



OAKAJEE
CORPORATION

ACN 123 084 453

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009**

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

(formerly Australian Stone Creations Limited)

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OAKAJEE CORPORATION LIMITED

ACN 123 084 453

CORPORATE DIRECTORY

DIRECTORS:	Mr Mark Jones (Chairman) Mr Zaffer Soemya Mr Clive Boyle
SECRETARY:	Ms Miranda Conti
REGISTERED AND PRINCIPAL OFFICE:	37 Colin Street WEST PERTH WA 6005 Tel: +61 8 9324 1377 Fax: +61 8 9324 1517 email: admin@oakajeecorp.com.au
POSTAL ADDRESS:	37 Colin Street WEST PERTH WA 6005
WEBSITE:	www.oakajeecorp.com.au
SHARE REGISTRY:	Advanced Share Registry Services Unit 2/150 Stirling Highway NEDLANDS WA 6009
HOME STOCK EXCHANGE:	Australian Stock Exchange Limited Level 2 Exchange Plaza 2 The Esplanade PERTH WA 6000 ASX Code: OKJ
AUDITOR:	HLB Mann Judd Chartered Accountants 15 Rheola Street WEST PERTH WA 6005

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

DIRECTORS' REPORT

The Directors of Oakajee Corporation Limited present their report on the Company for the financial year ended 30 June 2009.

The Board of Directors

The names and details of directors in office during the financial year until the date of this report are as follows:

Directors were in office for the entire period unless otherwise stated.

Mr Mark Wesley Jones (*BArts (Psy Stats)*) (Non-Executive Chairman) Age 47
Appointed 18 July 2008

Mr Jones is a Non-Executive Director of Patersons Securities Limited, one of the largest stockbroking firms in Australia, and was also appointed as Chairman of Elemental Minerals Limited on 30 June 2009. He has been instrumental in raising capital for many exploration companies from IPO to production and brings over 20 years of mining and stock market experience

Mr Zaffer Soemya (*BE, CP Eng, Dip OH&S*) (Non-Executive Director and Acting General Manager) Age 48
Appointed 19 December 2007

Mr Soemya graduated from the University of WA with a Bachelor of Engineering Degree (Civil) in 1983. He holds a Quarry Managers certificate of Competency acquired during 14 years of working on major mining and quarry projects in Western Australia.

For six years he held senior project management roles on multi-million dollar infrastructure and resource projects from design and feasibility to construction phases.

For the last three years he has been General Manager for a mechanical engineering company specialising in efficiency upgrades, design, installation and maintenance of materials handling plant and equipment including crushing and processing plants in the Australian and European markets.

Mr Soemya has been appointed to the position of Acting General Manager following the resignation of Mr Hacker on 18 July 2008.

Mr Clive Boyle (*B.Bus, CA*) (Non-Executive Director) Age 54
Appointed 15 January 2007

Mr Boyle is a Chartered Accountant with over 20 years experience. He was most recently a director of Thornton Partners, Chartered Accountants, which specialises in providing business services and management advice to clients involved in various industries, which has included a large limestone quarry and production company. Mr Boyle brings financial and management expertise to the Company.

Mr Richard Hacker (*B.Com, CA, ACIS*) (Managing Director) Age 36
Appointed 19 December 2007, Resigned 18 July 2008

DIRECTORS' REPORT

The following directors resigned during the financial year and since the date of this report:

- Mr Richard Hacker Resigned 18 July 2008

Other than as stated for Mr Mark Jones, no other director has held directorships in listed companies over the last 3 years.

Company Secretary – Miranda Conti, (B.Com, CPA, ACIS) Age 36

Ms Conti is a Chartered Secretary and Certified Practising Accountant who consults to listed public companies. Prior to this she was Joint Company Secretary and Finance Manager at iiNet Limited.

Principal Activities

The principal activities of the Company during the financial year were:

- investigation into the establishment of reconstituted limestone products and manufacturing operation;

Review of Operations

In the third quarter of 2008 the Company established its head office by leasing an office in West Perth with the majority of the floorspace being sub-let to other tenants.

In the same period the Board of Directors traveled to Geraldton to inspect the limestone quarry site and review the proposed operations. During the last twelve months the Company has been reviewing various options available to establishing a limestone building material supply on this site.

The Company has been closely monitoring the progress of the Oakajee Port and Rail Project which is seen as an important driver for the successful development of a limestone manufacturing plant.

Operating Results for the Year

The net loss after income tax attributable to members of the Company for the financial year ended 30 June 2009 amounted to \$333,248 (2008: \$30,685).

Dividends

No dividends were paid during the year and the directors recommend that no dividends be paid or declared for the financial year ended 30 June 2009.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company to the date of this report.

DIRECTORS' REPORT

Subsequent Events

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely Developments

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental Issues

The Company is not subject to any significant environmental legislation.

Directors' Interests

The relevant interests of Directors, directly, or indirectly or beneficially, by each specified director including their personally-related entities, in the share capital of the Company as at the date of this report is as follows:

Director	Fully Paid Ordinary Shares	
	Directly	Indirectly
Mark Wesley Jones	-	2,610,000
Zaffer Soemya	20,000	365,000
Clive Boyle	-	813,478

Meetings of Directors

During the financial year, the following meetings of directors were held:

	Directors' meetings	
	Number eligible to attend	Number attended
Mr Mark Jones (appointed 18 July 2008)	9	9
Mr Zaffer Soemya	10	10
Mr Clive Boyle	10	10
Mr Richard Hacker (resigned 18 July 2008)	1	1

Mr Mark Wesley Jones was appointed non-executive Chairman on 18 July 2008 and Mr Richard Hacker resigned on this date.

DIRECTORS' REPORT

Remuneration Report

This report outlines the remuneration arrangements in place for directors and senior management of Oakajee Corporation Limited (the "company") for the financial year ended 30 June 2009.

The following persons acted as directors during or since the end of the financial year:

- Mark Jones (Chairman) – appointed 18 July 2008
- Richard Hacker (Managing Director – resigned 18 July 2008
- Zaffer Soemya (Non-Executive Director)
- Clive Boyle (Non-Executive Director)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Clark Scrivener (Production Manager) – resigned 16 September 2008
- Miranda Conti (Company Secretary)

- **Remuneration Policy**

The Board of directors are responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The Board acts as the Remuneration Committee and assesses the nature and amount of compensation of key management personnel.

All remuneration paid to directors and executives is valued at cost to the Company and expensed. Shares and Options granted to directors are valued using either the Black-Scholes or binomial option pricing model.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and will review their remuneration annually, based on market practice, duties and accountability and to ensure their remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. Independent external advice is sought where required.

The maximum amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are currently fixed at up to \$350,000 and are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

- **Performance based remuneration**

The Board seeks to align the interests of shareholders and executive personnel through a performance related incentive package. Accordingly, the Managing Director (or equivalent) may be entitled to shares or options in Oakajee Corporation in a manner to be agreed and determined by the Board.

No performance based amounts have been paid or determined to be paid to Directors at this stage of the Company's development.

During the 2008 financial the Production Manager, Mr Scrivener was granted 1,500,000 A Class Performance Shares and 500,000 B Class Performance Shares pursuant to an employment agreement. These performance shares required certain performance hurdles aligned with the interests of shareholders to be met. These Performance shares lapsed upon Mr Scrivener's termination on 16 September 2008.

OAKAJEE CORPORATION LIMITED

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DIRECTORS' REPORT

- *Details of Remuneration*

Year ended 30 June 2009

Directors	Cash Salary and fees (\$)	Superannuation (\$)	Termination Payment (\$)	Performance Shares ^[1] (\$)	Total (\$)
Mark Jones (Non-Executive Chairman) Appointed 18 July 2008	31,961	2,877	-	-	34,838
Richard Hacker (Managing Director) Resigned 18 July 2008	-	-	-	-	-
Zaffer Soemya (Non-Executive Director)	22,592	2,033	-	-	24,625
Clive Boyle (Non-Executive Director)	23,818	2,143	-	-	25,961
Executives					
Clark Scrivener (Production Manager) Resigned 16 September 2008	33,477	3,013	105,668	-	142,158
Miranda Conti (Company Secretary)	30,220	-	-	-	30,220

[1] Terms and Conditions of Performance Shares that were granted to Mr Scrivener are detailed in note 22 to the financial statements.

Year ended 30 June 2008

Directors	Cash Salary and fees (\$)	Superannuation (\$)	Termination Payment (\$)	Performance Shares ^[1] (\$)	Total (\$)
Richard Hacker (Managing Director) Resigned 18 July 2008	-	-	-	-	-
Zaffer Soemya (Non-Executive Director)	1,571	141	-	-	1,712
Clive Boyle (Non-Executive Director)	1,571	141	-	-	1,712
Executives					
Clark Scrivener (Production Manager) Appointed 5 June 2008	8,892	801	-	-	9,693
Miranda Conti (Company Secretary) Appointed 29 January 2008	8,010	-	-	-	8,010

No percentage of 2009 and 2008 remuneration paid is performance based.

DIRECTORS' REPORT

- *Employment Contracts of Directors and Senior Executives*

Executive Directors

Managing Director – Richard Hacker

The Executive Employment Agreement was terminated upon Mr Hacker's resignation on 18 July 2008. No termination benefit was paid to Mr Hacker pursuant to the agreement.

Senior Executives

Production Manager – Clark Scrivener

The Executive Employment Agreement with Mr Scrivener was terminated upon Mr Scrivener's resignation on 16 September 2008. Mr Scrivener was paid \$105,668 as a termination benefit. A Class and B Class Performance Shares allotted to Mr Scrivener lapsed on termination of his employment.

Non-Executive Directors

The Company has entered into service agreements with non-executive Directors. Under these agreements each director is on a fixed salary inclusive of superannuation as follows:

Mark W Jones	\$55,000 per annum (effective 1 August 2009)
Zaffer Soemya	\$25,000 per annum
Clive Boyle	\$25,000 per annum

Service agreements with Directors are separate from any responsibility they may have to the Company or the role they perform as a result of their appointment as a Director of the Company.

The Directors may also be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

A Director may receive remuneration for performing extra services, or making special exertion in going or residing abroad or otherwise for the Company by payment of a fixed sum determined by the Directors which may be either in addition to or in substitution for the Directors usual remuneration.

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DIRECTORS' REPORT**Option Holdings**

No options over issued shares or interests in the Company were granted during the period or since the end of the financial period. Furthermore there are no options on issue at the date of this report.

Equity Holdings and Transactions

The movement during the reporting period in the number of shares of the Company held directly, indirectly or beneficially, by each specified director or executive including their personally-related entities is as follows:

	Held at 1 July 2008	Seed Capital Shares Acquired/ (Disposed)	Performance Shares ^[1] lapsed	Issue of Initial Public Offering Shares	Acquired/ (Disposed) on Market	Held as at 30 June 2009
Directors						
Mark Wesley Jones	2,520,000	-	-	-	90,000	2,610,000
Richard Hacker (Resigned 18 July 2008)	130,000	-	-	-	-	130,000
Zaffer Soemya	375,000	-	-	-	-	375,000
Clive Boyle	813,478	-	-	-	-	813,478
Executives						
Clark Scrivener (Resigned 16 September 2008)	2,930,000	-	(2,000,000)	-	-	930,000
Miranda Conti	120,000	-	-	-	-	120,000

[1] Performance Shares granted to Mr Scrivener pursuant to an executive employment agreement in 2008 lapsed during the year following termination of the executive employment agreement.

DIRECTORS' REPORT

Indemnification and insurance of Officers

The Company currently has Directors and Officers insurance. The Company has entered into deeds with each director indemnifying each director against liabilities arising out of their conduct while acting in the capacity of a director of the Company to the full extent permitted by law.

The insurance premium relates to liabilities that may arise from an Officer's position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The Officer's covered by the insurance policies are the Directors and the Company Secretary.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 10 and forms part of this directors' report for the year ended 30 June 2009.

Non-Audit Services

There were no non-audit services provided by the Company's auditor during the financial year.

Legal Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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



Mark Wesley Jones
Chairman

Dated this 30th day of September 2009

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Oakajee Corporation Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Oakajee Corporation Limited.



Perth, Western Australia
30 September 2009

M R W OHM
Partner, HLB Mann Judd

CORPORATE GOVERNANCE STATEMENT

Corporate Governance is a matter of high importance in the Company and is undertaken with due regard to all of the Company's stakeholders and its role in the community.

The Board supports the Principles of Good Corporate Governance and Best Practice Recommendations released by the ASX Corporate Governance Council (CGC).

The CGC's published guidelines are as follows:

- Principle 1.** Lay solid foundations for management and oversight
- Principle 2.** Structure the board to add value
- Principle 3.** Promote ethical and responsible decision making
- Principle 4.** Safeguard integrity in financial reporting
- Principle 5.** Make timely and balanced disclosure
- Principle 6.** Respect the rights of shareholders
- Principle 7.** Recognise and manage risk
- Principle 8.** Remunerate fairly and responsibly

The key corporate governance practices of the Company and the extent to which the Company has followed the Best Practice Recommendations are summarised below.

Principle 1: Lay solid foundations for management and oversight.

1.1 Formalise and disclose the functions reserved to the board and those delegated to management.

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. The Board believes that this focus will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Company is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive, role.

The Board is responsible for evaluating and setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals. The Managing Director (or equivalent) is responsible to the Board for the day-to-day management of the Company.

The Board has sole responsibility for the following:

- (i) appointing and removing the Managing Director and approving senior executive remuneration;
- (ii) determining the strategic direction of the Company and measuring performance of management against approved strategies;
- (iii) review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- (iv) adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress against them;
- (v) monitoring capital and cash flow requirements;

CORPORATE GOVERNANCE STATEMENT

- (vi) approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- (vii) determining that satisfactory arrangements are in place for auditing the Company's financial affairs; and
- (viii) ensuring that risk management and internal controls, policies and compliance systems consistent with the Company's objectives, external best practice and the Company's size and scope of operations are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Company's corporate governance practices are being continually reviewed and improved as required.

The Directors consider that the Company's procedures comply with Principle 1 of the Principles of Good Corporate Governance.

1.2 Disclose the process for evaluation the performance of senior executives.

Arrangements put in place by the Board to monitor the performance of the Company's executives include annual performance appraisal meetings with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

The Board considers that the Company's procedures are consistent with ASX Principle 1.2

Principle 2: Structure the board to add value.

The Company's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any share holding qualification.

2.1 A majority of the board should be independent directors

2.2 The chairperson should be an independent director.

Having regard to the above criteria, the Company currently departs from these principles by not having a majority of independent directors, including the Chairman. The Board considers that to date the Company has not been of a size, nor are its affairs of such complexity to justify the appointment of a majority of independent non-executive Directors.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

The composition of the Board is reviewed periodically in view of the underlying scale, scope and complexity of the Company's operations. Changes are made where appropriate.

2.4 The board should establish a nomination committee.

The membership of the Board and its activities are subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake the Board's duties and responsibilities.

CORPORATE GOVERNANCE STATEMENT

The Board considers that the Company is not currently of such a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board.

The Board acknowledges that this does not comply with recommendation 2.4 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of a nomination committee will be reviewed by the Board and implemented if appropriate.

- 2.5 Disclose the process for performance evaluation of the board, its committees and individual directors.

The Board has adopted a self-evaluation process to measure its own performance during each financial year. Ongoing review is undertaken in relation to the composition and skills mix of the Directors of the Company.

The Board considers that the Company's procedures are consistent with ASX Principle 2.5.

- 2.6 Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Oakajee Corporation Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, 'materiality' is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the company's loyalty.

The terms in office and independence of directors, based on the definition and materiality thresholds above, in office at the date of this statement are:

Name	Position	Term in Office	Independent
Mark Jones	Chairman, Non-Executive	1 year 2 months	No
Zaffer Soemya	Non-Executive	1 year 8 months	Yes
Clive Boyle	Non Executive	2 years 8 months	No

The board does not currently have a nomination or audit committee.

A performance evaluation of the board was undertaken following the end of the reporting period.

Principle 3: Promote Ethical and Responsible Decision Making

- 3.1 Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:
- (a) the practices necessary to maintain confidence in the company's integrity;
 - (b) the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
 - (b) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

CORPORATE GOVERNANCE STATEMENT

The Board acknowledges the need for continued maintenance of a professional standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors and a Code of Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

The Company's objective is to maximise returns to shareholders through the continued development of current projects and the identification and acquisition quality projects.

To assist in meeting its objective, the Company conducts its business within its Code of Conduct.

All Directors, executives and employees are charged with the responsibility to act with the utmost integrity.

Both the Code of Conduct for Directors and Code of Conduct are consistent with the ASX Principle 3.

Dealings in Company Securities

3.2 Disclose the policy concerning trading in company securities by directors, officers and employees.

The Company's share trading policy imposes basic trading restrictions on all employees of the Company with 'inside information', and additional trading restrictions on the Directors of the Company and employees who possess inside information.

In addition to the above, Directors must notify the Company Secretary as soon as practicable, but not later than 2 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and the Listing rules of the ASX, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

The Company's share trading policy is consistent with ASX Principle 3.2

Principle 4: Safeguard Integrity in Financial Reporting

4.1 Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operation results and are in accordance with the relevant accounting standards.

The Company complies with this ASX Principle.

4.2 The board should establish an audit committee.

The Board considers that it is not currently of a size to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review and operation of the internal control systems.

4.3 Structure an audit committee so that it consists of:

- (a) only non-executive directors;
- (b) a majority of independent directors;
- (c) an independent chairperson, who is not chairperson of the board; and
- (d) at least three members.

CORPORATE GOVERNANCE STATEMENT

4.4 The audit committee should have a formal charter.

The Board acknowledges this does not comply with recommendations 4.2, 4.3 and 4.4 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of an audit committee will be reviewed by the Board and implemented if appropriate.

Principle 5: Make timely and balanced disclosure

5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

The Company has established a continuous disclosure policy in relation to the release of ASX announcements (and media releases) to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability for that compliance. In particular, the policy includes vetting and authorisation processes designed to ensure company announcements are timely, factual, complete and expressed in a clear and objective manner.

The continuous disclosure policy requires all executives and Directors to inform the Managing Director (or equivalent) or in his absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

The Managing Director (or equivalent) is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

The Company's Continuous Disclosure Policy is consistent with ASX Principle 5.

Principle 6: Respect the rights of shareholders

6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

The Company places considerable importance on effective communications with shareholders.

The Company's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The strategy provides for the use of systems that ensure a regular and timely release of information about the Company to shareholders.

Mechanisms employed include:

- (i) announcements lodged with ASX;
- (ii) ASX Quarterly Cash Flow Reports;
- (iii) Half Yearly Report;
- (iv) presentations at the Annual General Meeting/General Meetings; and
- (v) Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.

CORPORATE GOVERNANCE STATEMENT

The Company also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

- 6.2 Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company's practice is to invite the auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company's policies are consistent with ASX Principle 6.

Principle 7: Recognise and manage risk

- 7.1 The board or appropriate board committee should establish policies on risk oversight and management.

The Board is responsible for overseeing the Company's risk management and control framework. The Board adopts an active approach to risk management which recognises that the Company is engaged in activities, which necessarily demand that the Company take certain usual business, entrepreneurial and operational risks. Accordingly, and in the interests of the enhanced performance of the Company, the Board embraces a responsible approach to risk management, as a risk-aware Company, and not a risk-averse one. In doing so, the main material risks confronting the company, as identified by the Board, are those set out in the Company's prospectus.

Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director (or equivalent) having ultimate responsibility to the Board for the risk management and control framework.

Arrangements put in place by the Board to monitor risk management include:

- (i) monthly reporting to the Board in respect of operations and the financial position of the Company;
- (ii) Budgetary expenditure controls;
- (iii) Review of insurance requirements annually and as needed; and
- (iv) Regular reporting on adherence to health and safety guidelines and policies.

Specifically, in managing risk, the Board and Management are to adhere to the following principles:

- (i) When considering new strategies or projects, management is to analyse the major risks of those opportunities being secured or being lost, and will consider appropriate strategies for minimising those risks where they are identified.
- (ii) The Company will, where thought prudent by the Managing Director (or equivalent) or the Board, take appropriate external advice to determine the best way to manage a particular risk.
- (iii) Financial risk will be managed by the whole of the Board working closely with the Managing Director (or equivalent) and the Chief Financial Officer (or equivalent), to ensure that the financial statements and other financial reporting are rigorously tested prior to submission for audit.

CORPORATE GOVERNANCE STATEMENT

- (iv) To complement risk management by the Company, appropriate insurances are to be in place, and advice taken from the Company's brokers or insurers where necessary, to cover the usual risks for businesses such as that of the Company, and where practicable, to cover any particular extraordinary risks which arise in the circumstances of the Company.
- (v) The Company's approach to risk management, and the effectiveness of its implementation, is to be reviewed formally at least annually by the Board.

- 7.2 The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the board in writing that:
- (a) the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and
 - (b) the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Company's Managing Director (or equivalent) and Chief Financial Officer (or equivalent) will report in writing to the Board that:

- (i) the financial statements of the Company for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- (ii) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (iii) the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board considers that the Company's procedures are consistent with ASX Principle 7.

Principle 8: Remunerate fairly and responsibly

The broad remuneration policy of the Company is to ensure that remuneration levels for executive Directors, secretaries and senior managers are set at competitive levels to attract and retain appropriately qualified and experienced personnel.

Remuneration packages offered by the Company are therefore geared to attracting talented employees through a combination of fixed remuneration and long term incentives, calibrated and individually tailored to be competitive in the external market to offer good incentive to join and remain with the Company.

- 8.1 Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

The Directors have provided a Remuneration Report which is included in the Directors Report of the Annual Report.

The Company complies with this recommendation.

CORPORATE GOVERNANCE STATEMENT

8.2 The board should establish a remuneration committee.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

The Board acknowledges that this does not comply with recommendation 9.2 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of a remuneration committee will be reviewed by the Board and implemented if appropriate.

8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.

The remuneration of Non-executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-executive Directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-executive Directors must not exceed the maximum annual amount approved by the Company's shareholders, which is currently \$350,000.

The remuneration of each director is set out in the Directors' Report included in the Annual Report.

The Directors consider that the Company complies with Principle 9.3 of the Principles of Good Corporate Governance.

8.4 Ensure that payment of equity based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

The Company complies with this recommendation.

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Revenue	2	232,391	31,394
Expenses			
Administration expenses		151,322	16,028
Employee benefit expense	2	231,619	20,579
Provision for lease royalty expense	2	110,207	-
Consulting expense		60,110	14,182
Depreciation and amortisation expense	2	6,702	17
Finance costs	2	-	464
Other expenses		5,679	10,809
Loss Before Income Tax		(333,248)	(30,685)
Income tax expense	3	-	-
Net Loss attributable to members of Oakajee Corporation Limited		(333,248)	(30,685)
Basic loss per share (cents per share)	12	(1.02)	(0.28)

The accompanying notes form part of these financial statements.

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
Current assets			
Cash and cash equivalents	4	2,884,842	4,025,880
Trade and other receivables	5	24,489	13,100
Other assets	7	25,879	17,773
Total current assets		2,935,210	4,056,753
Non-current assets			
Property, plant and equipment	6	16,800	7,178
Other financial assets	8	1,030,000	-
Total non-current assets		1,046,800	7,178
Total assets		3,982,010	4,063,931
Current liabilities			
Trade and other payables	9	32,509	286,578
Provisions	10	20,000	-
Total current liabilities		52,509	286,578
Non-current liabilities			
Provisions	10	90,207	-
Total non-current liabilities		90,207	-
Total liabilities		142,716	286,578
Net assets		3,839,294	3,777,353
Equity			
Issued capital	11	3,939,419	3,930,410
Reserves	11	386,180	-
Accumulated losses		(486,305)	(153,057)
Total equity		3,839,294	3,777,353

The accompanying notes form part of these financial statements.

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Contributed Equity	Accumulated Losses	Unrealised Gains Reserve	Total Equity
	\$	\$	\$	\$
At 30 June 2007	117,001	(122,372)	-	(5,371)
Net loss for the period	-	(30,685)	-	(30,685)
Share capital issued	4,128,250	-	-	4,128,250
Cost of share capital issued	(314,841)	-	-	(314,841)
At 30 June 2008	3,930,410	(153,057)	-	3,777,353
Net loss for the period	-	(333,248)	-	(333,248)
Reimbursed cost of share capital issued	9,009	-	-	9,009
Net change in the fair value of investments in listed entities	-	-	386,180	386,180
At 30 June 2009	3,939,419	(486,305)	386,180	3,839,294

The accompanying notes form part of these financial statements.

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(454,055)	(56,280)
Interest received		194,499	31,394
Receipts from sub lessees		22,424	-
Interest paid		-	(464)
Net cash flows used in operating activities	21	(237,132)	(25,350)
Cash flows from investing activities			
Payments for shares in listed entities		(643,820)	-
Payments for property, plant and equipment		(17,168)	(7,195)
Net cash flows used in investing activities		(660,988)	(7,195)
Cash flows from financing activities			
Applications received from IPO		-	4,000,000
Payment of share issue costs		(242,918)	(74,336)
Proceeds from seed capital contributions		-	128,250
Proceeds from borrowings from related parties		-	25,128
Repayment of borrowings from related parties		-	(25,128)
Net cash flows (used)/from financing activities		(242,918)	4,053,914
Net (decrease)/increase in cash held		(1,141,038)	4,021,369
Cash at the beginning of the financial year		4,025,880	4,511
Cash at end of financial year	4	2,884,842	4,025,880

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. Statement of Significant Accounting Policies

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

a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards, Accounting Interpretations and other mandatory professional reporting requirements. The financial report has been prepared on a historical cost basis, except for other financial assets which have been recognised at fair value, and is presented in Australian dollars.

Oakajee Corporation Limited is a company limited by shares incorporated and domiciled in Australia whose shares commenced public trading on the Australian Stock Exchange on 11 June 2008.

The Company was registered on 11 December 2006.

b) Statement of compliance

The financial report of Oakajee Corporation Limited (the Company) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 30 September 2009.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

c) Adoption of New and Revised Standards

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

d) **Significant accounting judgements, estimates and assumptions**

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

Onerous Contracts:

A provision has been raised for an onerous contract relating to the minimum annual royalty payments due under the Quarry lease to June 2019. The unavoidable nominal cash flows due under the lease over the remaining nine year term from June 2009 are \$300,000. No amount has been recognised for any reimbursement of the resulting outflows or revenues.

The discounted unavoidable cash flows of these obligations are \$110,207 using a discount rate of 23% based on the Company's cost of capital.

e) **Revenue Recognition**

Revenues are recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be recognised.

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract.

(iii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(iv) Dividends

Revenue is recognised when the Company's right to receive the payment is established.

(v) Rental Income

Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives are recognised as an integral part of the total rental income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

f) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

g) **Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of the leased item, are charged as expenses in the periods in which they are incurred.

h) **Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

i) **Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

j) **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

k) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable or payable is included as a current asset or current liability in the balance sheet. Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

l) Property plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment is measured on a cost basis.

Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of fixed asset	Depreciation rate
Office Furniture	20%
Computer Software and Equipment	40%

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

m) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 30 JUNE 2009****m) Financial Assets (continued)***(ii) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

n) Impairment

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

n) **Impairment (continued)**

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

o) **Trade and other payable**

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

p) **Provisions**

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

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

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

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

Where a contract has terms that are onerous to the Company the present obligation under the contract is recognised and measured as a provision. A contract is considered onerous where the unavoidable costs of meeting the obligations under the contract exceeds the benefits expected to be received under it.

q) **Employee leave benefits**

i. *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

q) **Employee leave benefits (continued)**

ii. *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

r) **Share-based payment transactions**

The Company provides incentives to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using Black-Scholes or binomial methods.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

s) **Share capital**

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds received.

t) **Earnings per share**

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

u) **Comparative Figures**

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

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

2. Revenue and expenses

	2009 \$	2008 \$
(a) Revenue		
Interest income third party	209,787	31,394
Rental income third party	22,429	-
Profit on sale of fixed assets	175	-
	<u>232,391</u>	<u>31,394</u>
(b) Depreciation		
Property plant and equipment	<u>6,702</u>	<u>17</u>
(c) Employee and director's benefits expenses		
Salary and wages	<u>231,619</u>	<u>20,579</u>
(d) Operating lease payments		
Included in administration expenses:	102,750	12,500
Provision for lease royalty expense	<u>110,207</u>	<u>-</u>
	<u>212,957</u>	<u>12,500</u>
(e) Finance costs		
Short term borrowings	<u>-</u>	<u>464</u>
Interest is expensed as it accrues.		
(f) Dividends	<u>-</u>	<u>-</u>

No dividends have been paid or are proposed as at 30 June 2009.

As at 30 June 2009 the Company has no franking credits available for use in future years.

3. Income tax

Tax expense

Current tax	-	-
Deferred tax	-	-
Under/(over) provisions in prior year	<u>-</u>	<u>-</u>
Income tax expense reported in the income statement	<u>-</u>	<u>-</u>

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2009 \$	2008 \$
Loss before tax	(333,248)	(30,685)
Prima facie tax on loss	(99,974)	(9,206)
Tax effect of non-deductible items	10,394	(15,505)
Revenue losses not brought to account	89,580	24,711
Income tax expense reported in the income statement	<u>-</u>	<u>-</u>

The tax rate used in the above reconciliation is the tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. No amounts of current or deferred tax have been recognised directly in equity as at 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

3. Income tax (continued)

	2009 \$	2008 \$
Deferred income tax		
Unrecognised deferred income tax at 30 June relates to the following:		
<i>Deferred tax liabilities</i>	-	-
<i>Deferred tax assets</i>		
Tax losses available to offset against future income	89,580	24,711
Deferred tax assets not brought to account as realisation is not considered probable	89,580	24,711
Gross deferred income tax assets	<u>-</u>	<u>-</u>

It is considered that it is not probable that the Company will utilise all its carry forward tax losses in the foreseeable future, hence it is not expected to pay tax in the foreseeable future. The deferred tax balances noted above have therefore not been accounted for in the balance sheet.

At 30 June 2009, the Company has tax losses in Australia of \$132,986 (2008: \$43,405) that are available indefinitely for offset against future taxable income. The Company has not recognised deferred income tax assets in relation to these losses as realisation of the benefit is not regarded as probable.

These deferred tax assets will only be obtained if:

- a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- b) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- c) no changes in the income tax legislation adversely affect the Company in realising the benefit from the deduction of the loss.

	2009 \$	2008 \$
4. Cash and cash equivalents		
Cash at bank	84,842	75,428
Cash on deposit	2,800,000	3,950,452
	<u>2,884,842</u>	<u>4,025,880</u>
5. Trade and other receivables		
Current		
Other receivable	23,522	392
Loan to director	-	3,547
GST receivable	967	9,161
Total trade and other receivables	<u>24,489</u>	<u>13,100</u>

There are no receivables which are past due or impaired.

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FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
6. Property, plant and equipment		
At cost	23,358	7,195
Accumulated depreciation	(6,558)	(17)
Total written down value	<u>16,800</u>	<u>7,178</u>
<i>Reconciliation</i>		
A reconciliation of the carrying amounts of property plant and equipment at the beginning and end of the current financial period.		
Property, plant and equipment		
Carrying amount at beginning of year	7,178	-
Additions	17,208	7,195
Disposals	(883)	-
Depreciation expense	(6,703)	(17)
Total property, plant and equipment	<u>16,800</u>	<u>7,178</u>
7. Other assets - current		
Bonds and deposits	13,075	-
Prepayments	12,804	17,773
Total Other assets	<u>25,879</u>	<u>17,773</u>
8. Other financial assets – non-current		
Available for sale investments carried at fair value:		
Listed shares	<u>1,030,000</u>	-
9. Trade and other payables		
Trade creditors (i)	16,043	273,661
Other creditors (ii)	16,466	12,917
	<u>32,509</u>	<u>286,578</u>

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and are normally settled on 30 days terms
- (ii) Other creditors are non-interest bearing and have an average term of 30 days.

The 2008 Trade and other payables included \$240,503 relating to Initial Public Offering costs.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
10. Provisions		
Provision for lease royalty payments		
At 1 July	-	-
Arising during the year	110,207	-
At 30 June	<u>110,207</u>	<u>-</u>
Current	20,000	-
Non-current	90,207	-
	<u>110,207</u>	<u>-</u>

A provision has been raised for an onerous contract relating to the minimum annual royalty payments due under the Quarry lease to June 2018. The unavoidable nominal cash flows due under the lease over a nine year term from June 2009 are \$300,000. No amount has been recognised for any reimbursement of the resulting outflows or revenues.

The discounted unavoidable cash flows are \$110,207 using a discount rate of 23% based on the Company's cost of capital.

11. Issued Capital and Reserves

(a) Issued and paid up capital		
32,500,000 (2008: 32,500,000) ordinary shares fully paid	3,939,419	3,930,410
A Class Performance Shares Nil (2008: Nil)	<u>-</u>	<u>-</u>
B Class Performance Shares Nil (2008: Nil)	<u>-</u>	<u>-</u>

During the year 1,500,000 A Class Performance Shares and 500,000 B Class Performance Shares lapsed upon termination of an executive employment contract.

(b) Movements in fully paid ordinary shares during the year were as follows:

	2009		2008	
	No. of Shares	\$	No. of Shares	\$
Movements in shares on issue				
Opening balance	32,500,000	3,930,410	8,000,000	117,001
Conversion of seed capital – 22 February 2009	-	-	750,000	750
Conversion of seed capital - 27 February 2009	-	-	2,750,000	27,500
Conversion of seed capital - 29 February 2009	-	-	1,000,000	100,000
Shares issued pursuant to March 2009 prospectus – 3 June 2009	-	-	20,000,000	4,000,000
Share Issue Costs	-	-	-	(314,841)
Reimbursed Share Issue Costs	-	9,009	-	-
Closing balance	<u>32,500,000</u>	<u>3,939,419</u>	<u>32,500,000</u>	<u>3,930,410</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

11. Issued capital and Reserves (continued)**(c) Terms and conditions of issued capital***Ordinary Shares*

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Seed Capital Contributions

Contributions from seed capital investors were received during the 2008 financial year were in accordance with individual contracts with each investor for shares. Ordinary shares were issued to seed capital investors pursuant to these contracts on 22 February 2008, 27 February 2008 and 29 February 2008.

(d) Reserves

	2009 \$	2008 \$
Unrealised Gains Reserve		
At 1 July	-	-
Net unrealised gain on available for sale investments	386,180	-
At 30 June	386,180	-

Unrealised gains reserve

This reserve records fair value changes on available for sale investments.

12. Loss per share

Basic loss per share (cents)	(1.02)	(0.28)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	32,500,000	11,004,781
Earnings used in the calculation of basic loss per share	(333,248)	(30,685)

As the Company made a loss for the year, diluted earnings per share is the same as basic earnings per share.

OAKAJEE CORPORATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. Key management personnel disclosures

(a) Directors

The directors of Oakajee Corporation Limited during the financial year were:

Mark Jones *B.Arts (Psy Stats)* (Non-Executive Chairman) – appointed 18 July 2008

Zaffer Soemya *BE, CP Eng, Dip OH & S* (Non-Executive Director)

Clive Boyle *B.Bus, CA* (Non-Executive Director)

Richard Hacker *B.Com, CA, ACIS* (Managing Director) – resigned 18 July 2008

(b) Other key management personnel

Clark Scrivener (Production Manager) – resigned 16 September 2008

Miranda Conti (Company Secretary)

(c) Remuneration of key management personnel

2009

The following amounts were granted as remuneration for the financial year ending 30 June 2009.

(\$)	Short Term		Post-Employment		Total (\$)
	Base Emolument	Other Benefits - termination	Superannuation Contribution	Share-based payments	
Directors					
M. Jones	31,961	-	2,877	-	34,838
Z. Soemya	22,592	-	2,033	-	24,625
C. Boyle	23,818	-	2,143	-	25,961
R. Hacker	-	-	-	-	-
Executives					
C. Scrivener	33,477	105,668	3,013	-	142,158
M. Conti	30,220	-	-	-	30,220

2008

The following amounts were granted as remuneration for the financial year ending 30 June 2008.

(\$)	Short Term		Post-Employment		Total (\$)
	Base Emolument	Other Benefits	Superannuation Contribution	Share-based payments	
Directors					
R. Hacker	-	-	-	-	-
Z. Soemya	1,571	-	141	-	1,712
C. Boyle	1,571	-	141	-	1,712
R. Homsany	-	-	-	-	-
C. Scrivener	4,800	-	432	-	5,232
Executives					
C. Scrivener	8,892	-	801	-	9,693
M. Conti	8,010	-	-	-	8,010

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. **Key management personnel disclosures (continued)**

(c) ***Remuneration of key management personnel (continued)***

Employment contracts of Directors and Senior Executives

Executive Director

Managing Director – Richard Hacker

The Executive Employment Agreement with Mr Hacker was terminated upon his resignation on 18 July 2008. No termination benefit was paid to Mr Hacker.

Director and Executive service agreements

Non-Executive Directors

The Company has entered into service agreements with non-executive directors. Under these agreements each director is on a fixed salary inclusive of superannuation as follows:

- Mark Jones - \$55,000 per annum (effective 1 August 2009).
- Zaffer Soemya - \$25,000 per annum
- Clive Boyle - \$25,000 per annum

During the 2009 financial year, Mr Jones' salary was \$40,000 per annum inclusive of superannuation.

Service agreements with Directors are separate from any responsibility they may have to the Company or the role they perform as a result of their appointment as a Director of the Company.

The Directors may also be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

A Director may receive remuneration for performing extra services, or making special exertion in going or residing abroad or otherwise for the Company by payment of a fixed sum determined by the Directors which may be either in addition to or in substitution for the Directors usual remuneration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. Key management personnel disclosures (continued)**(c) Remuneration of key management personnel (continued)****Employment contracts of Directors and Senior Executives****Senior Executives**

Production Manager – Clark Scrivener

The Executive Employment Agreement with Mr Scrivener was terminated upon his resignation on 16 September 2008. Mr Scrivener was paid a termination benefit of \$105,668.

1,500,000 A Class and 500,000 B Class Performance Shares allotted to Mr Scrivener pursuant to the employment contract lapsed upon termination of his employment contract.

Refer to Directors Report for details on the Company's remuneration policy.

- Equity instruments

A Class and B Class Performance Shares granted as remuneration to key management personnel

2009	Balance at start of year	Performance Shares granted as compensation	Performance Shares lapsed	Balance at end of year
Executive				
C. Scrivener	2,000,000	-	(2,000,000)	-
	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>

No Performance Shares vested during the 2009 financial year.

No Performance Shares were granted as remuneration to key management personnel during the 2009 financial year.

Company Secretary – Miranda Conti

Remuneration for the Company Secretary is formalised in a consulting agreement commencing from 29 January 2008. The agreement is for no fixed term.

Consulting fees for the scope of work pursuant to this agreement is a minimum retainer of \$1,200 per month. Consulting time required in excess of 10 hours per month is charged at an additional \$100 per hour.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. Key management personnel disclosures (continued)
(d) Share holdings of key management personnel

2009	Held at 1 July 2008	Vendor/Seed Capital Shares Acquired/ (Disposed)	Performance Shares granted as remuneration/ (lapsed)	Issue of Initial Public Offering Shares	Acquired/ (Disposed) on Market	Held as at 30 June 2009
Directors						
M. Jones	2,520,000	-	-	-	90,000	2,610,000
Z. Soemya	375,000	-	-	-	-	375,000
C. Boyle	813,478	-	-	-	-	813,478
R. Hacker	130,000	-	-	-	-	130,000
Executives						
C. Scrivener	2,930,000	-	(2,000,000)	-	-	930,000
M. Conti	120,000	-	-	-	-	120,000
2008						
2008	Held at 1 July 2007	Vendor/Seed Capital Shares Acquired/ (Disposed)	Performance Shares granted as remuneration/ (lapsed)	Issue of Initial Public Offering Shares	Acquired/ (Disposed) on Market	Held as at 30 June 2008
Directors						
R. Hacker	-	100,000 ^[1]	-	30,000	-	130,000
Z. Soemya	-	250,000 ^[2]	-	115,000	10,000	375,000
C. Boyle	713,478 ^[3]	-	-	100,000	-	813,478
R. Homsany	-	-	-	30,000	-	30,000
C. Scrivener	3,380,000 ^[4]	(2,450,000)	2,000,000	-	-	2,930,000
Executive						
M. Conti	-	100,000 ^[5]	-	20,000	-	120,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. Key management personnel disclosures (continued)

(d) Share holdings of key management personnel (continued)

^[1] Mr Richard Hacker's shareholding relates to 100,000 shares issued at \$0.001 each following conversion of seed capital contributed by a director related party.

^[2] Mr Zaffer Soemya's shareholding relates to 250,000 shares issued at \$0.001 each following conversion of seed capital contributed by a director related entity.

^[3] Mr Clive Boyle's shareholding relates to 713,478 shares issued to a director related entity in consideration for nil consideration.

^[4] Mr Clark Scrivener's shareholding relates to 4,000,000 vendor shares issued to a director related entity for \$1 between December 2006 and February 2007.

^[5] Ms Miranda Conti's shareholding relates to 100,000 shares issued to at \$0.10 each following conversion of seed capital contributed by her.

(e) Loans to/from key management personnel

There were no loans outstanding to/from key management personnel at the end of the period.

The balance of an unsecured interest free loan of \$3,547 to Mr Scrivener was repaid in full upon termination of Mr Scrivener's employment on 16 September 2009. Interest of \$87 (assuming a commercial rate of 9.00% and capitalised interest) would have been charged if the loan with Mr Scrivener was on an arms length basis.

Loan to Executive 2009	Balance at 1 July 2008	Balance at 30 June 2009	Maximum Loan Amount \$	Accrued Interest to 30 June 2009 \$	Interest Rate %
C. Scrivener	3,547	-	3,547	-	Non-interest bearing

During the 2008 financial year a loan to the Company for the sum of \$25,370 was provided by Mr Clive Boyle. The total amount of the loan was repaid in full plus interest of \$464.

During the 2007 financial year the Company loaned Mr Clark Scrivener \$6,949 on an unsecured interest free and due on demand basis. A balance of \$3,547 remained outstanding on this loan as at 30 June 2008. Interest of \$300 (assuming a commercial rate of 8.50%) would have been charged during the 2008 financial year if the loan with Mr Scrivener was on an arms length basis.

Loan from Director 2008	Balance at 1 July 2007	Balance at 30 June 2008	Maximum Loan Amount \$	Accrued Interest to 30 June 2008 \$	Interest Rate %
C. Boyle	-	-	25,370	464	8.07% to 8.69%

Loan to Director 2008	Balance at 1 July 2007	Balance at 30 June 2008	Maximum Loan Amount \$	Accrued Interest to 30 June 2008 \$	Interest Rate %
C. Scrivener	3,547	3,547	3,547	-	Non-interest bearing

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

13. Key management personnel disclosures (continued)**(f) Transactions with other related parties**

In June 2008 an agreement for a 12 month lease of office premises at commercial rates was entered into with a director related entity of Mr Mark Jones. The lease payments pursuant to the agreement totalled \$78,450 per annum excluding GST for the year ending 30 June 2009. This lease was renewed on 18 June 2009 for two years for an annual rental of \$64,260 (excluding GST) with an option for a further two years.

This agreement was provided on arms length terms.

Oakajee Corporation Limited purchased shares in Elemental Minerals Limited, a company in which Mark Jones is a shareholder and chairman. At 30 June 2009, the Company held 2,000,000 shares in Elemental Minerals with a market value of \$290,000.

During the year ended 30 June 2009, the Company sublet its premises to Elemental Minerals Ltd, a company in which Mark Jones is a shareholder and chairman. Rental income totalled \$11,851 for the year with \$2,020 receivable from Elemental Minerals Limited as at 30 June 2009.

14. Employee benefits

Aggregate liability for employee benefits excluding on-costs

	2009	2008
	\$	\$
Current		
Other creditors and accruals	13,001	6,177
Annual leave	-	1,026
	<u>13,001</u>	<u>7,203</u>

15. Auditors remuneration

Amounts received or due and receivable (excluding GST) by the auditors of the Company for:

- an audit or review of the financial statements of the Company	18,800	3,500
- Investigating Accountants Report	-	7,000
	<u>18,800</u>	<u>10,500</u>

16. Significant Events After Balance Date

There has not been any matter or circumstance other than referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

17. Segment information

The Company operates in the limestone manufacturing and building materials industry in Australia only.

18. Related party transactions

Other than disclosed in note 13 there were no other related party transactions during the financial year.

19. Commitments and Contingencies

Capital Commitments

The Company does not have any capital commitments as at balance date.

Operating lease – Office Premises

The Company entered into a 24 month operating lease for office premises which commenced on 18 June 2009. Annual rent for the lease for the year ended 30 June 2009 was \$78,450 excluding GST. The lease was renewed for two years with a two year options on 18 June 2009 for a total annual rental of \$64,260 excluding GST.

Operating lease – Quarry Site

On 28 December 2007 the Company entered into a lease with the owners of approximately 116 hectares of land situated at 576 Coronation Beach Road, Howatharra Western Australia (the Site) upon which the Company's quarry and plant will be situated.

The lease is for a term of ten years commencing from 11 June 2008, being the date the Company was admitted to the Official List. The Company also has the right (but not the obligation) to renew the lease for 7 successive terms of 10 years each.

In 2008 the Company made a commencement payment of \$10,000.

Under the terms of the lease the Company must pay rent of \$100 per annum in addition to the payment of a royalty. The royalty will be calculated on the basis of \$1.00 for each tonne of limestone extracted from the site and used by the Company to manufacture reconstituted limestone products and dispatched from the site, payable quarterly within 21 days of the quarter.

After the completion of the first year from admission to the Official List, the Company must pay an initial minimum annual royalty of \$50,000. If the Company decides to cease commercial production or manufacture of limestone products on the Site, the minimum annual royalty reduces to \$20,000 for the first five years and then \$50,000 per annum thereafter.

As at 30 June 2009 the Company has not yet commenced commercial production or manufacture of limestone. As such, the Company has recognised a provision for the net present value of the annual lease royalty payments due under the lease to 11 June 2018. The unavoidable nominal cash flows due under the lease over the remaining nine year term from June 2009 are expected to be \$300,000. The discounted unavoidable cash flows of these obligations are \$110,207 using a discount rate of 23% based on the Company's cost of capital.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

20. Financial instruments disclosure

(a) Capital Risk Management

Management's policy is to control the capital of the Company in order to maintain a good debt to equity ratio and to ensure that the group can fund its operations and continue as a going concern, with the intention of providing shareholders with adequate returns.

The Group's overall strategy remains unchanged from 2008.

The Company's capital includes ordinary share capital, performance shares and financial liabilities, supported by financial assets, mainly comprising cash and available for sale financial assets.

(b) Financial risk management objectives and policies

The Company's principal financial instrument is cash. The main purpose of these financial instruments is to provide working capital for operations.

The Company has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. The Company also has available for sale equity investments. The main risks currently arising from the Company's financial instruments are interest rate risk, credit risk and equity price risks.

(c) Significant accounting policies

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

(d) Interest rate risk

The cash balance of \$2,884,842 as at 30 June 2009 is sensitive to interest rate risk whereby a 1% per annum movement in interest rates would impact the income statement and equity by \$28,848.

The following table sets out the carrying amount and maturity of the financial instruments exposed to interest rate risk:

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

20. Financial instruments disclosure (continued)

2009 Category	Time Period	Interest Bearing (Floating)	Non- Interest Bearing	Total Carrying Amount as per the Balance Sheet	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	2,884,842	-	2,884,842	6.11%
Trade and other receivables	<1 year	-	24,489	24,489	-
Available for sale investments	>1 year	-	1,030,000	1,030,000	-
Total financial assets		2,884,842	1,054,489	3,939,331	
Financial liabilities					
Trade creditors and other payables	<1 year	-	32,509	32,509	-
Total financial liabilities		-	32,509	32,509	-
2008 Category	Time Period	Interest Bearing (Floating)	Non- Interest Bearing	Total Carrying Amount as per the Balance Sheet	Weighted Average Effective Interest Rate %
Financial assets:					
Cash	<1 year	4,025,880	-	4,025,880	7.42%
Trade and other receivables	<1 year	-	13,100	13,100	-
Total financial assets		4,025,880	13,100	4,038,980	
Financial liabilities					
Trade creditors and other payables	<1 year	-	285,552	285,552	-
Total financial liabilities		-	285,552	285,552	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

20. Financial instruments disclosure (continued)

(e) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and the notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or Company of debtors under financial instruments it has entered into.

As at 30 June 2009, financial assets mainly comprise cash held with reputable financial institutions and available for sale investments and are therefore not considered to present material credit risk.

(f) Other price risks

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

At reporting date, if the equity prices had been 5% higher or lower:

- Net profit for the year ended 30 June 2009 would have been unaffected as the equity investments are classified as available-for-sale and no investments were disposed of or impaired; and
- Other equity reserves would decrease/increase by \$51,500 (2008: Nil).

The Company's sensitivity to equity prices has changed from the prior year as there was no equity investments held during the 2008 financial year.

(g) Net fair values

The carrying amount of financial assets and financial liabilities approximate their net fair values at balance date.

(h) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
21. Cash flow information		
Reconciliation of loss after income tax to the net cash flows from operations:		
Loss from ordinary activities after income tax	(333,248)	(30,685)
Add (less) non cash items:-		
Depreciation and amortisation	6,702	17
Provision for lease royalty expense	110,207	-
Profit on sale of fixed assets	(175)	-
Share-based payments	-	-
Changes in assets and liabilities		
Increase/(decrease) in trade creditors and accruals	(2,182)	27,033
(Increase)/decrease in sundry receivables and prepayments	(18,436)	(21,715)
Net cash flow used in operating activities	(237,132)	(25,350)

Non cash financing and investing activities

There were no non cash financing and investing activities during the financial year.

22. Share based payments

On 11 June 2008 the Company granted 1,500,000 A Class Performance Shares and 500,000 B Class Performance Shares for nil consideration.

The terms of the performance shares were such that each performance share would convert into one ordinary share and one free attaching option upon the satisfaction of certain milestones over a 12 month period from listing of the Company.

During the 2009 financial year these 1,500,000 A Class and 500,000 B Class Performance Shares lapsed upon termination of an executive employment agreement.

Share Based Payments Valuation

As the A Class and B Class Performance shares were issued prior to the Company listing on the ASX, they were valued at 20 cents per share, being the price per share offered under the Company's prospectus dated March 2008.

The A Class and B Class attaching options were valued using a binomial option pricing model using the following inputs:

Performance Share attaching Options	A Class Option	B Class Option
Weighted average share price	\$0.20	\$0.20
Exercise price	\$0.20	\$0.40
Expected volatility	100%	100%
Expiration period (years)	3.387	4.387
Risk free interest rate	7.17%	7.17%
Dividends	Nil	Nil
 Value of One Option	 \$0.137	 \$0.129

The directors considered that as at 30 June 2008 the probability that these Performance Shares (and attaching options) would vest could not be reliably determined. As such, there was no impact of these share based payments on the Income Statement or increase in equity for the financial year ending 30 June 2008.

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DIRECTORS' DECLARATION

In the director's opinion:

- a) the financial statements and notes set out on pages 19 to 47 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's financial position as at 30 June 2009 and of their performance for the financial 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.

Declarations have been provided by Mr Clive Boyle and Mr Zaffer Soemya as required by s295A of the *Corporations Act 2001*.

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



Mark Wesley Jones
Non-Executive Chairman

Perth, 30 September 2009

INDEPENDENT AUDITOR'S REPORT

**To the members of
OAKAJEE CORPORATION LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Oakajee Corporation Limited, which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration as set out on pages 19 to 48.

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(b), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

Auditor's Opinion

In our opinion:

- (a) the financial report of Oakajee Corporation Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its 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(b).

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 5 to 8 of 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 Oakajee Corporation Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants



M R W OHM
Partner

Perth, Western Australia
30 September 2009

SHAREHOLDER INFORMATION AT 7 SEPTEMBER 2009

A. CORPORATE GOVERNANCE

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the reporting period is contained within the Director's Report.

B. SHAREHOLDING

1. Substantial Shareholders

The names of the substantial shareholders listed on the company's register:

Size of Holding	No. Shares	%
Dog Meat Pty Ltd <DM A/c>	2,500,000	7.692
Total	2,500,000	7.692

2. Number of holders in each class of equity securities and the voting rights attached

There are 442 holders of Ordinary shares. Each shareholder is entitled to one vote per share held. On a show of hands every shareholder 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.

There are no unquoted securities of the Company.

3. Distribution schedule of the number of ordinary holders is.

Size of Holding	Number of Holders	Shares Held
1 - 1,000	2	1,500
1,001 - 5,000	11	41,317
5,001 - 10,000	187	1,857,200
10,001 – 100,000	182	8,116,143
100,001 and over	60	22,483,840
Total	442	32,500,000

4. Marketable Parcel

There are no shareholders with less than a marketable parcel.

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted equity security, the number of equity security each holds and the percentage of capital each holds is as follows:

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

	Shareholder	No. Shares	%
1	Dog Meat Pty Ltd <DM A/C>	2,500,000	7.692
2	Simdilex Pty Ltd <NSD A/C>	1,600,000	4.923
3	Dr Elena Svetnenko & Dr Yuri Svetnenko	1,250,000	3.846
4	Mr Richard John Watson	1,070,000	3.292
5	Mr Mario Claude Frichot <Claude Frichot S/Fund A/C>	1,000,000	3.077
6	Nidd Valley Company Limited	1,000,000	3.077
7	Clark Scrivener <DRJK A/C>	930,000	2.862
8	Mr Stephen Brendon Shreeve	749,550	2.306
9	Shalees Pty Ltd <Laucam A/C>	713,478	2.195
10	Pacific Finance and Securities Pty Ltd <The Paladin Private Pension Fund>	625,000	1.923
11	Me Stephen Frederick Schmedje & Mrs Cornelia Petra Schmedje	600,000	1.846
12	Troy Richard Anderson < Anderson Family A/C>	468,478	1.441
13	William Robert Mattingly <Mattingly Family A/C>	468,478	1.441
14	Tracey Elizabeth Corbett	450,000	1.385
15	Rosa Diana Marisa Di Falco <Cardinals Investment A/C>	400,000	1.231
16	Mr John Champion & Mrs Judith Ann Champion <Champion Family A/C>	356200	1.096
17	Mr David Alexander Johnstone & Mrs Sylvia Bee Yeng Johnstone < The Johnstone Family A/C>	355,000	1.092
18	Nefco Nominees Pty Ltd	332,500	1.023
19	Mr James Williams Hyndes	300,000	0.923
20	Koonung Nominees Pty Ltd	300,000	0.923
	Total	15,468,684	47.596

6. Details of Restricted Securities

8,750,000 Ordinary shares are subject to escrow until 11 June 2010

C. OTHER DETAILS**1. Company Secretary**

The name of the company secretary is Miranda Conti.

2. Address and telephone details of the entity's registered and administrative office

37 Colin Street
West Perth WA 6005
Tel: +61 8 9324 1377
Fax: +61 8 9324 1517
email: admin@oakajeecorp.com.au

3. Address and telephone details of the office at which a register of securities is kept

Advanced Share Registry Services
Unit 2/150 Stirling Highway
NEDLANDS WA 6009

4. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX: OKJ).

OAKAJEE CORPORATION LIMITED

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5. Review of Operations

A review of operations is contained in the Directors' Report.

6. Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.