CI Resources Limited

Annual Report
For the financial year ended 30 June 2009

CI Resources Limited ACN 006 788 754

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Chairman's Report

The 2008-09 financial year has been one of mixed fortunes, with the phosphate price escalating to unprecedented levels and then falling very quickly as demand evaporated with the onset of the global financial crisis. Demand and prices seem likely to remain subdued for some time until higher levels of confidence return to the market

Despite the financial crisis, our 41.7 percent interest in Phosphate Resources Limited recording an outstanding result with an unaudited after tax profit for the year of in excess of $47m. This compares favourably with the previous year's record after tax profit result of $7.6m and provides us with an equity accounted profit for the year of $19.97m. Naturally, with the onset of the global financial crisis, replicating this result in future will not be possible in the current environment of subdued prices. However the Phosphate Resources business has a sound underlying basis and we expect a continued return from the Company.

During this year Phosphate Resources declared a 2008 dividend of 85 cents and an interim dividend of $2 per share, providing an income for the Company of $3,986,463.00

Last year we reported that Phosphate Resources had been successful in having the Federal Court set aside the decision of the former Minister of the Environment that denied the company access to eight new mining leases on Christmas Island. Since that time the company has made a supplementary submission to the new Minister outlining the net environmental benefit that will be derived by allowing the company access to the new mining leases. In June 2009 the Minister released the supplementary submission for public comment.

In August 2009 the Minister delivered the opening address to the International Conference of Ecology in Brisbane. In that address the Minister made extensive reference to a report of an Expert Working Group he had commissioned to investigate and report on the threats to biodiversity on Christmas Island and ways in which the Government should respond to those threats. The Minister noted the Expert Working Group found "that Christmas Island's conservation problems are not confined to the bat and the crabs, but are pervasive, chronic and increasing – with a number of endemic species near the point of extinction."

The Expert Working Group made a number of recommendations to the Minister, including recommendations regarding the environmental programs needed to prevent further loss of species.

The Expert Working Group's report was significant from a number of perspectives. It pointed out the need for urgent action to be taken to preserve endemic species and the nature of the funding required for this purpose.

The Phosphate Resources supplementary submission provides the Minister with an opportunity to access a good part of the funds needed to implement the environmental programs recommended by the Expert Working Group. Subject to its new mining leases being granted, the company has offered to provide substantial funds towards the much needed environmental programs.

While it is not known when the Minister will make a decision on the company's supplementary submission or whether he will look favourably at the environmental benefits that may be achieved from the income earned from the new mining leases, the logic of the company's approach seems convincing.

In our previous report we also advised the Board had taken the view that it should seek to acquire additional shares in Phosphate Resources at a pace permitted by the Corporations Act. The Board has acted on that direction and acquired an additional 2.97 percent of Phosphate Resources shares. This should add to the sound return we expect to see in the years ahead.

The onset of the financial crisis and the subsequent decline in phosphate demand and prices made the previously discussed Hunan Two project of little value. The Board does not intend to pursue this opportunity.

Chairman's Report

The Board has continued its policy of keeping its overheads to a minimum. Directors and the company secretaries undertake the bulk of the work with assistance from our financial advisers, legal counsel and appropriate consultants. The Board does not see the need at this time to engage a management team to review our existing investments and examine new prospects.

Our November 2008 annual general meeting increased the global amount that could be paid to all directors on the basis that individual director's fees would not be increased. Directors' fees have not been increased and are proposed to remain the same for the ensuing financial year.

Corporate directory

Directors
Mr Clive Brown – *Chairman*

Mr Tee Lip Sin

Mr Phuar Kong Seng

Mr Willy See Khiang Teo

Mr David Somerville

Mr Phua Siak Yeong

Secretaries
Mr Desmond Kelly
Ms Janelle Burns

Share register
Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

Auditor
BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

Solicitors
Steinepreis Paganin Lawyers
Level 4 Next Building
16 Milligan Street
Perth WA 6000

Bankers
Bankwest
54 Adelaide Street
Fremantle WA 6160

Stock exchange listings
CI Resources Limited shares are
listed on the Australian Securities Exchange

Ordinary fully paid shares (ASX code CII)

Principal registered office in Australia
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Subiaco WA 6009

Telephone +61 8 9485 7222

Email info@ciresources.com.au

Website www.ciresources.com.au

Directors' Report

Your directors present their report on the consolidated entity ("Group") consisting of CI Resources Limited ("CII" or "Company") and the entities it controlled at the end of, or during, the financial year ended 30 June 2009.

Directors

The following persons were directors of CI Resources Limited for the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Clive Morris Brown

Mr Tee Lip Sin

Mr Phuar Kong Seng

Mr Willy See Khiang Teo

Dato Dr Mohamad Hashim Bin Ahmad Tajudin was a director from the beginning of the year until his resignation on 10 July 2008.

Mr Anthony Brennan was a director from the beginning of the year until his resignation on 28 November 2008.

Mr Lai Ah Hong was a director from the beginning of the financial year until his resignation on 20 December 2008.

Mr David Somerville was elected as a director at the Annual General Meeting held 28 November 2008.

Mr Phua Siak Yeong was elected a director at the Annual General Meeting held 28 November 2008.

Principal activities

During the period the principal activities of the Consolidated Entity consisted of investment in the phosphate and fertiliser industries.

Dividends

No dividends were paid to members during the financial period and the directors do not recommend the payment of a dividend.

Review of operations

A summary of consolidated revenues and results is set out below:

	Revenues 2009 $	Results 2009 $
Revenue from continuing operations	**175,573**	**-**
Profit before income tax expense		**17,631,324**
Income tax expense		**-**
Profit attributable to members of CI Resources Limited		**17,631,324**

Review of operations (continued)

Financial Position

At the end of the financial period the consolidated entity had net cash balances of $6,738,207 (2008: $5,059,596) and net assets of $31,708,172 (2008: $14,698,164).

Total liabilities amounted to $123,610 being, trade and other creditors.

Phosphate Resources Limited

The Board of CI Resources has worked towards maximising the value of its investment and is still the largest shareholder in PRL, having increased its holding to 41.74%.

The Company is represented on the Board of PRL by Mr Clive Brown, Mr Tee Lip Sin, Mr Phua Kong Seng and Mr Willy Teo.

PRL reported a post-tax profit of $47.9 million for the year ended 30 June 2009 and has paid two dividends during this time. The Company received a total of $3,986,463.

PRL is continuing its attempts to obtain more land to mine on Christmas Island which will extend the mine life and its ability to provide returns to its shareholders. A decision of the previous Minister for the Environment denying PRL extensions to its mining tenements has been overturned in the Federal Court and the company has continued to pursue environmental approval for the mining leases.

Xi Feng International Pte Ltd

CI Resources holds a 51% interest in Xi Feng which in turn holds a 32% interest in GTFC. GTFC is a fertiliser manufacturer and also holds a 30% interest in the Teng Long Phosphate Mine. Xi Feng has reported a loss of SGD 3,278,435 (AUD 3,032,651) for the financial year to 30 June 2009. Xi Feng has made full provision for impairment of its investment in GTFC as it is unlikely that Xi Feng will recover the value of the investment.

Earnings per share	**2009** **Cents**
Basic earnings per share	**24.19**

Significant changes in the state of affairs

1. On 7 October 2008 the Company announced it would be receiving a dividend from PRL of 85 cents per share.

2. On 31 March 2009 the Company announced that it had increased its holding in PRL by 2.97% to 41.74%.

3. On 6 June 2009 the Company announced it would be receiving a dividend from PRL of $2.00 per share.

4. The Board of CI Resources has reviewed its investments in Phosphate Resources Ltd and XiFeng International Pte Ltd and has made provision for impairment of the investment in XiFeng.

Other than those matters shown above, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial period.

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.

Likely developments and expected results of operations
Other than likely developments contained in the "Review of operations" and "Significant changes in the state of affairs", further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The Company's operations are subject to environmental regulations in the People's Republic of China in regard to its investment in the Guizhou Tiangfeng Chem-Phos Co Ltd.

CI Resources Limited is subject to the public reporting requirements of the Energy Efficient Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007 and the National Environmental Protection (National Pollutant Inventory) Measure. These requirements relate to the financial year and will be reported later in 2009.

Information on directors
MR CLIVE BROWN *Chairman – Non-executive*
Experience and expertise
Clive Brown was the Western Australian Minister for State Development from 2001-2005. He was responsible for the most significant changes to the Mining Act in the previous twenty five years. He provides strategic advice on business and government relations to a number of mining companies and Chairs a national steering committee of Australian government and mining industry organizations on developing a national framework for occupation health and safety in the mining industry.

Other directorships
Mr Brown was a director of Terrain Minerals Limited until 22 May 2008, an ASX listed company. Mr Brown has held no other directorships of ASX listed companies in the last three years.

MR TEE LIP SIN *Director – Non-executive*
Experience and expertise
Tee Lip Sin holds an Associate Diploma in Commerce from Curtin University Australia and also a post-graduate Executive Diploma in Plantation Management from the University Malaya.

He has been involved in palm oil milling and management of palm oil plantations since 1995. Currently, he sits on the board of a number of private companies, and is also the Executive Director for the Prosper Group Of Companies which holds six palm oil mills and 50,000 acres of palm oil plantations. He also has experience in operating 35,000 acres of plantation in Indonesia.

Other directorships
Mr Tee Lip Sin held no other directorships of ASX listed companies during the last three years.

MR PHUAR KONG SENG *Director – Non-executive*
Experience and expertise
Mr Phuar Kong Seng is an entrepreneur and businessman with many years of experience in running successful businesses. He has worked in the fertiliser and chemical industries since 1979 covering a spectrum of responsibilities ranging from accounts, sale, marketing and management.

Information on directors (continued)

Other directorships
Mr Phuar Kong Seng held no other directorships of ASX listed companies during the last three years.

MR WILLY SEE KHIANG TEO *Director – Non-executive*
Experience and expertise
Mr Teo is an Executive Director of Phosphate Resources Limited. Mr Teo was Managing Director of Phosphate Resources Limited from 2000 until March 2004. He has vast experience and contacts within the shipping and logistics industries. Mr Teo has also worked in the areas of corporate planning, strategic development and marketing in Singapore and South East Asia for over 20 years.

Other directorships
Mr Willy See Khiang Teo held no other directorships of ASX listed companies during the last three years.

MR DAVID SOMERVILLE *Director – Non-executive*
Experience and expertise

Mr Somerville has an accounting background having been a senior partner in a large Western Australian accounting practice, before establishing a financial services company which listed on the Australian Securities Exchange in 2007. He has over 20 years experience in a corporate capacity across a number of companies and a number of industry sectors including financial, resources and property development.

Other directorships
Mr Somerville is also a director of Questus Limited, an ASX listed company.

MR PHUA SIAK YEONG *Director – Non-executive*
Experience and expertise

Mr Phua Siak Yeong graduated from the University Malaya with a first class honours degree in Chemical Engineering. He obtained his MBA from the same university in 1990. He worked at Esso Singapore after graduation and then as a Marketing Executive for Bulk Chemicals Sdn Bhd from 1979 to 1983. He joined the Hong Leong Group Malaysia in 1983, involved in motorcycle manufacturing. From 1994 to 1996 Mr Phua was posted to China to manage a motorcycle manufacturing joint venture. He returned to Malaysia in 1997 to head the motorcycle research and development company in Hong Leong Group. In 2002 he was transferred to MZ Motorrad Sdn Bhd to develop the MZ brand in Malaysia. Mr Phua retired in 2008 from Hong Leong Group and is currently employed in Chin Yang Hydro Power Co. in China.

Other directorships
Mr Phua held no other directorships of ASX listed companies during the last three years.

Company secretaries

DESMOND KELLY BComm, CPA, MAICD *Company Secretary*
Des Kelly has over 30 years financial and corporate management experience focused mainly in the resources sector. He was Dominion Mining's Group Chief Accountant in that company's key growth phase in the mid-eighties and, between 1994 and 1998 held the roles of Finance Director and Managing Director of Horizon Mining NL before establishing his own corporate management consulting business. Mr Kelly now contributes corporate and administration management expertise to several listed groups including Universal Resources Limited, CI Resources Limited, Nylex Limited and Avalon Minerals Ltd.

JANELLE BURNS Bbus (Acc/Law) *Company Secretary*
Ms Burns has 15 years experience in the resources sector. She was previously the Chief Group Accountant for Gallery Gold Limited and currently provides corporate and management services to several ASX listed companies, including CI Resources Limited, Universal Resources Limited, Avalon Minerals Ltd and Canadian miner IAMGOLD Corporation.

Directors' interests in shares and options

As at the date of this report the interests of the Directors in the shares and options of the company were:

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr Clive Brown	-	-	-	-
Mr Tee Lip Sin	-	13,779,876	-	-
Mr Phuar Kong Seng	520,000	9,904,410	-	-
Mr Willy See Khiang Teo	2,190,618	297,144	-	-
Mr David Somerville	-	-	-	-
Mr Phua Siak Yeong	-	-	-	-

Meetings of directors

The number of meetings of the company's board of directors held during the period 1 January to 30 June 2009 and the number of meetings attended by each director were:

	Full meetings of Directors	
	Held	**Attended**
Mr Clive Brown	9	9
Mr Lip Sin Tee	9	9
Mr Phuar Kong Seng	9	9
Mr Willy See Khiang Teo	9	9
Mr David Somerville	5	5
Mr Phua Siak Yeong	5	5
Dr Mohd Hashim	-	-
Prof. Anthony Brennan	4	4
Mr Lai Ah Hong	6	6

Held – denoted the number of meetings held during the time the director held office.

Retirement, election and continuation in office of directors

In accordance with the Constitution Messrs Tee and Phuar will retire, in rotation, as directors at the Annual General Meeting to be held in November 2009 and, being eligible, will offer themselves for re-election.

Remuneration report (Audited)

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 in this section has been audited as require by section 308(3c) of the Corporations Act 2001.

A Principles used to determine the nature and amount of remuneration

In order to maintain and attract directors to facilitate the efficient and effective management of the Company's operations, the board reviews the remuneration of directors on an annual basis and makes recommendations. The Company does not have a remuneration committee.

No link exists, at this stage in the Company's development, between financial performance, shareholder wealth and the remuneration of Directors and Key Management Personnel.

Remuneration report (continued)

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board also ensures non-executive directors' fees and payments are appropriate and in line with the market as determined by comparison with companies of a similar size. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees
The current base remuneration was last reviewed with effect from 3 July 2007. Directors' remuneration is inclusive of committee fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $300,000.

Remuneration packages may contain the following key elements:

- Director's fees
- Consultancy fees
- Post employment benefits – superannuation

The directors are also remunerated for any additional services they render the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors with no interest in the engagement of such services.

Retirement allowances for directors
There is no provision for retirement allowances for non-executive directors.

B Details of remuneration

During the financial year to 30 June 2009 the directors and key management personnel of the company were:

Directors of CI Resources Limited

Mr Clive Brown – *Chairman (elected 30 May 2007)*
Mr Tee Lip Sin – *Non-executive director (appointed 25 June 2007)*
Mr Phuar Kong Seng – *Non-executive director (elected 30 May 2008)*
Mr Willy See Khiang Teo – *Non-executive director (elected 30 May 2008)*
Mr David Somerville – *Non-executive director (elected 28 November 2008)*
Mr Phua Siak Yeong – *Non-executive director (elected 28 November 2008)*
Dr Mohd Hashim – *Non-executive director (appointed 6 November 2006, resigned 10 July 2008)*
Prof. Anthony Brennan – *Non-executive director (elected 30 May 2007, retired 28 November 2008)*
Mr Lai Ah Hong – *Non-executive director (elected 30 May 2008, resigned 20 December 2008)*

Other key management personnel
Mr D J Kelly – *Joint Company Secretary (appointed 20 June 2007)*
Ms J P Burns – *Joint Company Secretary (appointed 20 June 2007)*

Directors' report

Remuneration report (continued)

Details of the remuneration of the directors and the key management personnel of CI Resources Limited are set out in the following tables.

2009	**Short-term benefits**		**Post-employment benefits**	
Name	**Cash fees and consulting $**	**Non-monetary benefits $**	**Superannuation $**	**Total $**
Directors of CI Resources Limited				
Mr Clive Brown	55,000	2,726	-	57,726
Mr Tee Lip Sin	32,700	2,726	-	35,426
Mr Phuar Kong Seng	33,175	2,726	-	35,901
Mr Willy See Khiang Teo	32,500	2,726	-	35,226
Mr David Somerville	23,333	1,590	-	24,923
Mr Phua Siak Yeong	23,333	1,590	-	24,923
Prof. Anthony Brennan	36,667	1,136	-	37,803
Mr Lai Ah Hong	17,500	1,363	-	18,863
Dr Mohd Hashim	8,175	227	-	8,402
Other key management personnel				
Mosman Management Pty Ltd (D Kelly & J Burns)	90,293	5,452	-	95,745
Total	**352,676**	**22,262**	**-**	**374,938**

2008	**Short-term benefits**		**Post-employment benefits**	
Name	**Cash fees and consulting $**	**Non-monetary benefits $**	**Superannuation $**	**Total $**
Directors of CI Resources Limited				
Mr Clive Brown	27,500	1,768	2,475	31,743
Prof. Anthony Brennan	65,000	1,768	1,800	68,568
Mr Tee Lip Sin	16,350	1,768	-	18,118
Mr Phuar Kong Seng	-	208	-	208
Mr Lai Ah Hong	-	208	-	208
Mr Willy See Khiang Teo	-	208	-	208
Dr Mohd Hashim	16,350	1,768	-	18,118
Other key management personnel				
Mosman Management Pty Ltd (D Kelly & J Burns)	32,540	3,536	-	36,076
Total	**157,740**	**11,232**	**4,275**	**173,247**

Directors' report

Remuneration report (continued)

There were no cash bonuses and no grants of options to any director or other key management personnel.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

2009

Name	Fixed remuneration	At risk - STI	At risk - LTI
Directors of CI Resources Limited			
Mr Clive Brown	100%	-	-
Mr Lip Sin Tee	100%	-	-
Mr Phuar Kong Seng	100%	-	-
Mr Willy See Khiang Teo	100%	-	-
Mr David Somerville	100%	-	-
Mr Phua Siak Yeong	100%	-	-
Prof. Anthony Brennan	100%	-	-
Mr Lai Ah Hong	100%	-	-
Dr Mohd Hashim	100%	-	-
Other key management personnel			
Mosman Management Pty Ltd (D Kelly & J Burns)	100%	-	-

2008

Name	Fixed remuneration	At risk - STI	At risk - LTI
Directors of CI Resources Limited			
Mr Clive Brown	100%	-	-
Dr Mohd Hashim	100%	-	-
Prof. Anthony Brennan	100%	-	-
Mr Lip Sin Tee	100%	-	-
Mr Phuar Kong Seng	100%	-	-
Mr Lai Ah Hong	100%	-	-
Mr Willy See Khiang Teo	100%	-	-
Other key management personnel			
Mosman Management Pty Ltd (D Kelly & J Burns)	100%	-	-

C Service Agreements

Remuneration and other terms of employment for the directors are not formalised in service agreements.

The agreement for the Company Secretaries provides for the provision of consulting fees.

Directors' report

Remuneration report (continued)

Other major provisions of the agreements relating to remuneration are set out below.

Mosman Management Pty Ltd, *Company Secretaries*
- Term of agreement – For a period of 12 months with a notice period of two months. Redundancy clause 6 months.
- Base fee of $4,400 per month for the provision of company secretarial services and an hourly rate of $195 per hour for the provision of financial and administration services.

D Share-based compensation
There were no share based payments to directors or other key management personnel during this or the previous financial year and provision for such.

E Additional information
Given CI Resources Limited is involved in investment activities, the remuneration of the persons referred to above is not dependent on the satisfaction of a performance condition.

Loans to directors and executives
There are no loans to directors or executives.

Shares under option
There are no unissued ordinary shares of CI Resources Limited under option at the date of this report.

- End of Audited Remuneration Report -

Shares issued on the exercise of options
There were no ordinary shares of CI Resources Limited issued during the period ended 30 June 2009 on the exercise of options.

Insurance of officers
During the period the Company paid a premium to insure the directors and officers of the Company. Under the terms of the policy the Company cannot publish amounts paid for premiums or the extent of the liabilities insured.

Proceedings on behalf of the company
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*.

Non-audit services
The consolidated entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the consolidated entity are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the period are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

Directors' report

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the consolidated entity, acting as advocate for the consolidated entity or jointly sharing economic risk and rewards.

	2009 **$**
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms.	
Assurance services	
Audit services	
BDO Kendalls Audit & Assurance (WA) Pty Ltd:	
Audit and review of financial report and other audit work under the *Corporations Act 2001*	**30,234**

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16.

Auditor

BDO Kendalls Audit & Assurance (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.

C Brown
Chairman
Perth, Western Australia

30 September 2009

BDO Kendalls

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ABN 79 112 284 787

30 September 2009

The Directors
CI Resources Limited
13 Mount Eden Lane
Oakford WA 6121

Dear Sirs,

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF CI RESOURCES LIMITED

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

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

This declaration is in respect of CI Resources Limited and the entities it controlled during the period.

Glyn O'Brien

Glyn O'Brien
Director

BDO Kendalls

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

Corporate Governance Disclosures

Statement

CI Resources 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 the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. 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.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1		✓	Recommendation 4.3	✓	
Recommendation 1.2		✓	Recommendation 4.4[3]	n/a	n/a
Recommendation 1.3[3]	n/a	n/a	Recommendation 5.1	✓	
Recommendation 2.1		✓	Recommendation 5.2[3]	n/a	n/a
Recommendation 2.2		✓	Recommendation 6.1		✓
Recommendation 2.3		✓	Recommendation 6.2[3]	n/a	n/a
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2		✓
Recommendation 2.6[3]	n/a	n/a	Recommendation 7.3		✓
Recommendation 3.1	✓		Recommendation 7.4[3]	n/a	n/a
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3[3]	n/a	n/a	Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3[3]	n/a	n/a
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.
3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Corporate Governance disclosures

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.ciresources.com.au, under the section marked Corporate Governance. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the Recommendations to which they relate, are set out below.

Charters	**Recommendation(s)**
Board Charter	1.3
Audit Committee	4.4
Policies and Procedures	
Policy and Procedure for Selection and Appointment of New Directors	2.6
Process for Performance Evaluation of the Board, Board committees, Individual Directors and Key Executives	1.2, 2.5
Policy on Securities Trading (summary)	3.2, 3.3
Code of Conduct for Directors and Key Executives (summary) and Corporate Code of Conduct	3.1, 3.3
Policy and Procedures for Compliance with Continuous Disclosure Requirements (summary)	5.1, 5.2
Policy and Procedure for Selection of External Auditor and Rotation of Audit Engagement Partners	4.4
Risk Management Policy and Internal Compliance and Control System (summary)	7.1, 7.4

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2008/2009 financial year ("**Reporting Period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Company has no separate management. The company is managed by the directors and secretaries. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, involvement in the development of corporate strategy and performance objectives, supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed and monitoring and ensuring compliance with all of the Company's legal obligations.

Corporate Governance disclosures

Notification of departure:

The Company has no separate management.

Explanation for departure:

The directors consider that for its size and the nature of its activities, the Company has little to gain in efficiencies by retaining a management team.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The company has no separate management team.

Notification of departure:

The Company has no separate management.

Explanation for departure:

The directors consider that for its size and the nature of its activities, the Company has little to gain in efficiencies by retaining a management team.

Recommendation 1.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 1.*

Disclosure:

The Company has no separate management team.

Notification of departure:

The Company has no separate management.

Explanation for departure:

The directors consider that for its size and the nature of its activities, the Company has little to gain in efficiencies by retaining a management team.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent directors.

Notification of Departure:

The Board does not currently have a majority of independent directors.

Explanation for Departure:

The Board does not have a majority of directors who are independent. The Board believes that, given the current size and composition of the Company, its structure during the Reporting Period was best suited to the Company's operations.

The independent directors of the Board during the Reporting Period were David Somerville and Phua Siak Yeong. The non-independent directors of the Board during the Reporting Period were Clive Brown, Anthony Brennan, Mohd Hashim, Tee Lip Sin, Phuar Kong Seng, Lai Ah Hong, and Willy See Khiang Teo.

Recommendation 2.2 and Recommendation 2.3

The Chair should be an independent director and the roles of Chair and Managing Director should not be exercised by the same individual.

Notification of Departure:

During the Reporting Period the Chairman was Clive Brown, a non-independent director. The Company does not have a Managing Director.

Explanation for Departure:

During the Reporting Period the Company was managed by the full board. The Company has no separate management. The directors consider that for its size and the nature of its activities, the Company has little to gain in efficiencies by retaining an independent Chairman or a Managing Director.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Notification of Departure:

The Company has not established a separate Nomination Committee.

Explanation for Departure:

In the Board's view there are no efficiencies to be gained by establishing a separate Nomination Committee. Accordingly, the Full Board carries out the functions of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The full Board is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The Board may decide to engage an external consultant to perform evaluations. The Chairman may engage outside consultants at any time.

The Chair evaluates the performance of the Board and when deemed appropriate, Board committees and individual directors by way of round table discussions by the Board. This is an informal and undocumented process.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:

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

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

Identification of Independent Directors

The independent directors of the Company during the Reporting Period were David Somerville and Phua Siak Yeong. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Statement of Board Functions:

- 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%.
- 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 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.

Statement concerning availability of Independent Professional Advice

The Board has determined that individual directors may in appropriate circumstances engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board, which approval will not be unreasonably withheld.

Nomination Matters

The full Board, in its capacity as the Nomination Committee, held no meetings during the Reporting Period.

To assist the Board to fulfill its function as the Nomination Committee, it has adopted a Nomination Committee Charter. The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

Performance Evaluation

The performance evaluation of applicable Board committees did not occur during the Reporting Period.

Selection and (Re)Appointment of Directors

Directors are selected by reference to their background and experience which is relevant to the business needs of the Company. New directors are invited to join the Board by the Chair, who makes the invitations based on recommendations made by the full Board acting as the Nomination Committee.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. At every annual general meeting of the Company one-third of the directors (other than alternate directors) shall retire from office. No director (other than alternate directors) may hold office for more than 3 years without retiring. A retiring Director is eligible for re-election. Re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

Disclosure:

The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 3.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1:

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit Committee.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not Chair of the Board
- has at least three members.

Notification of Departure:

The Audit Committee is not structured in accordance with the process disclosed at Recommendation 4.2.

Explanation for Departure:

The Audit Committee comprises two independent directors being David Somerville and Phua Siak Yeong.

The Board considers that the membership of the Committee is sufficient to properly fulfill the objectives of the Audit Committee. Further, Mr Des Kelly, the Joint Company Secretary is invited to attend Audit Committee meetings. Although Mr Des Kelly is not a director the Company, the Board considers him to be an appropriate invitee to the Audit Committee because of his financial and accounting background and his consultancy relationship with the Company.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:

The Audit Committee held one meeting during the Reporting Period. The following table identifies those directors who are members of the Audit Committee and shows their attendance at Committee meetings:

Name	No. of meetings attended
David Somerville	1
Phua Siak Yeong	1

Details of each of the director's qualifications are set out in the Directors' Report.

Each of the directors consider themselves to be financially literate and to have an experience and understanding of the industry in which the Company operates. Their qualifications and experience enable them to satisfy the tests of financial literacy, financial expertise and industry knowledge. Further, as noted above, it is usual practice for Mr Des Kelly, an Certified Practising Accountant, to be invited to attend Audit Committee meetings.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Notification of departure:

The Company has not designed a communications policy for promoting effective communication with shareholders and encourages shareholder participation at general meetings.

Explanation for departure:

Communication with shareholders is limited to the Chairman or the Company Secretaries at the Chairman's direction. The Board considers this an effective means of communication with shareholders.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has developed a framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and satisfying itself that it has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Company Secretaries. The Secretaries report on risk management matters to the full Board as part of annual strategy workshops.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Board resolved to review, formalise and document the management of its material business risks and expects to implement this system in the second quarter of the 2009/2010 financial year. This system is expected to include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be allocated to the full Board. The risk register will be reviewed quarterly and updated, as required.

The Company's systems and processes for managing material business risks include determining and reporting on a wide range of business risks., including operational risk, environmental risk, sustainability, climate change, compliance, people, strategic, ethical conduct, reputation/brand, technological, human capital, financial reporting and market-related risks.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Notification of departure:

The Company has no management team and thus has not required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks.

Explanation for departure:

The full Board oversees and satisfies itself that those risks are being managed effectively. Further, the Board evaluates the effectiveness of the Company's management of its material business risks annually.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Notification of departure:

The Company has no Managing Director and the Chief Financial Officer (or equivalent) and thus have not been provided with a declaration to the Board 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 risk.

Explanation for departure:

The full Board oversees and satisfies itself that those risks are being managed effectively. Further, the Board evaluates the effectiveness of the Company's management of its material business risks annually.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Notification of departure:

The Company has no management team and thus the Board has not received the report from management under Recommendation 7.2.

The Company has no management team and thus the Board has not received the assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

Explanation for departure:

The full Board oversees and satisfies itself that those risks are being managed effectively. Further, the Board evaluates the effectiveness of the Company's management of its material business risks annually.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The Board should establish a Remuneration Committee.

Notification of departure:

The Company has not established a Remuneration Committee.

Explanation for departure:

The full board is responsible for setting remuneration levels and individual performance targets. Due to the size of the Company it is considered to be efficient and cost effective. Advice from professional independent advisors will be sought where necessary.

Recommendation 8.2:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company.

The Company does not have any for executive directors or senior executives.

Recommendation 8.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 8.*

Disclosure:

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

There are no termination or retirement benefits for non-executive directors.

The Company has not made available its statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes. However, the Company's position is that such transactions are prohibited.

CI Resources Limited

Financial report – For the financial year ended 30 June 2009

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CI Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

C/- BDO Kendalls
128 Hay Street
Subiaco WA 6008

and principal place of business is:

Level 2, 91 Havelock Street
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 30 September 2008. The consolidated entity has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the consolidated entity. All press releases, financial reports and other information are available on our website: www.ciresources.com.au

For queries in relation to our reporting please call +61 8 9485 7222 or e-mail the Company Secretary at jpburns@westnet.com.au

Income Statements
For the financial year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $
Revenue from continuing operations	2	**175,573**	152,378	**4,212,143**	550,532
Share of net profits in associates	9	**19,976,347**	1,797,377	**-**	-
Depreciation expense		**(476)**	(375)	**-**	-
Foreign exchange loss		**-**	(4,232)	**-**	(3,608)
Directors remuneration and employee expenses		**(235,021)**	(85,072)	**(235,021)**	(85,072)
Accounting, audit, legal and other professional services		**(283,533)**	(333,544)	**(261,406)**	(294,631)
Administration, corporate and travel expenses	3	**(139,610)**	(87,545)	**(138,596)**	(86,135)
Provision for impairment in investments	9	**(3,013,059)**	-	**(1,188,477)**	-
Provision for impairment of intercompany loan		**-**	-	**(369,101)**	-
Other expenses		**-**	(265,436)	**-**	-
Share of net losses of associates		**-**	(110,962)	**-**	-
Profit before income tax		**16,480,222**	1,062,589	**2,019,542**	81,086
Income tax expense	4	**-**	-	**-**	-
Profit after income tax		**16,480,222**	1,062,589	**2,019,542**	81,086
Loss/(Profit) attributable to minority equity interests		**1,151,103**	74,619	-	-
Profit attributable to members of CI Resources Limited		**17,631,324**	1,137,208	**2,019,542**	81,086
		Cents	Cents		
Basic and diluted earnings/(loss) per share	5	**24.19**	1.56		

The above Income Statements should be read in conjunction with the accompanying notes.

Balance Sheets
As at 30 June 2009

	Notes	Consolidated 30 June 2009 $	Consolidated 30 June 2008 $	Parent entity 30 June 2009 $	Parent entity 30 June 2008 $
Current assets					
Cash and cash equivalents	6	**6,738,207**	5,059,596	**6,718,416**	5,043,099
Trade and other receivables	7	**17,154**	54,360	**14,894**	52,532
Total current assets		**6,755,361**	5,113,956	**6,733,310**	5,095,631
Non-current assets					
Plant & equipment	8	**-**	465	**-**	-
Investments accounted for using the Equity method	9	**25,076,421**	9,808,906	**-**	-
Other financial assets	10	**-**	-	**6,800,893**	6,468,944
Total non-current assets		**25,076,421**	9,809,371	**6,800,893**	6,468,944
Total assets		**31,831,782**	14,923,327	**13,534,203**	11,564,575
Current liabilities					
Trade and other payables	13	**123,610**	225,163	**109,306**	159,220
Total current liabilities		**123,610**	225,163	**109,306**	159,220
Total liabilities		**123,610**	225,163	**109,306**	159,220
Net assets		**31,708,172**	14,698,164	**13,424,897**	11,405,355
Equity					
Contributed equity	14	**17,970,336**	17,970,336	**17,970,336**	17,970,336
Reserves	15	**363,967**	(165,820)	**-**	-
Accumulated profits/(losses)	16	**13,373,869**	(4,257,455)	**(4,545,439)**	(6,564,981)
		31,708,172	13,547,061	**13,424,897**	11,405,355
Minority equity interest		**-**	1,151,103	**-**	-
Total equity		**31,708,172**	14,698,164	**13,424,897**	11,405,355

The above Balance Sheets should be read in conjunction with the accompanying notes.

CI RESOURCES LIMITED

Statements of recognised income and expense
For the financial year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $
Total equity at the beginning of the financial year		**14,698,164**	13,702,606	**11,405,355**	11,324,269
Translation of foreign entities and associates		**529,787**	(67,031)	**-**	-
Total income and expense recognised in equity		**529,787**	(67,031)	**-**	-
Profit/(loss) for the year		**17,631,324**	1,137,208	**2,019,542**	81,086
Movement in minority equity interest		**(1,151,103)**	(74,619)	**-**	-
Total recognised income and expense for the year		**17,010,008**	995,558	**2,019,542**	81,086
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity net of transaction costs		**-**	-	**-**	-
Total equity at the end of the financial year		**31,708,172**	14,698,164	**13,424,897**	11,405,355

The above Statements of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Cash flow Statements

For the financial year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $
Cash flows from operating activities					
Payments to suppliers and employees (inclusive of goods and services tax)		**(716,925)**	(492,103)	**(647,345)**	(460,957)
Dividends received		**3,986,463**	398,154	**3,986,463**	398,154
Other		**-**	18,613	**-**	18,613
Interest received		**147,617**	133,765	**147,617**	133,765
Net cash inflow from operating activities	24	**3,417,155**	58,429	**3,486,735**	89,575
Cash flows from investing activities					
Payments for investments		**(1,766,500)**	-	**(1,766,500)**	-
Net cash (outflow) from investing activities		**(1,766,500)**	-	**(1,766,500)**	-
Cash flows from financing activities					
Loans to subsidiary		**-**	-	**(122,981)**	(17,691)
Net cash (outflow) from financing activities		**-**	-	**(122,981)**	(17,691)
Net increase in cash and cash equivalents held		**1,650,655**	58,429	**1,597,254**	71,884
Cash and cash equivalents at the beginning of the financial year		**5,059,596**	5,005,399	**5,043,099**	4,974,823
Foreign exchange gains/(losses)		**27,956**	(4,232)	**78,063**	(3,608)
Cash and cash equivalents at the end of the financial year	6	**6,738,207**	5,059,596	**6,718,416**	5,043,099

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the financial year ended 30 June 2009, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Accounting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

The financial report covers the Consolidated Entity of CI Resources Limited and its controlled entity, and CI Resources Limited as an individual parent entity. The financial report has also 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.

Compliance with IFRSs
Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the financial statements and notes of CI Resources Limited comply with International Financial Reporting Standards (IFRSs).

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies. Refer Note 1(p)

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of the subsidiary of CI Resources Limited ("company" or "parent entity") as at 30 June 2009 and the results of the subsidiary for the financial year then ended.

CI Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Note 1. Summary of Significant Accounting Policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

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

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australia Taxation Office.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Notes to the Financial Statements

For the year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Financial liabilities

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

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(g) Intangibles – Goodwill

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

Note 1. Summary of Significant Accounting Policies (continued)

(h) Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use.

The depreciation rates used for plant and equipment range from 5% to 33%. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Note 1. Summary of Significant Accounting Policies (continued)

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

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

(j) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of the group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented 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 date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

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

Group companies

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

- Assets and liabilities are translated at year end exchange rates prevailing on 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 group's 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.

(k) Contributed equity

Ordinary shares are classified as equity.

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

(l) Comparative figures

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

The Consolidated entity has had approval from the Australian Securities and Investments Commission to change its financial year to a June end and thus the prior year statements represent six months only, whereas the current period represents a full 12 months.

Note 1. Summary of Significant Accounting Policies (continued)

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

(i) Interest income
Interest income is recognised when receivable. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(ii) Dividend income
Dividends are recognised as revenue when the right to receive payment is established.

(n) Earnings per share

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

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

(o) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(p) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(q) Segment reporting

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

Note 1. Summary of Significant Accounting Policies (continued)

(r) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(s) Business combination

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity’s identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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

(t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(u) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) Provisions

Provisions for legal claims are recognised when: the consolidated entity has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Note 1. Summary of Significant Accounting Policies (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(w) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Retirement benefit obligations

The consolidated entity contributes to various defined contribution funds for its employees.

Contributions to the defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(x) New accounting standards and interpretations

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 30 June 2009. They have not been adopted in preparing the financial report for the financial year ended 30 June 2009 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

STANDARDS LIKELY TO HAVE A FINANCIAL IMPACT

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 123 (revised June 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 January 2009	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement date for capitalisation is on or after 1 January 2009. As such, there will be no impact on prior period financial statements when this standard is adopted. The group will adopt this standard as at 1 July 2009.

Notes to the Financial Statements
For the year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 3 (revised 2008) .	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to have to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, due to the nature of some of the changes in the revised standard, business combinations that the entity undertakes after this date may in future impact negatively on the results of the entity. For example, acquisition costs will have to be expensed instead of being recognised as part of goodwill. Specific changes in respect of step acquisitions and sell downs may introduce situations whereby adopting the revised standard may improve profitability. The Company will adopt this standard as at 1 July 2009
AASB 127 (revised 2008)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	Periods commencing on or after 1 July 2009	As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, Xi Feng International Pte Ltd may incur losses. To the extent that Xi Feng incurs losses for the financial year ending 31 December 2010, such losses will be attributed to the non-controlling interest. No adjustment will be made to comparatives for losses not previously attributed to the non-controlling interest. The Company will adopt this standard at 1 July 2009
AASB 8 (Issued Feb 2007) 1	Operating Segments	Replaces the disclosure requirements of AASB 114: Segment Reporting.	Periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment). The Company will adopt this standard at 1 July 2009
AASB 8 (Issued Feb 2007) 2	Operating Segments	Replaces the disclosure requirements of AASB 114: Segment Reporting.	Periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment). The Company will adopt this standard at 1 July 2009

Note 1. Summary of Significant Accounting Policies (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 101 (Revised Sep 2007)	Presentation of Financial Statements	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements. The Company will adopt this standard at 1 July 2009.
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements. The Company will adopt this standard at 1 July 2009.

	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $

Note 2. Revenue

Revenue from continuing operations

Dividends received	**-**	-	**3,986,463**	398,154
Interest received	**147,617**	133,765	**147,617**	133,765
Net Foreign exchange gains	**27,956**	-	**78,063**	-
Other income	**-**	18,613	**-**	18,613
	175,573	152,378	**4,212,143**	550,532

Note 3. Expenses

Profit/(Loss) before income tax includes the following expenses:

Administration, corporate and travel expenses includes the following

Travel and accommodation	**76,877**	45,940	**76,877**	45,940
ASIC and ASX fees	**22,231**	2,320	**22,231**	2,320
Rental expense	**668**	4,960	**668**	4,960

Other expenses

Prior year dividend transferred to equity accounted investment	**-**	265,436	**-**	-

Note 4. Income tax

(a) Income tax expense

Tax at the Australian tax rate of 30%	**5,289,397**	318,777	**605,863**	24,326
Add/(Less) tax effect of:				
Dividend income received	**1,195,939**	199,077	**-**	-
Franking credits on gross income	**512,545**	51,191	**512,545**	51,191
Other non-deductible items	**44,191**	9,334	**384,494**	9,334
Share of associates net profits	**(6,338,235)**	(505,925)	**-**	-
	703,837	72,454	**1,502,902**	84,851
Franking credits	**(1,708,484)**	(84,851)	**(1,708,484)**	(84,851)
Loss from excess franking credits	**-**	(85,786)	**-**	(85,786)
Deferred tax assets not brought to account	**1,004,647**	98,183	**205,582**	85,786
Income tax expense attributable to members of the group	**-**	-	**-**	-

	Consolidated		Parent entity	
	2009 **$**	Six months to 30 June 2008 $	**2009** **$**	Six months to 30 June 2008 $

Note 4. Income tax (continued)

(b) The components of tax expense comprise:

Current tax	**-**	-	**-**	**-**
Utilisation of prior period tax losses	**-**	-	**-**	**-**
	-	-	**-**	-
	8,387	-	**8,387**	**-**
	(8,387)	-	**(8,387)**	**-**
	-	-	**-**	-

(c) The estimated potential deferred tax benefits not brought to account at 30%

Revenue losses	**3,224,303**	1,628,237	**2,073,814**	1,326,170
Capital losses	**528,218**	528,218	**528,218**	528,218
	3,752,521	2,156,455	**2,602,032**	1,854,388
	(8,387)	-	**(8,387)**	**-**
	3,744,134	2,156,455	**2,593,645**	**1,854,388**

The potential future income tax benefit will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Company in realising the benefit.

Note 5. Earnings per share

	2009 **Cents**
Basic earnings per share	**24.19**

	2009 **Number**
Weighted average number of shares used as the denominator	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	**72,874,102**

	2009 **$**
Profit used in calculating basic and diluted losses per share	
Net profit	**17,631,324**

Note 5. Earnings per share (continued)

There are no equity instruments available that have dilutive qualities.

	Six months to 30 June 2008 Cents
Basic earnings per share	1.56

	2008 Number
Weighted average number of shares used as the denominator	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	72,874,102

	Six months to 30 June 2008 $
Profit used in calculating basic and diluted losses per share	
Net profit	1,137,208

	Consolidated		Parent entity	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $

Note 6. Current assets – Cash and cash equivalents

Cash at bank and on hand	**4,721,285**	3,110,773	**4,701,494**	3,094,276
Deposits at call	**2,016,922**	1,948,823	**2,016,922**	1,948,823
	6,738,207	5,059,596	**6,718,416**	5,043,099

Cash at bank bears floating interest rates between up to 1.5% and 3.8% (2008: 4.2% and 6.5%). Deposits at call are for 60 days and bear 4.2% interest (2008: 6.5%) and have an average maturity of 60 days. The Group's and the Parent Entity's exposure to interest rate risk is discussed in Note 25.

Note 7. Current assets – Trade and other receivables

Other debtors	**17,154**	54,360	**14,894**	52,532

The payment period of other debtors is 30 days. There are no debtors past due and not impaired.

Details of the Group and Parent Entity exposure to credit risk is detailed in note 24.

Note 8. Non-current assets – Plant and equipment

Plant & equipment				
Plant & equipment – at cost	**3,298**	3,258	**-**	-
Less: accumulated depreciation	**(3,298)**	(2,793)	**-**	-
	-	465	**-**	-

	Consolidated		Parent entity	
	30 June 2009	30 June 2008	**30 June 2009**	30 June 2008
	$	$	**$**	$

Note 8. Non-current assets – Plant and equipment (continued)

Reconciliation
Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial period is set out below.

Plant & equipment				
At the beginning of the year	**465**	842	**-**	-
Depreciation expense	**(476)**	(377)	**-**	-
Exchange difference	**11**	-	**-**	-
Closing net book amount	**-**	465	**-**	-

Note 9. Non-current assets – Investments accounted for using the equity method

The Consolidated Entity has a 32% interest in the ordinary shares of Guizhou Tianfeng Chem-Phos Company Ltd, a fertilizer manufacturing company incorporated in China, and also a 41.74% interest in the ordinary shares of Phosphate Resources Limited which operates a phosphate mine on Christmas Island.

(a) Associated companies (Note 11)				
Guizhou Tianfeng Chem-Phos Company	**-**	2,488,869	**-**	-
Phosphate Resources Limited	**25,076,421**	7,320,037	**-**	-
	25,076,421	9,808,906	**-**	-

(b) Reconciliation				
At the beginning of the year	**9,808,906**	8,862,538	**-**	-
Share of associated company's profit/(loss)			**-**	-
Guizhou Tianfeng Chem-Phos Company	**-**	(110,962)	**-**	-
Less: Minority interest	**-**	74,619	**-**	-
Phosphate Resources Limited	**19,976,347**	1,797,377	**-**	-
Equity accounted dividends	**(3,986,463)**	(663,590)	**-**	-
Increase in shareholding – Phosphate Resources	**1,766,500**			
Impaired investment	**(3,013,059)**			
Foreign currency adjustments	**524,190**	(151,076)	**-**	-
	25,076,421	9,808,906	**-**	-

(c) These investments are not recorded at fair value because their fair values cannot be reliably measured. Fair values cannot be readily determined as there is no publicly available information to support the fair values. The directors have determined that at 30 June 2009 and 30 June 2008, there is no readily available and ascertainable information and therefore cannot disclose the requirements of paragraph 30 (c) of AASB 7. The Board has reviewed its equity holdings in Xi Feng and GTFC and has fully impaired the carrying values. The Board intends to maintain the equity holdings in PRL and does not intend to dispose of this investment in the foreseeable future.

Note 10. Non-current assets – Other financial assets

	Consolidated		Parent entity	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Shares in unlisted companies – at cost (note 11)	**-**	-	**6,800,893**	5,034,393
Shares in controlled entities – at cost (note 12)	**-**	-	**1,656,477**	1,656,477
Provision for impairment	**-**	-	**(1,656,477)**	(468,000)
Amounts receivable from controlled entities	**-**	-	**314,969**	246,074
Provision for non-recovery	**-**	-	**(314,969)**	(246,074)
	-	-	**6,800,893**	6,468,944

The fair value shares in unlisted companies and shares in controlled entities cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost. Management has determined that the estimate of total consolidated fair values for unlisted investments would range in values exceeding the cost of the total investment. Unlisted investments exist within markets which would permit the assets to be disposed of if required.

Note 11. Investments in associates

(a) Carrying amounts

Information relating to associates is set out below:

Name of company	Principal activity	Ownership interest	Consolidated 30 June 2009 $	Consolidated 30 June 2008 $	Parent entity 30 June 2009 $	Parent entity 30 June 2008 $
Unlisted						
Phosphate Resources Limited [1]	Mining	41.74%	**25,076,421**	7,320,037	**6,800,893**	5,034,393
Xi Feng International Pte Ltd	Investment	51%	**-**	-	**-**	1,188,477
Guizhou Tianfeng Chem-Phos Company	Mining	N/A [2]	**-**	2,488,869	**-**	-

[1] The above associate is incorporated in Australia [2] 32% indirect interest through Xi Feng International Pte Ltd.

(b) Movements in carrying amounts

Phosphate Resources Limited	Consolidated 30 June 2009 $	Consolidated 30 June 2008 $
Carrying amount at the beginning of the financial year	**7,320,037**	6,186,250
Increase in shareholding	**1,766,500**	-
Share of profits/(losses) after income tax	**19,976,347**	1,797,377
Equity accounted dividends	**(3,986,463)**	(663,590)
Carrying amount at the end of the financial year	**25,076,421**	7,320,037

Note 11. Investments in associates (continued)

Guizhou Tianfeng Chem-Phos Company	Consolidated **30 June 2009** **$**	 30 June 2008 $
Carrying amount at the beginning of the financial year	**2,488,869**	2,676,288
Provision for impairment		
Share of profits/(losses) after income tax	**(3,013,059)**	(36,343)
Foreign currency adjustments	**524,190**	(151,076)
Carrying amount at the end of the financial year	**-**	2,488,869

(c) Share of associates profits or losses

Phosphate Resources Limited		
Profit after income tax	**19,976,347**	1,797,377
Guizhou Tianfeng Chem-Phos Company		
Profit/(loss) after income tax	**-**	(36,343)

(d) Summarised financial information of associates

	Group's share of: **Assets** **$**	 **Liabilities** **$**	 **Revenues** **$**	 **Profit/(Loss)** **$**
30 June 2009				
	AUD	**AUD**	**AUD**	**AUD**
Phosphate Resources Limited	**44,829,595**	**15,873,722**	**59,522,909**	**19,976,347**
	CNY	**CNY**	**CNY**	**CNY**
Guizhou Tianfeng Chem-Phos Company	**-**	**-**	**-**	**-**

The Guizhou Tianfeng Chem-Phos Company has not operated since March 2008 and has had no revenues. Financial statements are not available for the entity and thus the carrying value of the investment has been fully impaired.

30 June 2008				
	AUD	**AUD**	**AUD**	**AUD**
Phosphate Resources Limited	**19,666,470**	**9,280,375**	**15,972,852**	**1,797,377**
	CNY	**CNY**	**CNY**	**CNY**
Guizhou Tianfeng Chem-Phos Company	**41,396,099**	**24,381,298**	**28,507,459**	**(714,345)**

(e) Share of associates expenditure commitments, other than for the supply of inventories

Phosphate Resources Limited	Consolidated **2009** **$**	 2008 $
Capital commitments	**918,280**	241,925
Lease commitments	**162,786**	179,117
	1,081,066	421,042

Note 11. Investments in associates (continued)

Guizhou Tianfeng Chem-Phos Company	**2009 CNY**	2008 CNY
Capital commitments	**-**	-
Lease commitments	**-**	-
	-	-

(f) Contingent liabilities of associates

Phosphate Resources Limited	**Consolidated 2009 $**	Consolidated 2008 $
Share of contingent liabilities incurred jointly with other investors	**208,700**	310,160

Guizhou Tianfeng Chem-Phos Company	**2008 CNY**	2007 CNY
Share of contingent liabilities incurred jointly with other investors	**-**	-

Note 12. Controlled entities

CI Resources Limited owns 51% of Xi Feng International Pte Ltd which is incorporated in Singapore. The voting power in respect to Xi Feng International Pte Ltd is in proportion to ownership.

	Consolidated		**Parent entity**	
	30 June 2009 $	30 June 2008 $	**30 June 2009 $**	30 June 2008 $
Note 13. Current liabilities – Trade and other payables				
Trade payables	**63,554**	74,127	**58,056**	30,190
Other payables	**60,056**	151,036	**51,250**	129,030
	123,610	225,163	**109,306**	159,220

Note 14. Contributed equity

(a) Share capital	**Number of shares**	**$**
Ordinary shares – fully paid	**72,874,102**	**17,970,336**

(b) Movements in ordinary share capital

Date	**Details**	**Number of shares**	**Issue price $**	**$**
1 January 2008	Opening balance	72,874,102		17,970,336
30 June 2008	Closing balance	72,874,102		17,970,336
30 June 2009	**Closing balance**	**72,874,102**		**17,970,336**

Note 14. Contributed equity (continued)

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Consolidated		Parent entity	
	30 June 2009	30 June 2008	**30 June 2009**	30 June 2008
	$	$	**$**	$
Note 15. Reserves				
Foreign exchange translation reserve	**363,967**	(165,820)	**-**	-

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(j). The reserve is recognised in profit and loss when the net investment is disposed of.

Movements in reserves

Foreign exchange translation reserve				
Balance at the beginning of the year	**(165,820)**	(98,789)	**-**	-
FX on translation of financial report	**529,787**	(67,031)	**-**	-
Balance at the end of the period	**363,967**	(165,820)	**-**	-

Note 16. Accumulated losses

Accumulated losses at the beginning of the year	**(4,257,455)**	(5,394,663)	**(6,564,981)**	(6,646,067)
Net profit attributable to members of CI Resources Limited	**17,631,324**	1,137,208	**2,019,542**	81,086
Accumulated profits/(losses) at the end of the financial year	**13,373,869**	(4,257,455)	**(4,545,439)**	(6,564,981)

Note 17. Key management personnel disclosures

(a) Directors

The following persons were directors of CI Resources Limited during the whole of the financial year, unless otherwise stated:

Chairman - non-executive
Mr Clive Morris Brown

Non-executive directors
Mr Tee Lip Sin
Mr Phuar Kong Seng
Mr Willy Teo
Prof. Anthony Brennan (resigned 28 November 2008)
Dato Dr Mohamad Hashim Bin Ahmad Tajudin (resigned 10 July 2008)
Mr Lai Ah Hong (resigned 20 December 2008)
Mr David Somerville (elected 28 November 2008)
Mr Phua Siak Yeong (elected 28 November 2008)

Note 17. Key management personnel disclosures (continued)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial period:

Name	Position
Desmond John Kelly	Joint Company Secretary
Janelle Burns	Joint Company Secretary

	Notes	Consolidated		Parent entity	
		2009 **$**	Six months to 30 June 2008 $	**2009** **$**	Six months to 30 June 2008 $
(c) Key management personnel compensation					
Short term employee benefits		**367,440**	168,972	**367,440**	168,972
Post employment benefits		**-**	4,275	**-**	4,275
		367,440	173,247	**367,440**	84,475

(d) Equity instrument disclosures relating to key management personnel

Options provided as remuneration and shares issued on exercise of such options

There were no options issued to key management personnel for the financial year ended 30 June 2009 and the six month financial period ended 30 June 2008.

Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of CI Resources Limited and other key management personnel of the company, including their personally-related parties, are set out below.

2009 **Name**	**Balance at the start of the period**	**Granted during the period as remuneration**	**Exercised during the period**	**Other changes during the period**	**Balance at the end of the period**	**Vested and exercisable at the end of the period**
Directors of CI Resources Limited						
Mr Clive Morris Brown	-	-	-	-	-	-
Mr Tee Lip Sin	-	-	-	-	-	-
Mr Phuar Kong Seng	-	-	-	-	-	-
Mr Willy Teo	-	-	-	-	-	-
Prof. Anthony Brennan	-	-	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	-	-	-	-	-	-
Mr Lai Ah Hong	-	-	-	-	-	-
Mr David Somerville	-	-	-	-	-	-
Mr Phua Siak Yeong	-	-	-	-	-	-
Other key management personnel						
Mr Desmond John Kelly	-	-	-	-	-	-
Ms Janelle Burns	-	-	-	-	-	-

Notes to the Financial Statements
For the year ended 30 June 2009

Note 17. Key management personnel disclosures (continued)

2008 Name	Balance at the start of the period	Granted during the period as remuneration	Exercised during the period	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period
Directors of CI Resources Limited						
Mr Clive Morris Brown	-	-	-	-	-	-
Prof. Anthony Brennan	-	-	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	-	-	-	-	-	-
Mr Tee Lip Sin	-	-	-	-	-	-
Mr Phuar Kong Seng	-	-	-	-	-	-
Mr Lai Ah Hong	-	-	-	-	-	-
Mr Willy Teo	-	-	-	-	-	-
Other key management personnel						
Mr Desmond John Kelly	-	-	-	-	-	-
Ms Janelle Burns	-	-	-	-	-	-

No options were vested and unexercisable at the end of the financial year.

Share holdings

The numbers of shares in the company held during the financial year by each director and the key management personnel of the consolidated entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2009 Name	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
Directors of CI Resources Limited				
Mr Clive Morris Brown	-	-	-	-
Mr Tee Lip Sin	12,377,440	-	1,402,436	13,779,876
Mr Phuar Kong Seng	10,424,410	-	-	10,424,410
Mr Willy Teo	2,487,762	-	-	2,487,762
Prof. Anthony Brennan	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	12,000,000	-	(12,000,000)	-
Mr Lai Ah Hong	1,821,096	-	(1,821,096)	-
Mr David Somerville	-	-	-	-
Mr Phua Siak Yeong	-	-	-	-
Other key management personnel				
Mr Desmond John Kelly	-	-	-	-
Ms Janelle Burns	-	-	-	-

Notes to the Financial Statements
For the year ended 30 June 2009

Note 17. Key management personnel disclosures (continued)

2008 Name	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
Directors of CI Resources Limited				
Mr Clive Morris Brown	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	12,000,000	-	-	12,000,000
Mr Lip Sin Tee	11,616,000	-	761,440	12,377,440
Mr Phuar Kong Seng	-	-	10,424,410	10,424,410
Mr Lai Ah Hong	-	-	1,821,096	1,821,096
Mr Willy Teo	-	-	2,487,762	2,487,762
Other key management personnel				
Mr Desmond John Kelly	-	-	-	-
Ms Janelle Burns	-	-	-	-

(e) Loans to key management personnel

There are no loans made to directors or other key management personnel of CI Resources Limited.

(f) Other transactions with key management personnel

There were no other transactions with key management personnel.

	Notes	Consolidated **2009** **$**	Consolidated Six months to 30 June 2008 $	Parent entity **2009** **$**	Parent entity Six months to 30 June 2008 $
Note 18. Remuneration of auditors					
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms.					
Assurance services					
Audit services					
BDO Kendalls Audit & Assurance (WA) Pty Ltd:					
Audit and review of financial reports and other audit work under the *Corporations Act 2001*		**30,234**	27,500	**30,234**	27,500
Audit services					
Other auditors of subsidiaries:					
Audit and review of financial reports of subsidiaries		**10,694**	17,623	**-**	-
		40,928	45,123	**30,234**	27,500

Note 19. Contingent liabilities

As at 30 June 2009 the Consolidated Entity had no contingent liabilities.

Note 20. Commitments for expenditure

As at 30 June 2009 the Consolidated Entity has no commitments for expenditure (2008: nil).

Note 21. Related party transactions

Directors and other key management personnel
Disclosures relating to directors and other key management personnel are set out in note 17.

Controlling entities
The ultimate parent entity in the wholly-owned group is CI Resources Limited.

Ownership interests in related parties
Interests held in the following classes of related parties are set out in the following Notes:
Controlled entities – Note 12

Note 22. Events occurring after reporting date

There are no matters or circumstances that have arisen since 30 June 2009 that has significantly affected, or may significantly affect:

(d) the consolidated entity's operations in future financial years, or

(e) the results of those operations in future financial years, or

(f) the consolidated entity's state of affairs in future financial years.

	Notes	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $

Note 23. Reconciliation of profit(loss) from ordinary activities after income tax to net cash outflow from operating activities

	Consolidated 2009 $	Consolidated Six months to 30 June 2008 $	Parent entity 2009 $	Parent entity Six months to 30 June 2008 $
Operating profit (loss) after income tax	**17,631,324**	1,137,208	**2,019,542**	81,086
Equity accounted dividend	**3,986,463**	663,590	**-**	-
Share of associates net (profits)/losses	**(19,976,347)**	(1,686,415)	**-**	-
Minority interest	**(1,151,103)**	(74,619)	**-**	-
Provision for impairment	**3,013,059**	-	**1,188,477**	-
Provision for non-recovery of intercompany loan	**-**	-	**369,101**	-
Depreciation	**476**	377	**-**	-
Other	**(22,370)**	13,658	**(78,109)**	3,608
Change in operating assets and liabilities				
(Increase)/decrease in receivables	**37,206**	(19,349)	**37,638**	(19,110)
Increase/(decrease) in payables	**(101,553)**	23,979	**(49,914)**	23,991
Net cash inflow/(outflow) from operating activities	**3,417,155**	58,429	**3,486,735**	89,575

Note 24. Financial instruments and financial risk management

CI Resources is exposed to risks from movements in interest rates and foreign exchange risks that affect its assets and liabilities. Financial risk management aims to limit these market risks through focusing on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company and the Group.

(i) Interest rate risk

The Group's exposure to interest rates related primarily to the Group's cash and cash equivalents.

At balance date, the Group had the following exposure to Australian variable interest rate risk.

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Financial assets				
Cash and cash equivalents	**6,738,207**	5,059,596	**6,718,416**	5,043,099

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date. The 100 basis points sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding five year period.

At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit would have been affected as follows:

	Consolidated Higher/(Lower)		Parent entity Higher/(Lower)	
	2009	2008	**2009**	2008
	$	$	**$**	$
Judgments of reasonably possible movements:				
Post tax profit				
+1.0% (100 basis points)	**59,045**	50,424	**58,998**	50,063
-1.0% (100 basis points)	**(59,045)**	(50,424)	**(58,998)**	(50,063)

The movements in profit are due to higher/lower interest income from cash balances.

The Group deals with financial institutions that have a AA rating or better.

CI Resources, both parent and group, is exposed to interest rate risks in Australia. To minimise the effects of the potential adversities, the management attempt to limit these effects through constant reviewing of the financial markets.

Note 24. Financial instruments and financial risk management (continued)

2009 Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total	Weighted average effective interest rate
Consolidated Entity and Parent					
	$	**$**	**$**	**$**	**%**
(i) Financial assets					
Cash assets	4,721,285	2,016,922	-	6,738,207	**2.51**
Trade and other receivables	-	-	17,154	17,154	**-**
Investments – equity accounted	-	-	6,800,893	6,800,893	**-**
Total financial assets	**4,721,285**	**2,016,922**	**6,818,047**	**13,556,254**	
(ii) Financial liabilities					
Trade and other payables	-	-	123,610	123,610	-
Total financial liabilities	**-**	**-**	**123,610**	**123,610**	

2008 Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total	Weighted average effective interest rate
Consolidated Entity and Parent					
	$	**$**	**$**	**$**	**%**
(i) Financial assets					
Cash assets	3,110,773	1,948,823	-	5,059,596	**2.66**
Trade and other receivables	-	-	54,360	54,360	**-**
Investments – equity accounted	-	-	5,034,393	5,034,393	**-**
Total financial assets	**3,110,773**	**1,948,823**	**5,088,753**	**10,148,349**	
(ii) Financial liabilities					
Trade and other payables	-	-	225,163	225,163	-
Total financial liabilities	**-**	**-**	**225,163**	**225,163**	

(ii) Foreign currency risk

The Group and parent are exposed to fluctuations in the Australian dollar against the Singaporean dollar. The risk is managed by reference to potential adverse effects in the market. For the Group and parent, directors have determined the potential exchange rate effects would not have a material effect to the income statement or equity.

(iii) Liquidity Risk

The Group has no significant exposure to liquidity risk as there is effectively no debt, however should there be a risk of a non-material nature then the group manages liquidity risk by monitoring forecast cash flows.

Note 24. Financial instruments and financial risk management (continued)

The Group nor the parent is not subject to any other risks other than those described above.

Capital risk management

The Group and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide shareholders and stakeholders in the future and to maintain an optimal capital structure to reduce the cost of capital.

As at 30 June 2009 and 30 June 2008 the entity attempted to ensure the parent and the Group was debt free, the gearing ratios for both the parent and Group was:

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Total debt	**-**	-	**-**	-
Total equity	**31,708,172**	14,698,164	**13,424,897**	11,405,355
Gearing ratio	**0%**	0%	**0%**	0%

Note 25. Segment reporting

Primary reporting – geographical segments

	Australia	Singapore	Eliminations	Consolidated
	$	**$**	**$**	**$**
30 June 2009				
Revenue				
Interest	147,617	-	-	147,617
Dividends	3,986,463	-	(3,986,463)	-
Sundry	78,063	4,025	(54,132)	27,956
Total revenue from continuing operations	**4,212,143**	**4,025**	**(4,040,595)**	**175,573**
Result				
Segment result	2,192,600	(3,032,651)	1,330,388	490,337
Equity accounted dividend	(3,986,463)	-	-	(3,986,463)
Share of net profits/(losses) of equity accounted associates	19,976,347	-	1,151,103	21,127,450
Profit before income tax	18,182,484	(3,032,651)	2,481,491	17,631,324
Income tax expense	-	-	-	-
Profit after income tax	**18,182,484**	**(3,032,651)**	**2,481,491**	**17,631,324**
Assets				
Segment assets	13,534,203	22,050	18,275,529	31,831,782
Total assets	**11,564,575**	**2,507,659**	**851,093**	**14,923,327**
Liabilities				
Segment liabilities	109,306	329,273	(314,969)	123,610
Total liabilities	**109,306**	**329,273**	**(314,969)**	**123,610**

Note 25. Segment reporting (continued)

	Australia $	Singapore $	Eliminations $	Consolidated $
Impairment of investments				
Provision for impairment in investments	1,188,477	3,013,059	(1,188,477)	3,013,059
Total impairment for the year	**1,188,477**	**3,013,059**	**(1,188,477)**	**3,013,059**
30 June 2008				
Revenue				
Interest	133,765	-	-	133,765
Sundry	18,613	-	-	18,613
Total revenue from continuing operations	**152,378**	**-**	**-**	**152,378**
Result				
Segment result	81,086	(41,322)	-	39,764
Equity accounted dividend	(663,590)	-	-	(663,590)
Share of net profits/(losses) of equity accounted associates	1,797,377	(110,962)	74,619	1,761,034
Profit before income tax	1,214,873	(152,284)	74,619	1,137,208
Income tax expense	-	-	-	-
Profit after income tax	**1,214,873**	**(152,284)**	**74,619**	**1,137,208**
Assets				
Segment assets	11,564,575	2,507,659	851,093	14,923,327
Total assets	**11,564,575**	**2,507,659**	**851,093**	**14,923,327**
Liabilities				
Segment liabilities	159,220	312,017	(246,074)	225,163
Total liabilities	**159,220**	**312,017**	**(246,074)**	**225,163**
Impairment of investments				
Provision for impairment in investments	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

CI RESOURCES LIMITED

Directors' Declaration

In the directors' opinion:

(a) The financial statements comprising the income statement, balance sheet, cash flow statement, statement of recognised income and expense and accompanying notes set out on pages 30 to 59 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2009 and of their performance, for the year ended on that date; and

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

(c) the audited remuneration disclosures set out on pages 10 to 14 of the directors' report comply with section 300A of the Corporations Act 2001; and

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

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

C Brown
Chairman

Perth
30 September 2008

BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CI RESOURCES LIMITED

We have audited the accompanying financial report of CI Resources Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the 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 controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB101 *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.

Independence

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

BDO Kendalls

Basis for Qualified Auditor's Opinion

Limitation of Scope – Xi Feng International Pte Ltd

The consolidated entity, through its controlled entity XiFeng International Pte Ltd, maintains an investment of 32% in Guizhou Taingfeng Chem-Phos Co Ltd, an associated entity. The accounts of the associated entity for the year ended 30 June 2009 and six-month-period ended 30 June 2008 were qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of a long-term equity investment it maintains, as they were not supplied with financial statements of the investee to support the balance.

As a result, any change in this long-term equity investment balance could ultimately result in a change in the equity accounted investment and profit and loss of the controlled entity.

Given this limitation of scope, we are unable to conclude on the financial effect, if any, on the carrying value of the equity associated investment in the consolidated accounts or its commensurate effect on the consolidated profit and loss for the year ended 30 June 2009 and six-month-period ended 30 June 2008.

Qualified Auditor's Opinion

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs:

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

Auditor's Opinion

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

BDO Kendalls Audit and Assurance (WA) Pty Ltd

BDO Kendalls

Glyn O'Brien

Glyn O'Brien
Director

Dated this 30th day of September 2009
Perth, Western Australia

CI RESOURCES LIMITED

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders

The following substantial shareholders have lodged notices with the Company as at 30 September 2009:

Holders	Ordinary shares
Prosper Trading Sdn Bhd	13,779,876
CCM International Sdn Bhd	12,000,000
Destinasi Emas Sdn Bhd	7,287,410

Class of shares and voting rights

At 30 September 2009 there were 385 holders of ordinary shares on the Company. The voting rights attaching to the ordinary shares are:

- On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid is of the total amounts paid and payable, excluding amounts credited, provided that the amounts paid in advance of a call are ignored when calculating a true portion.

Distribution of share holders

Category		Ordinary shares
1 -	1,000	74
1,001 -	5,000	89
5,001 -	10,000	114
10,001 -	100,000	71
100,001 -	and over	37
		385

There were 58 holders of less than a marketable parcel of ordinary shares.

On-market buy back

There is no current on-market buy back.

Restricted securities

The Company does not have any restricted securities.

ASX Additional Information

Unquoted securities

The Company does not have any unquoted securities

Twenty largest holders of ordinary shares (as at 30 September 2009)

	Ordinary shares	
Holder name	**Number**	**%**
UOB Kay Hian Private Limited	27,949,652	38.35
CCM International Sdn Bhd	12,000,000	16.47
Prosper Trading Sdn Bhd	11,616,000	15.94
Mr Willy See Khiang Teo	2,339,190	3.20
DMG & Partners Securities Pte Ltd	2,218,450	3.04
First Distribution Services Limited	1,714,286	2.35
Citicorp Nominees Pty Limited	1,685,217	2.31
Kluang Pty Ltd	1,430,988	1.96
Mr Xu Yi Hao	878,657	1.21
HSBC Custody Nominees (Australia) Limited	813,000	1.12
Rivertree Pty Ltd	711,293	0.98
Soon Heng Mar	692,000	0.95
Phillip Securities Pte Ltd	629,404	0.86
Mr Philip Tuck Sang Woo	605,715	0.83
Mr Khye Meng Chan	481,818	0.66
Krishnan Ramanthan	407,673	0.56
Fullong Worldwide Limited	311,750	0.43
Great Pioneer Consultants Ltd	311,750	0.43
ARP Holdings Pty Ltd	300,000	0.41
KSL Super Pty Ltd	230,000	0.32
	67,326,843	**92.38**

Other information

CI Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company's shares are quoted on the Australian Securities Exchange.