



11<sup>th</sup> August 2009

The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
PO Box H224  
Australia Square  
Sydney NSW 2000

Dear Sir / Madam

**Financial Report 2009**

We attach the Financial Report for the year ended 30 June 2009.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ranko Matic", is written over a light blue horizontal line.

Ranko Matic  
Company Secretary

enc. 1

For personal use only



# **FINANCIAL REPORT**

**30 JUNE 2009**

For personal use only

# WHITE CANYON URANIUM LIMITED

## DIRECTORS' REPORT

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Your Directors submit the financial report of White Canyon Uranium Limited for the year ended 30 June 2009.

### Directors

The names and qualifications of persons who have held the position of Director of White Canyon Uranium Limited at any time during the financial year and up to the date of this report are:

#### **Lewis Cross, BBus (Ac) CPA FAICD, Non-Executive Chairman**

Lewis Cross was appointed director on 5 September 2007. Lewis is a Certified Practising Accountant and principal of the firm CrossCorp Accounting, which has been established for over 30 years. He has a Bachelor of Business majoring in Accounting from Curtin University and is a Fellow of the Institute of Company Directors. Mr Cross has been involved in the mining industry for many years as well as various other industries in the course of his work in providing accounting and business consulting services. He has had extensive experience as a company director and is currently Non-Executive Chairman of associate company Golden State Resources Limited and of Polaris Metals NL and is a director of Aspermont Limited. Lewis has not been a director of any other public listed companies during the 3 years prior to the current year.

#### **Peter Batten , BAppSc MAusIMM, MGSA, (appointed 1 July 2009) Managing Director**

Mr Batten has been involved in mineral exploration for over 20 years since graduating from Curtin University of Western Australia in 1983. He has worked in the exploration and mining industry for a wide range of commodities including gold, nickel, and industrial minerals. Much of Peter's time has been spent as a principal consulting geologist working in Australia and overseas. He started Exploration and Mining Consultants (EMC) in 1995 which at its peak had offices in Kalgoorlie, Perth, Melbourne and Indonesia. After EMC Peter worked as a private consultant and project manager and successfully listed Berkeley Resources Ltd on the ASX.

Peter worked as Managing Director of Berkeley before resigning to manage projects in China and to complete overseas consulting work. Peter became Managing Director of Bannerman Resources in 2006 and by the time he left in 2008 had secured two uranium exploration projects in Namibia and developed the company's flagship project, Etango, to world class deposit status with over 100 Mlbs of U3O8 in resources and the commencement of the Bankable Feasibility Study. During his time at the helm of Bannerman Peter took the ASX junior to the top performing ASX stock of 2006, advanced the company into the ASX 300 list and listed the company on both the Toronto and Namibian Stock Exchanges.

Peter has proven management ability and a comprehensive knowledge of the mining industry with particular reference to uranium and multi jurisdictional listings.

Peter has been a director of Bannerman Resources limited from Feb 2006 until August 2008 and has not been a director of any other public listed company during the 3 years prior to the current year.

#### **John Hasleby, BAppSc MAusIMM, (resigned 30 June 2009)**

John Hasleby was appointed a director on 26 July 2005 and resigned as Managing Director on 30<sup>th</sup> June 2009. John has over 29 years experience in the exploration and mining industries. He has an operational and managerial background in exploration, development and mining with Australian and international companies, in the successful search for oil & gas, gold, uranium, platinoids, base metals and rare earths in Australia and overseas. He has a Bachelor of Applied Science degree from Curtin University and is a member of the Australasian Institute of Mining and Metallurgy. John was also a director of associate company Golden State Resources Limited from 26 October 2005 until 2 December 2008. John has not been a director of any other public listed companies during the 3 years prior to the current year.

#### **Melvin Swanson, MSc, Non-Executive Director**

Melvin Swanson was appointed a director on 17 March 2008. Melvin is a professional engineer with over 36 years' experience as a mining engineer in the USA and Canada, with a lengthy involvement with some of the major underground uranium mining operations in Utah and Colorado, plus copper and gold mining operations across North America. He has occupied positions of mining engineer, mine manager and operations manager for operating companies as well as mining contractors. Mel has a mining engineering degree from the University of Washington. Mel has not been a director of any other public listed companies during the 3 years prior to the current year.

# WHITE CANYON URANIUM LIMITED

## DIRECTORS' REPORT

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### **Richard Sciano, Executive Director**

Richard Sciano was appointed a director on 26 July 2005. Richard is a businessman with 7 years experience as a public company director and has been directly responsible for raising over 50 million dollars for those companies. He has 21 years experience in the property investment and building development sectors of Western Australia. He has extensive project management and commercial activities experience, both in the public and private business sectors. He has been executive director of the company since January 2003. Richard is also executive director for associated company Golden State Resources Ltd and was formerly a non-executive director of Adelaide-based ASX listed company, MGM Wireless Ltd from January 2003 up until November 2007. Richard has not been a director of any other public listed companies during the 3 years prior to the current year.

### **Kelly Shumway, Executive Director**

Kelly Shumway was appointed a director on 17 March 2008. Kelly has 16 years experience in the management of mining and civil engineering contracting businesses in southern Utah and Colorado. The range of clients includes mining and oil & gas companies, the State of Colorado and Utah, the federal Bureau of Land Management and the Forest Service, local government and private business. Kelly is currently President of KSue Corporation, a substantial earthmoving and civil engineering contractor in south-east Utah; and general manager of underground miner Reliance Resources LLC. Reliance operates, under contract to owner Denison Mines, the Pandora underground uranium mine at La Sal, Utah. Kelly has not been a director of any other public listed companies during the 3 years prior to the current year.

### **Gregory Burns, BSc, AusIMM, Non-Executive Director**

Greg graduated in 1993 from the University of Canterbury with a Bachelor of Science (Geology Major) and since that time he has gained wide ranging experience in the mining, exploration and development industries in Australia, Indonesia and in Africa. Greg has overseen public listings and capital raisings for platinum, iron ore and gold projects, and is currently based in Vancouver. Greg will assist with the TSX listing of White Canyon Uranium which is at an advanced stage. Greg was an executive director of Xenolith Resources Ltd from May 2008 until October 2008 and an executive director of Coziron Resources Ltd from May 2006 until August 2007. Greg has not been a director of any other public listed companies during the 3 years prior to the current year.

### **Company Secretary**

Mr Ranko Matic was appointed to the position of Company Secretary on 2 March 2007. Ranko is a Chartered Accountant with over 20 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. Mr Matic has been involved in an advisory capacity to over 35 initial public offerings on the ASX in the last 7 years and currently holds a company secretarial role with Golden State Resources Ltd, Accent Resources NL and is also a non executive director and company secretary for East Energy Resources Ltd.

### **Operations Manager**

Michael Shumway is the company's operations manager. Michael has 36 years experience in open pit and underground mining of uranium in Utah and Colorado. He has mined, in his own right and under contract, a number of mines in those states in the period 1972 to 1985, including the Zannat (East Canyon), Pine Ridge (La Sal), Corral Canyon, Blue Hill and Sunrise (UraVan) mines. He is a principal of mining contractor Reliance Resources LLC, which currently operates under contract the Pandora Mine at La Sal, one of Utah's two operating uranium mines. Mr Shumway is also a principal of KSue Corporation of Moab, a major civil construction and earthmoving contractor in southeastern Utah.

### **Chief Financial Officer**

Hamish Carnachan was appointed to the position of CFO on August 3, 2008. Hamish graduated from the University of Western Australia in 1982 with a Bachelor of Commerce degree and attained his Chartered Accountant status in 1986. He has broad commercial experience having worked in Australia and London in accounting, audit, finance and executive management roles with Australian and international companies including Price Waterhouse Coopers and Merrill Lynch Europe and Middle East. Mr Carnachan is also CFO of Golden State Resources Limited, a publically listed company on the ASX.

# WHITE CANYON URANIUM LIMITED

## DIRECTORS' REPORT

### Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of White Canyon Uranium Limited were:

	Ordinary Shares	Options over Ordinary Shares
Richard Sciano	500,000	-
John Hasleby (resigned 30 June 2009)	360,000	3,110,000
Peter Batten (appointed 1 July 2009)	265,000	-
Lewis Cross	50,000	25,000
Kelly Shumway	46,147,000	3,600,000
Melvin Swanson	-	-
Gregory Burns	-	-

### Principal Activities

The principal activity of the company during the year has been exploration for uranium and the development of uranium mining activities.

### Operating Results

The consolidated operating loss after income tax amounted to \$1,055,428 (2008: \$202,755).

### Dividends Paid or Recommended

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

### Review of Operations

White Canyon Uranium Limited holds 100% of the advanced Thompson, Daneros, Geitus, Blue Jay and Marcy Look Projects in south-east Utah, comprising over 9,700 acres of mining claims and mineral leases. The projects contain historically defined high grade uranium deposits.

In February 2008, White Canyon Uranium Limited successfully completed an IPO capital raising of \$17.6 million, to be used to complete acquisition of minority interests in the Daneros Project, and fund exploration and development of Daneros and other already defined uranium deposits in Utah, USA. The Company was admitted to the ASX on 28 February 2008.

### Mining Permit for Daneros

Drilling completed in 2008 confirmed the presence of uranium mineralisation at the Daneros project in the Red Canyon district. A mining permit application was submitted to the Bureau of Land Management and a mining permit, the uranium permit granted in Utah in three decades, was granted in May 2009.

The Daneros uranium deposit is in close proximity to major past-producing uranium mines of the Red Canyon mining area, including Lark, Bullseye, Spook and Radium King. The area is well endowed with production infrastructure and 100 km by road from the White Mesa Uranium Mill (Denison Mines).

### Mining at Daneros

The Daneros mine will utilise underground mining to exploit the uranium mineralisation. Twin declines, one decline for access and one for ventilation, are planned for the mine and the portals were completed in June 2009. The declines were at a length of approximately 30m at the end of June and it is expected that the development will reach the mineralisation in late September or early October 2009.

Options for processing production from Daneros is ongoing with Denison Mines.

### WHITE CANYON AND THOMPSON PROJECTS

The Company has increased its land position in the White Canyon district by consolidating tenements with surrounding holders. The tenement position at Daneros has been more than doubled with the acquisition of the Lark-

# WHITE CANYON URANIUM LIMITED

## DIRECTORS' REPORT

Royal tenements. Historic production from Lark-Royal and unmined mineralisation will be the focus of continued exploration at the Daneros project in the coming year.

Tenement acquisition at Geitus has increased the landholding at this project and further consolidation is expected.

The Company has added two new projects to their uranium portfolio through tenement acquisition in the White Canyon district in late 2008. The projects, Blue Jay and Marcy & Look, total 1080 acres with uranium mineralisation intersected in drilling completed in the 1970s.

Uranium in the White Canyon District occurs in paleochannels in the Triassic Chinle formation. Production from mines in the district since 1949 exceeded 11 million pounds of  $U_3O_8$  at an average ore grade of 0.24%  $U_3O_8$ .

Uranium mineralization in the Thompson deposits occurs in the Jurassic Morrison Formation, in four sandstone lenses and in conglomeratic sandstone, as the mineral carnotite (a vanadium-uranium mineral).

All data available to the Company pertaining to its projects has been compiled and will be used to plan exploration for the coming year. These exploration programmes will form the basis for exploration permit applications to be submitted in the coming year.

### Financial Position

The increase in the net assets to \$33,253,320 (2008: \$28,537,418) reflects the substantial increase in exploration expenditure in the United States of America and the acquisition of mineral properties. This has been enabled through the prior year public listing of the company on the ASX and total capital raisings of \$917,900 in cash carried out during the year.

The Directors believe the group is in a strong enough financial position to continue its exploration and mine development endeavours.

### Significant Changes in the State of Affairs

To fund the acquisition, exploration and development of the company's projects the following capital raising activities were undertaken during the financial year:

- (i) On 3 September 2008 the company completed an options rights issue to raise \$915,662 via the issue of 91,566,152 options exercisable at 25 cents each on or before 29 January 2010;
- (ii) On 2 January 2009 4,800,000 shares were issued to vendors for mineral interests at 20 cents per share for a value of \$960,000;

In the opinion of the Directors, there were no other significant changes in the state of affairs of the company that occurred during the financial period under review, not otherwise disclosed in these financial statements and the Director's report.

### Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years; or
- (c) the consolidated entity's state of affairs in future financial years.

### Directors' Interests in Shares and Options of the Company

Directors' interests in equity instruments of the company are set out in Note 5 to the financial statements.

### Meetings of Directors

The attendance of directors at meetings of the company's Board of Directors held during the year is as follows:

Director	Number of Meetings		Number of Written Resolutions Of Directors
	Attended	Eligible to Attend	
Lewis Cross	2	2	14
John Hasleby	2	2	14
Richard Sciano	2	2	14
Kelly Shumway	2	2	14
Melvin Swanson	2	2	14

# WHITE CANYON URANIUM LIMITED

## DIRECTORS' REPORT

### Officer's Indemnities and Insurance

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

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

### Options

At the date of this report, the unissued ordinary shares of White Canyon Uranium Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
3 September 2008	29 January 2010	\$0.25	91,556,826
			<hr/> 91,556,826

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2009, the following ordinary shares of White Canyon Uranium Limited were issued on the exercise of options granted. No further shares have been issued since year end. No amounts are unpaid on any of the shares.

	Grant Date	Exercise Price	Number of Shares Issued
29 September 2008	3 September 2008	\$0.25	1,250
25 May 2009	3 September 2008	\$0.25	2,876
5 June 2009	3 September 2008	\$0.25	5,200
			<hr/> 9,326

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

### Environmental Regulation

White Canyon Uranium is committed to environmental care and aims to carry out its activities in an environmentally-responsible and scientifically-sound way. In performing exploration activities, some disturbance of the land in the creation of tracks, drill rig pads, sumps and the clearing of vegetation occurs. These activities have been managed in a way that reduces environmental impact to a practical minimum and rehabilitation of any land disturbance commences after exploration activity in an area has been completed.

White Canyon Uranium has complied with all statutory requirements involving protection of the environment as specified and enforced by the federal Bureau of Land Management and the State of Utah.

### Legal Proceedings

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Auditor's Independence Declaration and Non-Audit Services

RSM Bird Cameron Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required by Section 307C of the *Corporations Act 2001* is included with the financial statements.

## WHITE CANYON URANIUM LIMITED DIRECTORS' REPORT

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Details of non-audit services provided by the company's auditor are set out below. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and APES 110 Code of Ethics for Professional Accountants. The nature and scope of each type of non-audit service provide means that auditor independence has not been compromised. RSM Bird Cameron Partners received the following amount for provision of non-audit service:

- Investigating Accountant's Report - \$Nil (2008: \$15,900)

### **Remuneration Report**

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

#### **A Principles used to determine the nature and amount of remuneration**

##### ***Remuneration Policy***

The remuneration policy of the company 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 Group's financial results. The Board 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 Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as skills, experience and length of service) and superannuation or as otherwise disclosed below. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- Executives are also eligible to participate in the employee share and option arrangements.
  - The Australian resident directors receive the superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits, unless otherwise disclosed below.
  - All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board 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 (currently \$300,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

##### ***Performance based remuneration***

The Company currently has no performance based remuneration component built into director and executive remuneration packages.

**WHITE CANYON URANIUM LIMITED**  
**DIRECTORS' REPORT**

**Company performance, shareholder wealth and directors' and executives' remuneration**

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executives performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

**B Details of remuneration**

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) and specified executives of the company and the Group are set out in the following table. The key management personnel of the company and the Group include the directors, the operations manager and the chief financial officer. The company secretary is not considered to be key management personnel as he is not involved in management decisions and performs duties in relation to statutory and compliance matters only. Given the size and nature of operations of the company and the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

**Key management personnel and other executives of the company and the Group**

	Short-Term		Post Employment		Share-based	Total
	Salary & Fees	Non Monetary	Superannuation	Retirement benefits	Payments Options	
	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
Lewis Cross						
2009	60,000	-	5,400	-	-	65,400
2008	20,000	-	1,800	-	-	21,800
John Hasleby (resigned 30 June 2009)						
2009	168,751	-	15,188	-	-	183,939
2008	-	-	54,500	-	-	54,500
Richard Sciano						
2009	80,000	-	7,200	-	-	87,200
2008	26,667	-	2,400	-	-	29,067
Kelly Shumway						
2009	120,321	-	-	-	-	120,321
2008	33,452	-	-	-	-	33,452
Melvin Swanson						
2009	81,485	-	-	-	-	81,485
2008	14,868	-	-	-	-	14,868
<b>Other key management personnel</b>						
Michael Shumway (Operations Manager)						
2009	334,225	-	-	-	-	334,225
2008	92,923	-	-	-	-	92,923
Hamish Carnachan (CFO)						
2009	63,964	-	5,757	-	-	69,721
2008	-	-	-	-	-	-
<b>Total key management personnel compensation</b>						
2009	908,746	-	33,545	-	-	942,291
2008	187,910	-	58,700	-	-	246,610

**WHITE CANYON URANIUM LIMITED**  
**DIRECTORS' REPORT**

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**Specified Executive - Company Secretary**

Ranko Matic

2009	32,713	-	-	-	-	32,713
2008	8,750	-	-	-	-	8,750

**C Service agreements**

The details of service agreements of the key management personnel and specified executives of the company and the Group are as follows:

John Hasleby, Managing Director (resigned 30 June 2009):

- Term of agreement – 3 years commencing 1 March 2008.
- Annual salary of \$150,000 (plus 9% statutory superannuation) for 144 days worked, plus additional consulting fees at \$1,050 per day in excess of 144 days worked and the provision of US medical insurance (if requested) and accommodation expenses.
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to 6 months total salary.

Peter Batten, Managing Director (appointed 1 July 2009):

- Term of agreement – 3 years commencing 1 July 2009.
- Annual salary of \$300,000 (plus 9% statutory superannuation).
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to 6 months total salary.
- Director Options (subject to shareholder approval at the next general meeting):
  - 3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than 50 cents for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions, and
  - 3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than 75 cents for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions, and
  - 3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than \$1.00 for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions.

Richard Sciano, Executive Director:

- Term of agreement – 3 years commencing 1 March 2008.
- Annual salary of \$80,000 (plus 9% statutory superannuation) for 80 days worked, plus additional consulting fees at \$700 per day in excess of 80 days worked.
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to 6 months total salary.

Lewis Cross, Non-Executive Chairman:

- Term of agreement – commencing 1 March 2008, for no defined term.
- Director fee of \$60,000 (plus 9% statutory superannuation).

Kelly Shumway, Executive Director:

- Term of agreement – commencing 15 March 2008, for no defined term.
- Consulting fee of \$112,000 (US\$90,000).
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to one month's total salary.

Melvin Swanson, Non-Executive Director:

- Term of appointment – commencing 17 March 2008, for no defined term.
- Director fee of approximately \$54,000 (US\$40,000), plus additional consulting fees at US\$75 per hour.

Gregory Burns, Non-Executive Director:

- Term of appointment – 3 years commencing 1 August 2009.
- Director fee of approximately \$47,000 (US\$35,000).

## WHITE CANYON URANIUM LIMITED DIRECTORS' REPORT

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Michael Shumway, Operations Manager:

- Term of agreement – 3 years commencing 1 March 2008 or such earlier date as may be mutually agreed .
- Annual salary of approximately \$334,000 (US\$250,000).

Hamish Carnachan, Chief Financial Officer:

- Term of agreement – commencing 1 August 2008, for no defined term.
- Annual salary of \$72,500 (plus 9% statutory superannuation).
- Payment of termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months total salary.

Ranko Matic, Company Secretary:

- Term of agreement – commencing 1 March 2008 for no defined term.
- Two months notification of termination required.
- Mr Matic's firm, RLF Bentleys Pty Ltd, is engaged to provide accounting and company secretarial services. The annual retainer is \$24,000. Fees are charged on a monthly retainer basis, with additional fees payable on an hourly as-needs basis. All amounts are included in Mr Matic's remuneration noted above.

### **D Share-based compensation**

There were no options or shares issued to directors and executives as part of their remuneration, except that agreement was reached with Mr Peter Batten as part of his remuneration package that he be granted the following options subject to shareholder approval at the next general meeting of shareholders:

3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than 50 cents for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions, and

3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than 75 cents for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions, and

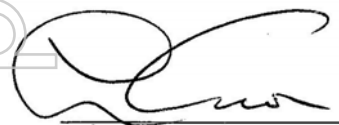
3,000,000 unlisted WCU options; exercisable at 50 cents upon the weighted average issued share price being equal to or greater than \$1.00 for 5 consecutive days and valid for two years from issue of unlisted options and subject to standard terms and conditions.

### **E Additional information**

#### ***Performance income as a proportion of total compensation***

No performance based bonuses have been paid to key management personnel during the financial year.

The directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on company business.



Lewis Cross  
Director

Signed at Perth on 10<sup>th</sup> day of August 2009 in accordance with a resolution of Directors.

# WHITE CANYON URANIUM LIMITED

## CORPORATE GOVERNANCE

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White Canyon Uranium Limited is listed on the Australian Stock Exchange. The company is relatively small with a simple corporate structure and its financial and management control requirements are tailored accordingly. It adheres to the eight Essential Corporate Governance Principles as published by the ASX Corporate Governance Council and has adopted those of the Best Practice Recommendations which its Board of Directors considers to be relevant and essential for the efficient management of the company and its business whilst safe guarding shareholder assets in the context of the inherent and well understood high risk nature of the exploration industry.

The following is a summary of the Corporate Governance measures adopted by the Company and its corporate governance statement:

### **Board and Management**

#### ***Objectives of the Board***

The Board's key objectives are the addition of value corporate assets whilst safe guarding shareholders' rights and interests together with the provision of an appropriate overview of management. With this in mind, the Board meets regularly in the discharge of its responsibilities.

#### ***Board Responsibility***

The Board focuses on the company on the investigation of exploration opportunities in the mineral resources business which are judged to have the potential for success without exposing the company to undue risk by establishing and maintaining adequate management control through monitoring systems which include:

- (a) continually reviewing the performance of the company and its executives, including management and financial performance, overseeing strategy implementation and where necessary, ensuring appropriate resources are available. The board retains the right to replace the executive management of the company;
- (b) regular Board meetings, reviewing, approving and amending where necessary, the Executive Director's annual programmes and budgets and the company's overall corporate objectives;
- (c) putting in place systems of risk management and legal control mechanisms and ensuring their effectiveness;
- (d) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- (e) maintaining responsibility for the overall financial management of the company with the ability to approve the appointment (if necessary) of a financial officer and to replace the Company Secretary;
- (f) monitoring and approving financial and other reporting;
- (g) supervising the overall corporate governance of the company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;
- (h) liaising with the company's external auditors;
- (i) monitoring, and ensuring compliance with all of the company's legal obligations, in particular those in relation to the maintenance of the company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

#### ***Materiality***

The Board adopts the following guidelines, which are deemed appropriate for a company of the maturity and size of White Canyon Uranium, for assessing the materiality of matters:

#### ***Qualitative***

- (a) any matters which impact on the reputation of the company and/or its Board;
- (b) any activities of the company, its joint ventures, employees or contractors, which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;
- (c) any matter which might negatively affect the company's rights to its assets;
- (d) any activities of the company, its joint ventures, employees or contractors which have the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the company's balance sheet or a similar effect on one or more profit and loss items.

#### ***Contracts***

White Canyon Uranium is a relatively small company and its Directors consider most contracts entered into by the company to be material. With the exception of day to day agreements the responsibility for which fall upon the executive directors, all contracts are subjected to review by the Board.

#### ***Structure of the Board***

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The Board is comprised of 3 executive directors and 2 non-executive directors.

## WHITE CANYON URANIUM LIMITED CORPORATE GOVERNANCE

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### ***Independent Directors***

There are 3 executive directors and 3 non-executive directors on the Board. Non-executive directors Mel Swanson and Gregory Burns are considered Independent Directors. Given the small size of the company this board structure is considered appropriate for the size of the company and to provide an adequate mix of independent, non-executive and executive directors.

### ***The Chairman***

Lewis Cross fulfils the role of Chairman. He is a non-executive director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board.

### ***Peter Batten, Managing Director***

Peter Batten, Managing Director, runs the company on a day-to-day basis pursuant to authority delegated by the Board and is responsible from the implantation of Board and corporate policy and planning in accordance with approved programmes and budgets. He reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of the company's exploration and other activities and its then current financial status.

### ***Other Directors***

The other directors assist in providing an independent oversight to the operations of the board.

### ***Nomination for Board Positions***

The Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Decisions to appoint new directors will be minuted. The small size of the company and the Board do not warrant the appointment of a nomination committee.

### ***Independent Professional Advice***

Each Director has the right to seek independent professional advice at the company's expense. Prior approval of the chairman is required and will not be unreasonably withheld.

### **Ethical and Responsible Decision Making**

#### ***Code of Conduct***

The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

#### ***Policy on Share Trading***

Directors, officers and employees are prohibited from dealing in White Canyon Uranium's shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the company by any Director or officer of the Company.

### **Financial Reporting Integrity**

#### ***Financial Reports***

The CEO and the CFO are required to confirm in writing to the Board that the company's half year & full year financial reports present a true and fair view in all material respects of the company's financial condition and operational results and are in accordance with relevant accounting standards.

#### ***Audit Committee***

The Directors do not consider that the company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of White Canyon Uranium will carry out any necessary audit committee functions.

The Board monitors the form and content of the company's financial statements; it also has an overview of the company's internal financial control and audit system and risk management systems.

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. Directors also approve the remuneration and terms of engagement of the external audit firm. Any appointment of a new external auditor is submitted for ratification by shareholders at the next annual general meeting of the Company.

# WHITE CANYON URANIUM LIMITED

## CORPORATE GOVERNANCE

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### Timely and Balance Disclosure

Detailed compliance procedures, to ensure timely balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosures Guideline, have been noted and adopted by the company. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

### Rights of Shareholders

White Canyon Uranium maintains a website at [www.whitecanyonuranium.com.au](http://www.whitecanyonuranium.com.au).

Under various headings White Canyon Uranium shareholders may find all current information on the company, its recent ASX releases, its projects and its Corporate profile. Shareholders may also contact the company and request a copy of the company's ASX releases.

The company invites the external auditor to attend its annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

### Management of Risk

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems.

The Managing Director is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the company current and potential investors are reminded that they are investors in a company engaged in exploration activities which by their very nature are high risk and where successful may give rise to high rewards.

### Performance Evaluation of the Board and Management

The chairman conducts regular informal reviews of Board and management performance including that of the Company Secretary on at least an annual basis.

### Remuneration of Directors and Executives

The Managing Director and executive directors are engaged on a service contract with a company related to the Director. The chairman and non-executive Director carry out an annual review of the adequacy of executive director remuneration which may include participation in share incentive arrangements.

The size of White Canyon Uranium and the current remuneration of the non-executive Chairman and non-executive Director are not considered of a size and nature to warrant independent review.

Details of directors' and executives' remuneration are set out in the annual Financial Report in accordance with accounting standards.

### Corporate Code of Conduct

White Canyon Uranium is committed to:

- (a) applying the company's funds efficiently to provide above average and sustainable return to shareholders through both capital appreciation and the payment of dividends when in a position to do so;
- (b) adopting high standards of occupational health and safety, environmental management and ethics;
- (c) ensuring that all of its business affairs and conducted legally, ethically and with integrity.

### Corporate Responsibility

The company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws.

### Employment

The company policy is to employ the best available staff. At this stage in the company's development all potential employees will be subject to full Board Scrutiny.

# WHITE CANYON URANIUM LIMITED

## CORPORATE GOVERNANCE

### Third Parties

The company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

### Conflict of Interest

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of White Canyon Uranium. If a situation where a conflict of interest arises the Chairman is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

### Breach of Corporate Governance

Any breach of Corporate Governance is to be reported directly to the Chairman.

### Review of Rules of Corporate Governance

The Board through the chairman monitors the company's compliance with the Rules periodically.

## CORPORATE GOVERNANCE STATEMENT

White Canyon Uranium Limited ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Further information about the Company's corporate governance practices including the relevant information on the Company's charters, code of conduct and other policies and procedures is set out on the Company's website at [www.whitecanyonuranium.com.au](http://www.whitecanyonuranium.com.au).

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

### Summary Statement

	ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>		ASX P & R <sup>1</sup>	If not, why not <sup>2</sup>
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2	✓	
Recommendation 2.2		✓	Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2	✓	
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 4.1		✓	Recommendation 8.3	✓	
Recommendation 4.2		✓			

1 Indicates where the Company has followed the Principles & Recommendations

2 Indicates where the Company has provided "if not, why not" disclosure.

## WHITE CANYON URANIUM LIMITED CORPORATE GOVERNANCE

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### "If Not, Why Not" Disclosure

During the Company's 2008/2009 financial year ("**Reporting Period**") the Company has followed each of the Principles & Recommendations other than in relation to the matters specified below.

#### **Principle 2**

**Recommendation 2.1:** A majority of the board should be independent directors.

##### **Notification of departure:**

The Company does not have a majority of independent directors as currently only two of the Directors are independent.

##### **Explanation for departure:**

The Board considers that the composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business.

#### **Principle 2**

**Recommendation 2.2:** The chair should be an independent director.

##### **Notification of departure:**

The Chair, Mr Lewis Cross, is not an independent Director as he is an officer of a substantial shareholder of the Company, Golden State Resources Ltd.

##### **Explanation for departure:**

The current Board composition does not allow for the Company to follow recommendation 2.2. However, the Board believes that Mr Cross is the most appropriate person for the position of Chair because of his qualifications and experience. Further, the Board has adopted a Policy on Independent Professional Advice to assist Directors with independent judgement.

#### **Principle 2**

**Recommendation 2.4:** The board should establish a nomination committee.

##### **Notification of departure:**

During the reporting period there was no separate nomination committee.

##### **Explanation for departure:**

The full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers given its size and composition that no efficiencies or other benefits would be gained by establishing a separate committee. The Board has adopted a Nomination Committee Charter which it applies, as relevant.

#### **Principle 4**

**Recommendations 4.1 & 4.2:** The board should establish an audit committee and structure it in accordance with Recommendation 4.3.

##### **Notification of departure:**

A separate audit committee has not been formed and therefore is not structured in accordance with the compositional recommendation.

##### **Explanation for departure:**

The role of the audit committee is carried out by the full Board. The Board considers that given its size and composition, no efficiencies or other benefits would be gained by establishing a separate committee. When considering audit related matters, the Board functions in accordance with its Audit Committee Charter. The Audit Committee Charter also provides that the Board may meet with the external auditor, without management present, as required.

#### **Principle 8**

**Recommendation 8.1:** The board should establish a remuneration committee.

##### **Notification of departure:**

There is no separate remuneration committee.

## WHITE CANYON URANIUM LIMITED CORPORATE GOVERNANCE

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### **Explanation for departure:**

The role of the remuneration committee is carried out by the full Board. The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee. However, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the remuneration committee. No Directors participate in any deliberations regarding their own remuneration or related issues.

### **NOMINATION COMMITTEE**

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period, however nomination related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter (available on the Company's website).

### **AUDIT COMMITTEE**

The full Board carries out the role of the Audit Committee. The full Board did not officially convene as an Audit Committee during the Reporting Period, however audit related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Audit Committee, it has adopted an Audit Committee Charter (available on the Company's website).

### **REMUNERATION COMMITTEE**

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The full Board carries out the role of the Remuneration Committee. The full Board did not officially convene as a Remuneration Committee during the Reporting Period, however remuneration related discussions occurred from time to time during the year as required. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter (available on the Company's website).

### **OTHER**

#### **Skills, Experience, Expertise and term of office of each Director**

A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.

#### **Assurances to the Board**

The Board has received assurance from management that the Company's management of its material business risks are effective. Further, the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that such declaration 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 risk.

#### **Identification of Independent Directors and the Company's Materiality Thresholds**

In considering the independence of directors, the Board refers to its *Policy on Assessing the Independence of Directors* (available on the Company's website).

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's *Board Charter* (available on the Company's website):

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

## WHITE CANYON URANIUM LIMITED CORPORATE GOVERNANCE

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- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

There are currently two independent directors of the Company.

### **Statement concerning availability of Independent Professional Advice**

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

### **Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted**

During the Reporting Period an evaluation of the performance of the Board, its committees and individual directors was not carried out due to operational priorities.

During the Reporting Period a performance evaluation for senior executives was not carried out due to operational priorities.

### **Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors**

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

# RSM Bird Cameron Partners

Chartered Accountants

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of White Canyon Uranium 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:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



T PHONG  
Partner

Perth, WA  
Dated: 10 August 2009

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**WHITE CANYON URANIUM LIMITED**  
**INCOME STATEMENT FOR YEAR ENDED 30 JUNE 2009**

	Note	Consolidated Group		Parent Entity	
		2009 \$	2008 \$	2009 \$	2008 \$
Revenue					
Other income	2	300,845	185,031	300,845	185,031
Director & employee benefits expense		624,075	153,686	450,278	105,366
Legal fees		40,236	9,766	949	9,766
Corporate and administration expenses		691,962	224,334	426,656	177,256
Profit/(Loss) before income tax	3	(1,055,428)	(202,755)	(577,038)	(107,357)
Income tax expense	4	-	-	-	-
Profit/(Loss) after income tax		(1,055,428)	(202,755)	(577,038)	(107,357)
<b>Profit/(Loss) attributable to members of the parent entity</b>		(1,055,428)	(202,755)	(577,038)	(107,357)
Basic and diluted loss per share (cents per share)	9	(0.57)	(0.23)		

The accompanying notes form part of these financial statements.

**WHITE CANYON URANIUM LIMITED**  
**BALANCE SHEET AS AT 30 JUNE 2009**

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	4,574,710	7,253,644	4,355,004	7,108,498
Trade and other receivables	8	28,762	131,149	28,762	131,149
Other current assets	13	44,417	1,249	44,417	1,249
<b>TOTAL CURRENT ASSETS</b>		<b>4,647,889</b>	<b>7,386,042</b>	<b>4,428,183</b>	<b>7,240,896</b>
<b>NON-CURRENT ASSETS</b>					
Financial assets	10	-	7,500	132	7,632
Trade and other receivables	8	-	-	29,318,200	21,241,713
Property, plant and equipment	12	52,215	13,178	7,444	-
Deferred exploration and evaluation expenditure	14	28,856,548	21,190,637	216,131	209,317
<b>TOTAL NON-CURRENT ASSETS</b>		<b>28,908,763</b>	<b>21,211,315</b>	<b>29,541,907</b>	<b>21,458,662</b>
<b>TOTAL ASSETS</b>		<b>33,556,652</b>	<b>28,597,357</b>	<b>33,970,090</b>	<b>28,699,558</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	303,332	59,939	149,689	59,753
<b>TOTAL CURRENT LIABILITIES</b>		<b>303,332</b>	<b>59,939</b>	<b>149,689</b>	<b>59,753</b>
<b>TOTAL LIABILITIES</b>		<b>303,332</b>	<b>59,939</b>	<b>149,689</b>	<b>59,753</b>
<b>NET ASSETS</b>		<b>33,253,320</b>	<b>28,537,418</b>	<b>33,820,401</b>	<b>28,639,805</b>
<b>EQUITY</b>					
Issued capital	16	30,662,559	29,704,184	30,662,559	29,704,184
Reserves	17	3,867,397	(945,558)	3,842,237	(957,022)
Accumulated losses		(1,276,636)	(221,208)	(684,395)	(107,357)
<b>TOTAL EQUITY</b>		<b>33,253,320</b>	<b>28,537,418</b>	<b>33,820,401</b>	<b>28,639,805</b>

The accompanying notes form part of these financial statements.

**WHITE CANYON URANIUM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009**

<b>CONSOLIDATED GROUP</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Foreign Currency Translation \$</b>	<b>Option Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2007</b>	1	(18,453)	146	-	(18,306)
Loss after income tax	-	(202,755)	-	-	(202,755)
Foreign currency translation	31,013,242	-	-	-	31,013,242
Capital raising costs	(1,309,059)	-	-	-	(1,309,059)
Foreign currency translation	-	-	(945,704)	-	(945,704)
<b>Balance at 30 June 2008</b>	<b>29,704,184</b>	<b>(221,208)</b>	<b>(945,558)</b>	<b>-</b>	<b>28,537,418</b>
<b>Balance at 1 July 2008</b>	29,704,184	(221,208)	(945,558)	-	28,537,418
Loss after income tax	-	(1,055,428)	-	-	(1,055,428)
Shares issued	962,426	-	-	-	962,426
Capital raising costs	(4,051)	-	-	-	(4,051)
Options issued	-	-	-	915,568	915,568
Options issue costs	-	-	-	(79,369)	(79,369)
Foreign currency translation	-	-	3,976,756	-	3,976,756
<b>Balance at 30 June 2009</b>	<b>30,662,559</b>	<b>(1,276,636)</b>	<b>3,031,198</b>	<b>836,199</b>	<b>33,253,320</b>

<b>PARENT ENTITY</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Foreign Currency Translation \$</b>	<b>Option Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2007</b>	1	-	-	-	1
Loss after income tax	-	(107,357)	-	-	(107,357)
Shares issued	31,013,242	-	-	-	31,013,242
Capital raising costs	(1,309,059)	-	-	-	(1,309,059)
Foreign currency translation	-	-	(957,022)	-	(957,022)
<b>Balance at 30 June 2008</b>	<b>29,704,184</b>	<b>(107,357)</b>	<b>(957,022)</b>	<b>-</b>	<b>28,639,805</b>
<b>Balance at 1 July 2008</b>	29,704,184	(107,357)	(957,022)	-	28,639,805
Loss after income tax	-	(577,038)	-	-	(577,038)
Shares issued	962,426	-	-	-	962,426
Capital raising costs	(4,051)	-	-	-	(4,051)
Options issued	-	-	-	915,568	915,568
Options issue costs	-	-	-	(79,369)	(79,369)
Foreign currency translation	-	-	3,963,060	-	3,963,060
<b>Balance at 30 June 2009</b>	<b>30,662,559</b>	<b>(684,395)</b>	<b>3,006,038</b>	<b>836,199</b>	<b>33,820,401</b>

The accompanying notes form part of these financial statements.

**WHITE CANYON URANIUM LIMITED**  
**CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2009**

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Payments to suppliers and employees		(1,177,795)	(329,044)	(844,053)	(233,646)
Payments for exploration expenditure		(1,261,704)	(658,726)	(6,814)	(113,495)
Interest and dividends received		415,521	56,144	415,521	56,144
Net cash used in operating activities	20	(2,023,978)	(931,626)	(435,346)	(290,997)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for exploration and evaluation assets		(1,452,983)	(11,481,242)	-	-
Purchase of plant and equipment		(45,277)	(13,178)	(8,120)	-
Purchase of investments		-	(10,000)	-	(10,000)
Sale of investments		8,824	-	8,824	-
Repayment of loans advanced by associates		-	(290,493)	-	(95,953)
Loans advanced to controlled entities		-	-	(3,153,332)	(12,474,735)
Net cash used in investing activities		(1,489,436)	(11,794,913)	(3,152,628)	(12,580,688)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of shares & options		917,900	21,289,242	917,900	21,289,242
Payments for costs of shares & options issued		(83,420)	(1,309,059)	(83,420)	(1,309,059)
Net cash provided by financing activities		834,480	19,980,183	834,480	19,980,183
<b>Net increase/(decrease) in cash held</b>		(2,678,934)	7,253,644	(2,753,494)	7,108,498
Cash at beginning of financial year		7,253,644	-	7,108,498	-
<b>Cash at end of financial year</b>	7	4,574,710	7,253,644	4,355,004	7,108,498

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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**Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporation Act 2001.

The financial report covers the Consolidated Group of White Canyon Uranium Limited and controlled entities and White Canyon Uranium Limited as an individual parent entity. White Canyon Uranium Limited is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Board on 10<sup>th</sup> August 2009.

The financial report of White Canyon Uranium Limited and controlled entities and White Canyon Uranium Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**(b) Principles of Consolidation**

A controlled entity is any entity White Canyon Uranium Limited has the power to control. Control exists where the company has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the company to achieve the objectives of the company.

All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

**(c) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary difference arising between the tax bases and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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**Note 1: Statement of Significant Accounting Policies (continued)**

**(d) Plant and Equipment**

Each class of plant and equipment is carried at cost of fair value, less, where applicable, any accumulated depreciation and impairment losses. 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on the reducing balance method over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture and Fixtures	15%
Plant and Equipment	15% - 33.3%
Leasehold Improvements	12%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

**(e) Exploration and Development Expenditure**

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

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.

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

**(f) Investments**

**Recognition**

Financial instruments are initially measured at cost on acquisition date, which includes transaction costs, when the related contractual rights or obligations exist.

**Fair Value**

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

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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**(g) Impairment of Assets**

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(h) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(i) Foreign Currency Transactions and Balances**

**Functional and Presentation Currency**

The functional currency of each of the entities in the Consolidated Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are present in Australian dollars which is the parent entity's functional and presentation currency.

**Transactions and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised directly in the income statement except where deferred in equity as a qualify cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

**Translation**

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

**(j) Joint Ventures**

The Consolidated Group did not have any joint venture operations during the year or prior period.

**(k) Employee Entitlements**

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year end represent present obligations resulting from employees services provided to reporting date, calculated at the undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs.

Provision is made for the company's liabilities for employee's annual leave benefits arising from service rendered by employees to balance date.

**(l) Cash and Equivalents**

Cash and equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments. For the purpose of the cash flow statement, cash includes deposits at call, which are readily convertible to cash on hand and subject to an insignificant risk of changes in value.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**(m) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST)

**(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, or payable to, the ATO, is included as a current asset of liability in the balance sheet.

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

**(o) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The area that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

*Exploration and evaluation expenditure*

The board of directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

No areas of interest have been abandoned at the date of this report.

	<b>Consolidated Group</b>		<b>Parent Entity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	\$	\$	\$	\$
<b>Note 2: Revenue</b>				
OTHER INCOME				
Interest received	299,521	185,031	299,521	185,031
Other	1,324	-	1,324	-
	300,845	185,031	300,845	185,031

**Note 3: Loss**

The loss before income tax includes the following:

Rental expenses on operating leases	78,186	40,375	58,667	35,575
Share registry, promotion & investor relations	75,756	38,109	75,756	38,109
Travel and accommodation	124,058	47,898	13,094	47,467
Depreciation	6,662	-	676	-

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Consolidated Group</b>		<b>Parent Entity</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Note 4: Income Tax Expense**

No income tax is payable by the company or the Consolidated Group as they both incurred losses for income tax purposes for the year.

**(a) Reconciliation**

The prima facie tax on the loss is reconciled to income tax expense as follows:

Loss for the year	1,055,428	(202,755)	(577,038)	(107,357)
Prima facie tax benefit at 30%	316,628	60,826	173,111	32,207
Non-assessable/(non-deductible) items	83,243	32,645	83,243	32,645
Tax losses of non-resident controlled entities	(53,486)	(35,350)	-	-
Deferred tax asset not brought to account	(346,385)	(58,121)	(256,354)	(64,852)
Income tax benefit relating to loss	-	-	-	-

**(b) Deferred Tax Asset & Liability**

Deferred tax asset not brought to account comprises the future benefits at applicable tax rates:

Tax losses – revenue (resident)	363,874	169,376	363,874	169,376
Tax losses – revenue (non-resident)	88,836	35,350	-	-
Tax losses – capital	419	-	419	-
Temporary differences	290,418	317,513	290,418	317,513
Deferred tax asset	743,547	522,239	654,711	486,889
Deferred tax liability	(38,836)	(64,440)	(38,836)	(64,440)
Net deferred tax asset/(liability)	704,711	457,799	615,875	422,449

Resident tax losses calculated at the Australian income tax rate of 30%.

Non-resident tax losses calculated at the lowest US corporate tax rate threshold of 15% as the non-resident companies did not derive any taxable income.

This asset has not been recognised as an asset in the balance sheet as its realisation is not considered probable. The asset will only be obtained if:

- (a) the company derives future assessable income of a nature and of an amount sufficient to enable the asset from the deductions for the loss to be realised;
- (b) the company continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the company in realising the asset from deductions for the losses.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**Note 5: Key Management Personnel**

**(a) Names and Positions Held of Key Management Personnel**

Names and positions held of consolidated and parent entity key management personnel in office at any time during the reporting period are:

Lewis Cross	Chairman	Non-Executive
John Hasleby	Managing Director (resigned 30 June 2009)	Executive
Richard Sciano	Director	Executive
Kelly Shumway	Director	Executive
Melvin Swanson	Director	Non-Executive
Michael Shumway	Operations Manager	Executive
Hamish Carnachan	Chief Financial Officer	Executive

The company secretary is not considered to be key management personnel as he is not involved in management decisions and performs duties in relation to statutory and compliance matters only.

**(b) Key Management Personnel Remuneration**

Key management personnel remuneration details have been included in the Remuneration Report section of the Directors Report.

The totals of remuneration paid to key management personnel of the company and the group during the year are as follows:

	<b>Consolidated Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	908,746	187,910
Post employment benefits	33,545	58,700
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	-	-
	942,291	246,610

**(c) Details of Transactions of Key Management Personnel Concerning Shares**

Shares	Balance at 30/06/2008	Purchased /(Sold)	Options Exercised	Received as Compensation	Balance at 30/06/2009
Lewis Cross	50,000	-	-	-	50,000
John Hasleby	220,000	140,000	-	-	360,000
Richard Sciano	-	500,000	-	-	500,000
Kelly Shumway	-	477,000**	-	-	477,000
Melvin Swanson	-	-	-	-	-
Michael Shumway	45,670,000	-	-	-	45,670,000
Hamish Carnachan	-	38,234	-	-	38,234
	45,940,000	1,155,234	-	-	47,095,234

\* Kelly Shumway has an indirect interest in 45,670,000 shares held in the name of her spouse, Mr Michael Shumway as disclosed above.

\*\* Kelly Shumway also has an indirect interest in 477,000 shares held in the name of Reliance Resources LLC, a company 51% owned by herself and her spouse, Mr Michael Shumway.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**(d) Details of transaction of Key Management Personnel Concerning Share Options**

Share Options	Balance at 30/06/2008	Purchased /(Sold)	Granted as Compensation	Options Exercised	Options Cancelled	Balance at 30/06/2009
Lewis Cross	-	25,000	-	-	-	25,000
John Hasleby	-	3,110,000	-	-	-	3,110,000
Richard Sciano	-	-	-	-	-	-
Kelly Shumway	-	-	-	-	-	-
Melvin Swanson	-	-	-	-	-	-
Michael Shumway	-	3,600,000	-	-	-	3,600,000
Hamish Carnachan	-	2,160,000	-	-	-	2,160,000
	-	8,895,000	-	-	-	8,895,000

\* Kelly Shumway has an indirect interest in 3,600,000 options held in the name of her spouse, Mr Michael Shumway as disclosed above.

All options above are listed options that are all vested and exercisable.

**Note 6: Auditors' Remuneration**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	33,225	19,800	33,225	19,800
- investigating accountant's report	-	15,900	-	15,900
	33,225	35,700	33,225	35,700

**Note 7: Cash and Cash Equivalents**

Cash at bank and in hand	97,204	2,628,644	8,111	2,483,498
Short-term bank deposits	4,477,506	4,625,000	4,346,893	4,625,000
	4,574,710	7,253,644	4,355,004	7,108,498

**Note 8: Trade and Other Receivables**

**CURRENT**

Accrued interest	10,896	128,887	10,896	128,887
GST receivable	17,866	2,262	17,866	2,262
	28,762	131,149	28,762	131,149

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
NON-CURRENT				
Receivable from controlled entity	-	-	29,318,200	21,241,713
	-	-	29,318,200	21,241,713

The directors do not believe that there are any indicators that the receivable from the controlled entity is impaired due to current and prospective activities being undertaken by the controlled entity in regards to its exploration projects.

**Note 9: Earnings per Share**

Profit/(Loss) attributable to members	(1,055,428)	(202,755)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	185,501,032	86,920,304

The company does not have any potential ordinary shares at 30 June 2009 that are considered to be dilutive as their conversion to ordinary shares would decrease the loss per share from continuing operations.

**Note 10: Financial Assets**

**Non-Current**

Shares in listed corporation at fair value	-	10,000	-	10,000
Shares in unlisted controlled entities at cost	-	-	132	132
Less: Impairment provision	-	(2,500)	-	(2,500)
	-	7,500	132	7,632

**Note 11: Controlled Entities Consolidated**

**Ultimate Parent Entity:**

White Canyon Uranium Limited

Subsidiaries	Country of incorporation	Class of shares	Ownership Interest		Investment at cost	
			2009	2008	2009	2008
Utah Energy Corporation	USA	Ordinary	100%	100%	\$ 132	\$ 132

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 12: Plant and Equipment</b>				
Plant and Equipment				
At cost	58,455	13,178	8,120	-
Accumulated depreciation	(6,240)	-	(676)	-
	52,215	13,178	7,444	-

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

Balance at the beginning of year	13,178	-	-	-
Additions	45,277	13,178	8,120	-
Disposals	-	-	-	-
Depreciation expense	(6,240)	-	(676)	-
Carrying amount at the end of year	52,215	13,178	7,444	-

**Note 13: Other Assets**

**CURRENT**

Prepayments	44,417	1,249	44,417	1,249
	44,417	1,249	44,417	1,249

**Note 14: Deferred Exploration and Evaluation Expenditure**

Cost brought forward	21,190,637	272,373	209,317	95,822
Expenditure incurred during year	7,665,911	20,918,264	6,814	113,495
Expenditure recovered during year	-	-	-	-
Expenditure written off during year	-	-	-	-
Cost carried forward	28,856,548	21,190,637	216,131	209,317

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploration, or sale of the respective areas.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 15: Trade and Other Payables</b>				
<b>CURRENT</b>				
Trade payables and accruals	303,332	59,939	149,689	59,753
	303,332	59,939	149,689	59,753

**Note 16: Issued Capital**

187,941,631 (2008: 183,132,305) fully paid ordinary shares	30,662,559	29,704,184	30,662,559	29,704,184
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(a) Ordinary Shares	No.	No.	\$	\$
At the beginning of reporting period	183,132,305	1	29,704,184	1
Increase through share split – 1 Oct 2007	-	45,669,999	-	-
Shares issued during the year				
- 17 October 2007 Placement at 20 cents per share	-	18,426,665	-	3,685,333
- 1 March 2008 to Vendors for Mineral Interests at 20 cents per share	-	48,620,000	-	9,724,000
- 1 March 2008 to the Public on Listing at 25 cents per share	-	70,415,640	-	17,603,910
- 29 Sept 2008 Exercise of options	1,250	-	313	-
- 2 Jan 2009 to Vendors for Blanding Deposits	4,800,000	-	960,000	-
- 25 May 2009 Exercise of options	2,876	-	719	-
- 5 June 2009 Exercise of options	5,200	-	1,300	-
- Transfer from options reserve on share issue			94	-
Capital raising costs			(4,051)	(1,309,060)
At reporting date	187,941,631	183,132,305	30,662,559	29,704,184

At shareholders meetings each ordinary share is entitled to one vote. The company does not have authorised share capital and there is no par value for shares.

**(b) Unlisted Options**

There are no unlisted options at 30 June 2009.

**(c) Listed Options**

As at 30 June 2009, there are 91,556,826 listed options on issue exercisable at 25 cents each on or before 29 January 2010.

**(d) Capital Risk Management**

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

No dividends were paid in 2009 and no dividends are expected to be paid in 2010.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure and development will be funded via cash reserves, equity or joint ventures with other companies.

The Company is not subject to any externally imposed capital requirements.

**Note 17: Reserves**

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

The options reserve records amounts received when the company issues options or records items recognised as expenses on the valuation of employee share options where relevant.

**Note 18: Contingent Liabilities and Contingent Assets**

**Contingent Liabilities**

There were no known contingent liabilities at balance date.

**Contingent Assets**

There were no known contingent assets at balance date.

**Note 19: Segment Reporting**

**Primary Reporting – Geographical Segments**

	Australia		United States		Consolidated Group	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenue	300,845	185,031	-	-	300,845	185,031
RESULT						
Segment profit/(loss)	(577,038)	(107,357)	(478,390)	(95,398)	(1,055,428)	(202,755)
ASSETS						
Segment assets	4,651,758	7,457,845	28,904,894	21,139,512	33,556,652	28,597,357
LIABILITES						
Segment liabilities	149,689	59,753	153,643	186	303,332	59,939

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 and property, plant and equipment net of accumulated depreciation. 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, accrued expenses and provisions. Segment assets and liabilities do not include deferred income taxes.

The Consolidated Group operates in one business segment, being mineral exploration and mining.

The Consolidated Group's business segments are located in Australia and United States.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 20: Cash Flow Information</b>				
<b>(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>				
Profit/(Loss) after income tax	(1,055,428)	(202,755)	(577,038)	(107,357)
Non-cash flows in profit/(loss)				
Provision for write down of investments	-	2,500	-	2,500
Profit on sale of investments	(1,324)	-	(1,324)	-
Foreign currency movements	(14,337)	-	-	-
Depreciation	6,240	-	676	-
Changes in assets and liabilities:				
Receivables	102,386	(131,149)	102,386	(131,149)
Prepayments	(43,168)	(1,249)	(43,168)	(1,249)
Trade payables and accruals	243,357	59,753	89,936	59,753
Exploration expenditure capitalised	(1,261,704)	(658,726)	(6,814)	(113,495)
Cash flow from operations	(2,023,978)	(931,626)	(435,346)	(290,997)

**Note 21: Events After the Balance Sheet Date**

No matters or circumstances have arisen since 30 June 2009 that may significantly affect:

- (a) the consolidated entity's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the consolidated entity's state of affairs in future financial years.

**Note 22: Share Based Payments**

On 2 January 2009 4,800,000 shares were issued to vendors for mineral interests at 20 cents per share for a value of \$960,000.

**Note 23: Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**(a) Key Management Personnel**

Information on remuneration of Directors and Key Management Personnel during the financial period is disclosed in the Remuneration Report section of the Directors Report.

Kelly Shumway is a 50% shareholder of KM Real Estate Enterprises LLC. The Company entered into an Administrative Services Agreement with KM Real Estate Enterprises LLC and has paid KM Real Estate Enterprises LLC \$17,893 as payment for rental of office and warehouse space and provision of office and accounting services at 1300 S Highway 191, Moab, Utah.

Kelly Shumway is the owner of Ksue Corporation LLC, a construction, earthworks and machinery hire business. The Company has paid Ksue Corporation LLC \$44,853 as payment for earthworks and site infrastructure costs.

Kelly and Michael Shumway are shareholders and managers of Reliance Resources LLC. The Company has paid Reliance Resources LLC \$244,988 for rotary and diamond drilling services at the Company's Daneros Uranium Project.

Messrs Cross and Sciano are directors of Golden State Resources Limited. The Company entered into an Administrative Services Agreement with Golden State Resources Limited for the provision of office and

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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administrative services at 181 Roberts Road, Subiaco Western Australia for which the Company has paid \$58,667.

Other than as above and outlined in the Directors Report, there were no other transactions of directors and director related entities during the year.

**(b) Wholly Owned Group**

The wholly owned group consists of White Canyon Uranium Limited and its wholly owned controlled entities. Ownership interests in the controlled entities are set out in Note 11. Transactions between White Canyon Uranium Limited and its wholly owned group during the year end 30 June 2009 consisted of non current interest free loans advanced by the parent entity.

**(c) Associated Companies**

There are no associated companies.

**(d) Other Related Parties**

The Company undertook a royalty buy back during the year in relation to the Daneros & Geitus Deposits. The terms of the buyback involved cash payments to Eugene Shumway – approximately \$213,900 (US\$160,000), Kevin Shumway – approximately \$160,427 (US\$120,000) and Sherwin Shumway – approximately \$160,427 (US\$120,000), all being 3<sup>rd</sup> cousins of Michael and Kelly Shumway.

The Company also purchased mineral deposits during the year from David Lacy and Kevin Shumway, all being 3<sup>rd</sup> cousins of Michael and Kelly Shumway, in relation to the Marcy Look and Blue Jay Deposits. The terms of payment included approximately \$400,000 in cash (US\$300,000) and the issue of 4.8 million fully paid shares in the company.

All transactions were undertaken on an arms length basis. There are no other related party transactions.

**(e) Controlling Entity**

The ultimate parent entity in the wholly owned group is White Canyon Uranium Limited.

**Note 24: Financial Risk Management**

**Financial Risk Management Policies**

In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. The Board is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of senior management, as required.

The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

The Consolidated Group's financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payables. The main risks the Consolidated Group is exposed to through its financial instruments are interest rate risk, foreign currency risk and credit risk

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**(a) Interest rate risk**

The Consolidated Group's exposure to interest rate risk, which is the risk that a financial instrument will fluctuate as a result of changes in market interest rates and effective average interest rates on those financial assets and liabilities, is set out below.

**CONSOLIDATED GROUP**

	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Fixed Interest Rate Within 1-5 Years \$	Non-Interest Bearing \$	Total \$
<b>2009</b>						
Financial Assets:						
Cash	5.06	227,816	4,346,894	-	-	4,574,710
Receivables	-	-	-	-	28,762	28,762
Other financial assets	-	-	-	-	-	-
Total financial assets		227,816	4,346,894	-	28,762	4,603,472
Financial Liabilities:						
Payables	-	-	-	-	303,332	303,332
Total financial liabilities		-	-	-	303,332	303,332
Net financial assets		227,816	4,346,894	-	(274,570)	4,300,140

	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Fixed Interest Rate Within 1-5 Years \$	Non-Interest Bearing \$	Total \$
<b>2008</b>						
Financial Assets:						
Cash	6.70	2,628,644	4,625,000	-	-	7,253,644
Receivables	-	-	-	-	131,149	131,149
Other financial assets	-	-	-	-	7,500	7,500
Total financial assets		2,628,644	4,625,000	-	138,649	7,392,293
Financial Liabilities:						
Payables	-	-	-	-	59,939	59,939
Total financial liabilities		-	-	-	59,939	59,939
Net financial assets		2,628,644	4,625,000	-	78,710	7,332,354

	2009 \$	2008 \$
Reconciliation of Net Financial Assets to Net Assets		
Net financial assets as above	4,300,140	7,332,354
Other current assets	44,417	1,249
Plant and equipment	52,215	13,178
Exploration and evaluation expenditure	28,856,548	21,190,637
Net assets per balance sheet	33,253,320	28,537,418

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**PARENT ENTITY**

	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Fixed Interest Rate Within 1-5 Years \$	Non-Interest Bearing \$	Total \$
<b>2009</b>						
Financial Assets:						
Cash	5.23	8,112	4,346,892	-	-	4,355,004
Receivables	-	-	-	-	29,346,962	29,346,962
Other financial assets	-	-	-	-	132	132
<b>Total financial assets</b>		<b>8,112</b>	<b>4,346,892</b>	<b>-</b>	<b>29,347,094</b>	<b>33,702,098</b>
Financial Liabilities:						
Payables	-	-	-	-	149,689	149,689
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>149,689</b>	<b>149,689</b>
<b>Net financial assets</b>		<b>8,112</b>	<b>4,346,892</b>	<b>-</b>	<b>29,197,405</b>	<b>33,552,409</b>

	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Within 1 Year \$	Fixed Interest Rate Within 1-5 Years \$	Non-Interest Bearing \$	Total \$
<b>2008</b>						
Financial Assets:						
Cash	6.70	2,483,498	4,625,000	-	-	7,108,498
Receivables	-	-	-	-	21,372,862	21,372,862
Other financial assets	-	-	-	-	7,632	7,632
<b>Total financial assets</b>		<b>2,483,498</b>	<b>4,625,000</b>	<b>-</b>	<b>21,380,494</b>	<b>28,488,992</b>
Financial Liabilities:						
Payables	-	-	-	-	59,753	59,753
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>59,753</b>	<b>59,753</b>
<b>Net financial assets</b>		<b>2,483,498</b>	<b>4,625,000</b>	<b>-</b>	<b>21,320,741</b>	<b>28,429,239</b>

	<b>2009</b> \$	<b>2008</b> \$
Reconciliation of Net Financial Assets to Net Assets		
Net financial assets as above	33,552,409	28,429,239
Other current assets	44,417	1,249
Plant and equipment	7,444	-
Exploration and evaluation expenditure	216,131	209,317
<b>Net assets per balance sheet</b>	<b>33,820,401</b>	<b>28,639,805</b>

**(b) Sensitivity Analysis**

At 30 June 2009, if interest rates had changed by +/- 200 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the Group and the parent entity would have been \$118,284 and \$114,635 lower/higher respectively (2008 - \$52,573 and \$49,670 lower/higher respectively) as a result of lower/higher interest income from cash and cash equivalents.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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**(c) Foreign Currency Risk**

The Consolidated Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Consolidated Group's measurement currency.

**(d) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount as disclosed in the balance sheet and the notes to the financial statements. The Consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group.

**(e) Net Fair Values**

The net fair value of financial assets and liabilities of the Consolidated Group approximated their carrying amount. Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred.

The Consolidated Group has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements.

**(f) Liquidity Risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The group does not have a significant exposure in terms of financial liabilities or illiquid financial assets as is evidenced in Part (a) above and is able to settle its debts or otherwise meet its obligations related to financial liabilities. The financial asset and financial liability maturity analysis is shown above.

**(g) Price Risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. As at 30 June 2009 and 30 June 2008 the Group is not exposed to equity securities price risk or commodity price risk.

**Note 25: Commitments for Expenditure**

**Exploration Expenditure**

With respect to the tenements in United States, the company is committed to meet the annual tenement rental commitments of US\$46,900 payable to the U.S. Department of the Interior Bureau of Land Management and the Utah Trust Lands Administration.

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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**Note 26: Company Details**

The registered office is:

Level 1, 181 Roberts Road, Subiaco, Western Australia, 6008.

The principal places of business are:

- Level 1, 181 Roberts Road, Subiaco, Western Australia, 6008.
- 1300 S Highway 191, Moab, Utah, USA, 84532

**Note 27: New Accounting Standards and Interpretations Issued but not yet Effective**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:

- acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
- contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
- a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
- there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
- dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
- impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
- where there is, in substance, no change to Group interests, parent entities inserted above existing groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

There will be no measurement or recognition impact on the Group.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third

**WHITE CANYON URANIUM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

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balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

**WHITE CANYON URANIUM LIMITED**  
**DIRECTORS' DECLARATION**

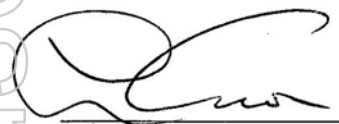
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The Directors declare that the financial statements and notes set out on pages 18 to 39 are in accordance with the Corporations Act 2001, including:

1. (a) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and  
(b) 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 financial year ended on that date.
2. 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.

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

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



Lew Cross  
Director

Dated this 10<sup>th</sup> day of August 2009

# RSM! Bird Cameron Partners

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### WHITE CANYON URANIUM LIMITED

#### Report on the Financial Report

We have audited the accompanying financial report of White Canyon Uranium Limited ("the company"), 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 company 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 control 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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards 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.

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Legislation

Major Offices in:  
Perth, Sydney, Melbourne,  
Adelaide and Canberra  
ABN 36 965 185 036

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independent member firm of RSM  
International, an affiliation of independent  
accounting and consulting firms.



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*Independence*

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

*Auditor's Opinion*

In our opinion:

- (a) the financial report of White Canyon Uranium Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report contained in the directors' report for the financial 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.

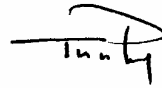
*Auditor's Opinion*

In our opinion the Remuneration Report of White Canyon Uranium Limited for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

Perth, WA  
Dated: 10 August 2009

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants



T PHONG  
Partner

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# WHITE CANYON URANIUM LIMITED

## SHAREHOLDER INFORMATION

### SHAREHOLDER INFORMATION

(as at 27<sup>th</sup> JULY 2009)

#### STATEMENT OF SHAREHOLDERS

- (i) Number of shareholders: 1,245
- (ii) Ordinary shares issued: 187,941,631
- (iii) The twenty largest shareholders hold 151,850,505 ordinary shares representing 81% of the issued capital
- (iv) Distribution schedule of holdings

NO OF SHARES	NO OF HOLDERS
1 – 1,000	108
1,001 - 5,000	349
5,001 – 10,000	224
10,001 – 100,000	478
100,001 and over	86

- (v) Shareholders with less than a marketable parcel: 227

#### SUBSTANTIAL SHAREHOLDERS

GOLDEN STATE RESOURCES LTD

45,670,000 shares representing 24.30%

MR MICHAEL DEAN SHUMWAY

45,670,000 shares representing 24.30%

#### VOTING RIGHTS OF ORDINARY SHARES

Each member presents in person, or by proxy, representative or attorney, has one vote on a show of hands and one vote per share on a poll for each share held. Each member is entitled to notice of, and to attend and vote at, general meeting.

#### STATEMENT PURSUANT TO ASX LISTING RULE 4.10.19

The Company has used the cash on hand at the time of its admission to the official list of the ASX in a way consistent with the Company's business objectives.

**WHITE CANYON URANIUM LIMITED  
SHAREHOLDER INFORMATION**

**TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES AT 27<sup>TH</sup> JULY 2009**

	<b>Shares Held</b>	<b>% of Issued Capital</b>
1. GOLDEN STATE RESOURCES LIMITED	45,670,000	24.30
2. MR MICHAEL DEAN SHUMWAY	45,670,000	24.30
3. DEBIN NOMINEES PTY LTD <C & E FAMILY A/C>	8,570,000	4.56
4. SILVER KNIGHT HOLDINGS PTY LTD <GANDOSSO FAMILY A/C>	7,693,100	4.09
5. PROPETROCO INC	7,120,000	3.79
6. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,101,832	3.78
7. MISS ALEX WHITNEY ESQUIBEL	5,523,000	2.94
8. KEVIN SHUMWAY	4,000,000	2.13
9. MR MICHAEL HENRY BYNUM	2,950,000	1.57
10. LEE WELL SERVICE INC	2,880,000	1.53
11. ANZ NOMINEES LIMITED <CASH INCOME A/C>	2,607,851	1.39
12. SAYERS INVESTMENTS (ACT) PTY LIMITED <THE SAYERS INVEST NO 2 A/C>	2,500,000	1.33
13. BALDIVIS PROPERTIES NO 1 PTY LTD <ANDIAMO A/C>	2,180,524	1.16
14. BUSINESS RESOLUTIONS LLC <BUSINESS RESOLUTIONS NOM A/C>	1,427,774	0.76
15. SILVER KNIGHT HOLDINGS PTY LTD	1,306,424	0.70
16. SILVER KNIGHT HOLDINGS PTY LTD	1,250,000	0.67
17. DR ALLEN KEITH RACHEL & MRS LEONA K RACHEL <ALLEN + LEONA RACHEL A/C>	1,000,000	0.53
18. MR ANTHONY ROSS COTTON	800,000	0.43
19. FROTH PTY LTD <CNY INVEST NO 2 A/C>	800,000	0.43
20. DAVID A LACY	800,000	0.43
<b>Total</b>	<b>151,850,505</b>	<b>80.80</b>

**STATEMENT OF OPTIONHOLDERS**

- (i) Number of option holders: 531
- (ii) Options issued: 91,556,826
- (iii) The twenty largest option holders hold 61,586,576 options representing 67.27% of the issued capital
- (iv) Distribution schedule of holdings

<b>NO OF OPTIONS</b>	<b>NO OF HOLDERS</b>
1 – 1,000	64
1,001 - 5,000	93
5,001 – 10,000	45
10,001 – 100,000	238
100,001 and over	91

- (v) Option holders with less than a marketable parcel: 182

**WHITE CANYON URANIUM LIMITED  
SHAREHOLDER INFORMATION**

**TOP 20 HOLDERS OF OPTIONS AT 27<sup>TH</sup> JULY 2009**

		<b>Shares Held</b>	<b>% of Issued Capital</b>
1.	GOLDEN GLOBE INVESTMENTS PTY LTD	19,835,000	21.66
2.	MR KYLE BRADLEY HAYNES	4,325,000	4.72
3.	DEBIN NOMINEES PTY LTD <C & E FAMILY A/C>	4,310,000	4.71
4.	RELIANCE RESOURCES LLC	3,600,000	3.93
5.	MR JOHN TREVOR HASLEBY	3,110,000	3.40
6.	MISS ALEX WHITNEY ESQUIBEL	3,000,000	3.28
7.	SILVER KNIGHT HOLDINGS PTY LTD <GANDOSSO FAMILY A/C>	2,542,400	2.78
8.	NUMBER 7 INVESTMENTS	2,500,000	2.73
9.	SILVER KNIGHT HOLDINGS PTY LTD	2,442,286	2.67
10.	SAYERS INVESTMENTS (ACT) PTY LIMITED <THE SAYERS INVESTMENT NO 2 A/C>	2,337,500	2.55
11.	KEVIN SHUMWAY	2,000,000	2.18
12.	MRS MELINDA ANNE CARNACHAN	1,900,000	2.08
13.	NUMER 7 INVESTMENTS PTY LTD <SUPERANNUATION FUND A/C>	1,500,000	1.64
14.	MR MICHAEL HENRY BYNUM	1,475,000	1.61
15.	BALDIVIS PROPERTIES NO 1 PTY LTD <ANDIAMO A/C>	1,347,500	1.47
16.	GOLDRISE INVESTMENTS PTY LTD <VAN HERWAARDE S/F A/C>	1,282,000	1.40
17.	MR ANTHONY CASEY WILSON	1,118,186	1.22
18.	BUSINESS RESOLTUTIONS LLC <BUSINESS RESOLUTIONS NOM A/C>	1,111,114	1.21
19.	SIERRA WHISKEY PTY LIMITED	1,000,000	1.09
20.	ANZ NOMINEES LIMITED <CASH INCOME A/C>	850,590	0.93
<b>Total</b>		<b>61,586,576</b>	<b>67.27</b>

**WHITE CANYON URANIUM LIMITED  
PROJECT SCHEDULE**

Project	Tenements	WCU's Interest
Thompsons Uranium, Utah	UMC379057 – UMC379262, ML49892, ML49893, ML49951, ML49952	100%
Daneros Uranium, Blanding, Utah	UMC354035 – UMC354039, UMC371578 – UMC371581, UMC376095 – UMC376097, UMC406684 - UMC406694 UMC 408029 – UMC 408037	100%
Geitus Uranium, Blanding, Utah	UMC354040 – UMC354045, ML51442	100%
Blue Jay Uranium, Blanding, Utah	UMC373347 – UMC373351, UMC376089 – UMC376091, UMC378410, UMC407005 – UMC407009	100%
Marcy & Look Uranium, Blanding, Utah	UMC396667 – UMC396682, UMC407010 – UMC407035, UMC407105,	100%
Lark & Royal Uranium, Blanding Utah	UMC373363 – UMC373375, UMC 376672 – UMC376691	100%

*The information in this report that related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Batten who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Batten is the Managing Director for the Company and has sufficient experience that is relevant to the styles of mineralization and types of deposit under consideration and to the activities that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Batten consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*