrounds with complementary skills and experience.

In recognition of the importance of independent views and the Board's role in supervising the activities of management the Chairman must be a non-executive director.

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 Chrome Corporation Limited. 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 only three of the four members are non-executive Directors and none are considered to be an independent Director (refer 2(e)). The role and responsibilities of the Audit Committee are summarised below. During the financial year there was one independent, non-executive director.

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 Consolidated Entity 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 BDO Kendall'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.

The directors are satisfied that the provision of any non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The directors are satisfied that the provision of any non-audit services does not compromise the auditor's independence requirements of the Corporations Act because the services were provided by persons who were not involved in the audit.

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.

The Company has structured the remuneration of its senior executives such that it comprises a fixed salary and statutory superannuation. From time to time senior executives are issued options. 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 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:

b. comply with the law;

c. act in the best interests of the Company;

d. be responsible and accountable for their actions; and

e. 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 "Policy for Trading in Company Securities" 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:

f. No trading is permitted in the period of 14 days prior to the announcement to the ASX of the Company's full year, half year and quarterly results;

g. Guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and

h. Prior approval of the Chairman, or in his absence, the approval of two directors is required prior to any trading being undertaken.

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 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 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:

a. monthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and

b. 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.

The Company's risk management system is evolving. It is an on-going process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.

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 provide to the Board written certification that in all material respects:

c. 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;

d. 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

e. The Company's risk management an 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.

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 14 September 2009 is 203,184,922.ordinary fully paid shares and 82,106,866 listed options ($0.40, 30 September 2009).

Ordinary Shares	No. of Holders	No. of Shares
1 - 1,000	171	50,194
1,001 - 5,000	153	521,029
5,001 – 10,000	143	1,203,154
10,001 - 100,000	498	18,030,213
100,001 and over	165	183,380,332
	1,130	203,184,922
Number holding less than a marketable parcel	276	336,979

Listed Options ($0.40, 30 September 2009)	No. of Holders	No. of Options
1 - 1,000	143	33,080
1,001 - 5,000	148	408,003
5,001 – 10,000	68	482,386
10,001 - 100,000	121	3,501,507
100,001 and over	56	77,681,890
	536	82,106,866

A S X A D D I T I O N A L I N F O R M A T I O N

2. Top 20 Ordinary Fully Paid Shareholders as at 14 September 2009

		Units	% of Issued Capital
1	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	16,365,833	8.05
2	ANZ NOMINEES LIMITED <CASH INCOME A/C>	14,368,557	7.07
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,362,069	7.07
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	12,565,345	6.18
5	AJAVA HOLDINGS PTY LTD	10,000,000	4.92
6	SKIPTAN PTY LTD <P & M MEURS FAMILY A/C>	9,945,816	4.89
7	LIBERTY MANAGEMENT PTY LTD <LIBERTY SUPERANNUATION FUND>	9,920,000	4.88
8	TROJAN EQUITY LIMITED	7,000,000	3.45
9	SATURN INVESTMENTS SARL	6,462,712	3.18
10	MR DAVID MIRINGTORO OSIKORE	6,000,000	2.95
11	MR ANDREW GRANVILLE WALLER	5,282,070	2.60
12	AJAVA HOLDINGS PTY LTD	4,048,818	1.99
13	MR DENNIS J LOVELL + J C LOVELL <LOVELL & CO SUPER FUND>	3,400,200	1.67
14	AZUR CAPITAL GROUP LIMITED	2,220,000	1.09
15	ADDENBROOKE PTY LIMITED	2,000,000	0.98
16	MCNEIL NOMINEES PTY LIMITED	2,000,000	0.98
17	WOORABINDA ENTERPRISES PTY LTD <MJS 1974 A/C>	2,000,000	0.98
18	ILANDA ASSOCIATES LIMITED	1,823,305	0.90
19	MR WILLIAM D SEARSON	1,500,000	0.74
20	MS ANNE-CARITA KONTKANEN + MR JOHN HILDRED <SUPER DUPER SUPER FUND A/C>	1,477,410	0.73
		132,742,135	65.30

ASX ADDITIONAL INFORMATION

3. Top 20 Holders Listed Options ($0.40, 30 September 2009) as at 15 September 2009

		Units	% of issued Capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	12,520,000	15.25
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,270,301	8.85
3	SATURN INVESTMENTS SARL	7,020,000	8.55
4	ORD GROUP PTY LTD <NO.2 A/C>	5,000,000	6.09
5	MS SABINA MARIE SCHLINK <HENSMAN FAMILY A/C>	5,000,000	6.09
6	MR ANDREW G WALLER	5,000,000	6.09
7	ANZ NOMINEES LIMITED <CASH INCOME A/C>	4,419,125	5.38
8	ILANDA ASSOCIATES LIMITED	3,377,083	4.11
9	BAYMINT PTY LTD	2,986,606	3.64
10	MR DONATO IACOVANTUONO	1,853,000	2.26
11	CITICORP NOMINEES PTY LIMITED	1,743,633	2.12
12	AZUR CAPITAL GROUP LIMITED	1,637,223	1.99
13	ROSEPOINT CAPITAL PTY LTD	1,620,000	1.97
14	JACOBS CORPORATION PTY LTD	1,609,064	1.96
15	MR JAMES ROGER FARKAS	1,495,001	1.82
16	MR AARON NICHOLAS LUMSDAINE	1,200,000	1.46
17	MS SANDRA DAVIS	1,000,000	1.22
18	MR SLOBODAN CETIC	800,000	0.97
19	MR LEWIS STAPLES	644,770	0.79
20	AEGIS PARTNERS LTD	637,989	0.78
		66,833,795	81.39

ASX ADDITIONAL INFORMATION

4. Substantial Shareholders as at 14 September 2009

		No. of Shares Held	% Held
1	Ajava Holdings Pty Ltd	14,713,838	7.24%
2	Manro Haydan Trading Ltd	12,565,345	6.18%

5. Substantial Option holders ($0.40, 30 September 2009) as at 15 September 2009

		No. of Options Held	% Held
1	HSBC Custody Nominees (Australia) Limited - A/C 3	12,520,000	15.25
2	HSBC Custody Nominees (Australia) Limited	7,270,301	8.85
3	Saturn Investments SARL	7,020,000	8.55
4	Ord Group Pty Ltd <No.2 A/C>	5,000,000	6.09
5	Ms Sabina Marie Schlink <Hensman Family A/C>	5,000,000	6.09
6	Mr Andrew G Waller	5,000,000	6.09
7	ANZ Nominees Limited <Cash Income A/C>	4,419,125	5.38

7. Unlisted Options

As at 14 September 2009 there were 41,669,845 unlisted options outstanding. The option holders do not have any voting rights.

The number of holders and options on issue are as follows:

	Expiring 30 September 2011 Exercisable at 30 cents each		Expiring 30 June 2014 Exercisable at 20 cents each	
Number of options	23,719,745		17,950,100	
Number of option holders	5		12	
	No.	%	No.	%
Name of option holder with 20% or greater of the total issued				
Bell Potter Nominees Ltd <BB Nominees A/C>	17,734,744	74.77	-	-
Liberty Management Pty Ltd ATF Liberty Superannuation Fund	-	-	4,960,000	27.63
Ajava Holdings Pty Ltd	-	-	5,000,000	27.85

7. Voting Rights

Ordinary Fully Paid Share holders

At a general meeting of the Company shareholders are entitled:

- On a show of hands, each person who is a member or sole proxy has one vote.
- On a poll, each shareholder is entitled to one vote for each fully paid share.

Options

Option holders have no voting rights until the securities are converted into fully paid ordinary shares.