CHROME CORPORATION LIMITED
AND CONTROLLED ENTITIES

ABN 30 003 207 467

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2008

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

TABLE OF CONTENTS

C O R P O R A T E   D I R E C T O R Y

Directors

Mr Brian THOMAS
(Managing Director)
Mr Richard LINNELL
(Non-Executive Chairman)
Mr Andrew WALLER
(Non Executive Director)

Company Secretary

Andrew Chapman

Registered Office

Suite B, 150 Hay Street
Subiaco WA 6008
Telephone: +61 (08) 9388 8430
Facsimile: +61 (08) 9388 8450

Principal Place of Business

Suite B, 150 Hay Street
Subiaco WA 6008
Telephone: +61 (08) 9388 8430
Facsimile: +61 (08) 9388 8450
Website: www.chromecorp.com

Solicitors

Blakiston and Crabb
1202 Hay Street
West Perth WA 6005

Country of Incorporation

Australia

Auditors

BDO Kendalls Audit and Assurance (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008
Perth WA 6000
Tel: (08) 9360 4200
Fax: (08) 9481 2524

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Home Exchange

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

ASX Code: CCI

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2008.

DIRECTORS

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

Mr Richard Linnell	(Non- Executive Chairman)
Mr Brian Thomas	(Managing Director)
Mr Andrew Waller	(Non- Executive Director)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Mr Richard Linnell (Appointed 18 May 2005) BSc (Hons)

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

Currently Mr. Linnell is a Director of GVM Metals Limited and Namakwa Diamond Company NL.

Mr Brian Thomas (Appointed 22 November 2004) BSc, MBA, SAFin, MAusIMM, MAICD

Mr Thomas is a geologist with 20 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. This knowledge is complemented with 12 years in the Australian financial services sector working in corporate stock broking at Morgan Stockbroking, then McIntosh Corporate in Perth, investment banking with Merrill Lynch, funds management with a private group and most recently with an Australian commercial bank, Westpac, sourcing mining finance opportunities before joining Chrome Corporation.

Currently Mr Thomas is a non-executive director of Aragon Resources Limited, White Cliff Nickel Limited and Noah Resources Limited. He has not held any other directorship in the past three years.

Mr Andrew Waller (Appointed 22 November 2004)

Mr Andrew Waller has extensive public company experience, particularly in the area of capital raising and business development. With a background in technology development/manufacturing, property development and resources Mr Waller was an executive director of Cable and Telecoms Limited, and is currently a director of ASX listed Acclaim Exploration NL, and a private company Baycrest Pty Ltd, the developer of the substantial Lakewood Shores.

Mr Waller is a Director of Acclaim Exploration NL and Eldore Mining Corporation Limited.

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

COMPANY SECRETARY

Andrew Chapman (Appointed 28 November 2006)

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

PRINCIPAL ACTIVITIES

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

No significant change in the nature of these activities occurred during the financial year.

OPERATING RESULTS

The consolidated loss of the economic entity for the financial year after providing for income tax amounted to $3,552,797 (2007: $2,531,556).

DIVIDENDS PAID OR RECOMMENDED

The directors recommend that no dividend be paid for the year ended 30 June 2008, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

EMPLOYEES

The consolidated entity had 2 employees (including Directors and officers) as at 30 June 2008 (2007: 1)

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Corporate

At the commencement of the year the Company began the planning to source sufficient capital to enable the commencement of mining operations at Ruighoek Chrome Project in the North West Province of South Africa once the Mining Right was granted by the Department of Minerals and Energy ("DME"). The Company had been negotiating with the owners and operators of a neighbouring chrome wash plant to treat bulk samples to be dug from a proposed trial pit. The negotiations also explored the possibility of entering into a longer term arrangements to treat the Run of Mine ore from the Ruighoek Open Cut Project which would have allowed mining operations to commence without the necessity to source the capital to build a standalone wash plant at Ruighoek.

The Company received a detailed Draft Proposal from an international specialist banking group with natural resources banking capabilities in Australia, UK and South Africa to provide project finance and banking facilities to the Company. These facilities were to be used to fund the redemption of the AUD$6 million in listed CCI February 2008 10% coupon Convertible Notes plus development and working capital facilities were to be provided for use at Ruighoek with stockpile finance and foreign exchange facilities to enable the Company to better service the highly specialised non metallurgical export chrome market. The Directors were extremely encouraged by the confidence shown by substantial financial institutions in the Company's business model of focussing on the non metallurgical chrome market and also the continued strength of the global chrome market.

The Company also explored the opportunity of entering into joint venture arrangements with a number of established chrome industry participants as well as the possibility of an equity injection into the Company to assist with funding of the project. One international trading group signed a non exclusive confidentiality agreement and commenced detailed due diligence with a draft term sheet presented and considered by the Company.

In October 2007 negotiations commenced with AMCOL International Corporation for AMCOL to purchase, subject to shareholder approval and South African regulatory approval, the CCI's 74% interest in its Ruighoek Chrome Project in South Africa. The Company reached agreement with AMCOL and announced the conditional sale agreement on the 5th March 2008.

The key terms of the agreement were as follows:

1. A headline acquisition price of AUD$41 million (less, if applicable, the estimated liabilities of the CCI at closing of the sale) for the Company's 74% interest in the Ruighoek project.
2. AMCOL to loan the Company USD$6 million as at the signature date to enable the Company to redeem the listed convertible notes (ASX:CCIG) which matured on 28th February 2008. The loan is repayable at settlement from the proceeds of the sale.
3. The sale was subject to obtaining Company shareholder approval.
4. The sale was subject to AMCOL receiving:
    a. Consent in terms of Section 11(1) of the Mineral and Petroleum Resources Development Act from the South African Minister for Minerals and Energy;
    b. Confirmation of the existing Batlhako Mining Ltd Prospecting Right or the grant of the renewal of the Prospecting Right;
    c. Approval from the South African Exchange Control Authorities;
    d. Unconditional approval from South African Competition Authorities; and
    e. Consent from its financiers.
5. A cut off date of 30th June 2008 or such other date as agreed between the parties.

AMCOL is a New York Stock Exchange listed company (NYS:ACO) based in Arlington Heights, Illinois that is a leading international producer of value added specialty minerals and related products, operating in 26 countries. AMCOL is a major participant in the global chrome foundry sands market and is looking to increase its presence in the South African chrome industry with this purchase.

The Directors of the Company agreed that in the absence of a competing higher offer that they would recommend its approval to shareholders. If the shareholders did not approve the sale in circumstances where the Company directors recommended a competing offer, then the Company was required to reimburse AMCOL in respect of due diligence and legal costs up to AUD$150,000.

On 7th March 2008 the Company redeemed the previously listed (ASX:CCIG) unsecured Convertible Notes which matured 28th February 2008 by dispatching funds to or authorising the issue of cheques to the holders. Funding for the redemption came by way of the USD$6 million loan from AMCOL International Corporation which will be repaid by the Company utilising the proceeds from the sale of Ruighoek at settlement.

CCI sent out the Notice of Meeting to shareholders to approve the sale of the asset at a general meeting scheduled for Friday, 11th April 2008.

On 4th April 2008, the Company received an unsolicited expression of interest from York Capital Management ("York") and Metalmin South Africa (Pty) Ltd ("Metalmin") for an acquisition price of AUD$45 million cash. The price included USD$6 million required for repayment of the AMCOL loan advanced to the Company under the existing sale agreement plus the absorption of AMCOL's reasonable costs and expenses which were capped at AUD$150,000. The expression of interest was a non-binding indicative proposal subject to, amongst other things, formal documentation, due diligence and shareholder approval.

The decision was made to postpone the General Meeting of shareholders scheduled for 11th April 2008 to approve the sale of the Ruighoek assets to AMCOL to 30th June 2008, being the cut off date for the AMCOL sale agreement. This would allow time for the Company to properly assess the new expression of interest.

The York/Metalmin consortium indicated in their proposal that due diligence would take approximately 3 weeks. The consortium later requested and was granted an extension of 2 weeks to complete due diligence and submit a binding proposal capable of acceptance by the Company. Another request for a further much longer time extension was received, considered and rejected by the Company on the basis that the proposed date for completion of due diligence and submission of a binding proposal was later than the cut off date of 30th June 2008 for the already signed and agreed Share Sale Agreement with AMCOL. The York/Metalmin consortium withdrew their expression of interest on 16th May 2008.

On the 26th May the Company received an unsolicited letter of intent from Medway Finance Limited ("Medway") to purchase the Company's 74% interest in the Ruighoek Chrome Project in South Africa for an acquisition price of AUD$51 million cash. The letter of intent was also a non binding indicative proposal, subject to formal documentation, due diligence and shareholder approval. CCI contacted Medway to ascertain its credentials and ability to complete a transaction of this type and size with no response.

Also at that time, the Company signed five Non Disclosure Agreements with other unrelated chrome industry participants who had directly or indirectly approached the Company to gain access to the data room to assist them with formulating an expression of interest to purchase the Ruighoek Chrome Project. Initial appraisals were conducted by all the parties with several groups carrying out detailed investigations in the data room and commencing exploratory discussions with the Company. Once again there were several requests for grant of time extensions for due diligence and submission of binding proposals past the AMCOL cut off date of 30th June 2008 which were also declined. The preliminary discussions which included a request by the Company for a significant financial commitment by the incoming parties to provide the Company with certainty of completing a transaction at the expense of the already signed and agreed Share Sale Agreement with AMCOL failed to agree a way forward. Consequently all parties decided not to proceed to a binding expression of interest. The Company were also advised on 26th June 2008 the offer from Medway to purchase the Company's interest in the Ruighoek Chrome Project would also not proceed.

The Company Directors then reiterated their support for the original AMCOL offer and in the absence of a higher offer capable of acceptance, requested shareholders vote to accept the conditional offer from AMCOL at the General Meeting held on 30th June 2008. In addition at that time the Company and AMCOL agreed to vary the cut off date for the original conditional sale agreement from 30th June 2008 to 31st July 2008 to enable both parties additional time to fulfil the conditions precedent of the sale agreement. Subsequently on 30th July 2008 AMCOL exercised its right under the conditional sale agreement to extend the cut off date for the sale agreement by a further 20 business days to the 28th August 2008 to allow additional time for the two regulatory approvals detailed above. CCI has also exercised it's right to extend the cut off date for the sale agreement by 20 business days to 25th September 2008.

At the time of this report, AMCOL has received approval for the transaction from the Competition Commission of South Africa and is reliably informed that approval from the Exchange Control Department of the South African Reserve Bank is imminent. In the absence of the final consent from the DME under Section 11(1), both Company and AMCOL have commenced discussions to again extend the Share Sale Agreement to allow more time to gain the consent of the Minister.

Chrome Price Movements

The upsurge in interest shown by other chrome industry participants in the Ruighoek Chrome Project after the conditional sale to AMCOL was announced appears to have been brought about by a short term spike in metallurgical chrome prices during the period. At the beginning of March 2008 when the AMCOL transaction was announced, the price for metallurgical grade South African chrome, both 39% Cr_2O_3 lump and 44% Cr_2O_3 concentrate was USD$370/tonne FOB. By May 2008 the prices for both these grades had risen to USD$460/tonne FOB.

Since that time there has been an oversupply of metallurgical chrome ore to the Chinese market with some traders stockpiling in warehouses. In addition some Chinese stainless steel producers have announced cut backs in future production rates which will impact the future metallurgical chrome ore and ferrochrome pricing. The price for both the South African lump and concentrate grades of chrome ore at the end of July 2008 is now USD$330/tonne, below the level at the time of the announcement of the AMCOL transaction and significantly lower than the May 2008 peak.

During the period since the signature date of the AMCOL sale agreement, prices for the non metallurgical grades of chrome, in particular the foundry sands have risen from around USD$460/tonne FOB in March 2008 to around USD$650/tonne FOB in July 2008.

The intention was always for the Ruighoek Chrome Project to concentrate on maximising production of a high grade foundry sand, targeting 30% of all product produced. Consequently the attractiveness of the asset to a large participant in the global foundry sands market such as AMCOL will continue despite the current downtrend in the metallurgical chrome prices which lead to the falling away in interest by the other chrome industry participants.

Future Directions

With Company shareholders approving the sale of the Ruighoek Chrome Project to AMCOL, the Company is now working hard with AMCOL to ensure that the final two approvals from the South African regulators required under the sale agreement are achieved as quickly as possible to enable a prompt settlement. It is hoped that settlement may take place early in the December quarter.

As settlement approaches, the Board of Chrome Corporation Ltd will assess the various alternatives available to the company with regard to the structure and quantum of any return to shareholders as contemplated in previous announcements.

With the recent grant of the Mining Right for open cut chrome mining at Ruighoek Chrome Project, AMCOL have notified CCI of their wish to commence mining operations as soon as possible and may commence mobilising their mining contractors prior to settlement. The parties have previously agreed that with settlement imminent, AMCOL can fund Batlhako Mining Limited to commence operations at Ruighoek.

Since the signature date of the sale agreement in March 2008, AMCOL have been liable for all operating and administrative expenses for Batlhako Mining Limited, the operator of the Ruighoek Chrome Project. At settlement CCI will be reimbursed for all of these outgoings with the exception of the capital required to complete the Waste Treatment Plant at the Ruighoek Mine Site.

The Board of CCI has now commenced an internal review of prevailing global economic and equity market conditions, combined with various commodity forecasts with a view to formulating a strategy for CCI on future project acquisitions.

Ruighoek Chrome Project – North West Province, South Africa

Operations

It was another land mark year in the development of the Company's Ruighoek Chrome Project. On the 12th June 2008, the Department of Minerals and Energy ("DME") gave notice to the Company's 74% owned and Black Economic Empowered subsidiary, Batlhako Mining Limited that a Mining Right for open cast chrome mining at Ruighoek 169 JP had been granted. The Mining Right was officially signed and executed at the DME Regional Office in Klerksdorp on the 18th August 2008.

In addition, three year chrome ore Prospecting Rights were officially signed and executed on 6th August 2008 on the farms Vlakfontein 164 JP, Groenfontein 138 JP and Vogelstruisnek 173 JP located in close proximity to the Ruighoek Mine. The processing of a previous application by Batlhako Mining for a minor portion on farm Bakhoutrandje 205 JP was deferred due to another conflicting conversion application.

During the year, Batlhako's new mining geological consultants Lefatshe Solutions/Prysm Resources refined the previous geological model for the Ruighoek area following further infill RC drilling to improve the definition of detailed structural elements within the LG6 and LG6A chrome seams. This new information has lead to a refinement of the resource calculation and preliminary pit optimisations. In addition under recent changes to the JORC/SAMREC code some mineralisation previously classified as measured was moved to the indicated category and some mineralisation previously classified as inferred is now not classified. Once additional drilling is completed to give greater confidence on the resource estimation plus metallurgical information as required under the JORC/SAMREC codes, significant portions of the mineralisation will able to be reclassified.

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

A comprehensive diamond and RC drilling programme has been planned to test the open cut potential of the stratigraphically lower LG5 chrome seam which based on preliminary volume calculations has the potential to add up to 500,000 tonnes of mineralisation. At that time initial exploration will be carried out on the stratigraphically higher MG4 chrome seam which has been mined by operators of the mine immediately to the south up to the Ruighoek southern boundary and has a potential strike length up approximately 5km.

A&B Global Mining, the company's mining consultants, completed a detailed three year mine plan and production schedule based on the updated geological modelling. This included a re-optimisation of the pit designs and detailed mining schedules for the open pit mining operations. They also designed and located a trial pit from which a bulk sample of approximately 20,000 tonnes of both the fresh and slightly oxidised LG6 and LG6A chrome ore could be taken for processing at a neighbouring chrome wash plant. The location of the designed trial pit was positioned to provide the initial box cut for the mining operations once the Mining Right was granted. A tender process to mine the trial pit was run with a number of submissions received from mining contractors. Documentation was completed with the successful tenderer but mobilization of the fleet was subsequently deferred pending the outcome of the sale process.

Following the detailed design of the trial pit an application for an amendment to the Ruighoek Prospecting Right Work Programme was lodged with the DME regional office at Klerksdorp. An application was also made under Section 20(2) of the Mineral and Petroleum Resources Development Act to remove and dispose of bulk samples with the DME in Klerksdorp. With the grant of the Mining Right, the need for approval for this work was no longer required.

Batlhako's metallurgical consultants, Mineral Resource Managers and Associates (MRMA), supervised detailed metallurgical test work on drill core and drill samples carried out at GMRS, an experienced metallurgical testing laboratory, Mintek, a South African government laboratory and included spiral concentration trials at Multotec Pty Ltd. Results have highlighted the superior in situ value of the LG6 & LG6A chrome seam with parts of the orebody producing high quality fine and coarse foundry sand, benchmark chemical grade as well a quantity of much rarer premium quality refractory grade material.

Based on the relative estimates of the extent of oxidation status of the chromite ores across the proposed Ruighoek opencast, final product recoveries and product splits were calculated at prefeasibility study accuracy and presented below;

Classification		**Recovery**			
Ore Type	**Fraction**	**Foundry Sand**	**Chemical Concentrate**	**Metallurgical Grade Concentrate**	**Tails**
Oxidized	25%	6.2%	51.8%	13.0%	28.9%
Semi-Oxidized	15%	30.5%	33.5%	14.1%	21.9%
Fresh	60%	67.6%	0.4%	14.3%	17.5%
All Ore Types	**100%**	**46.7%**	**18.2%**	**13.9%**	**21.0%**

Final amendments have been made to the Company's Social and Labour Plan which was submitted on the 18th August 2008. The Batlhako Community Trust was registered by the Master of the High Court on the 16th May 2008 under Master's Reference Number IT 291/08. The Trust, as agreed with community representatives, is intended to benefit the local community as a whole on a transparent and equitable basis in accordance with the priorities set by the community in consultation with the Batlhako BaLeema Tribal Council.

Difficulties have been encountered in concluding lease and land use agreements with certain Ruighoek 169 JP land owners, primarily in identifying the legitimate owners of certain portions which in most instances form part of intestate deceased estates. Particular family interests are being represented by local attorney who has commenced the process of winding up certain estates and the appointment of executors of such estates. Batlhako currently has lease or land use agreements on several portions.

In addition to lease and land use agreements, it is intended that under the broad based Black Economic Empowerment provisions, the land owners will acquire via a Special Purpose Vehicle ("SPV") an equity interest of up to 26% in Batlhako Mining. Separate trusts will be established for the benefit of the respective land owners and the trusts will receive an equitable equity interest in the SPV.

M2 Environmental Connections and Prescali Environmental Consultants have concluded the water balance study for the Ruighoek Mine area. This forms the final element of the Integrated Water and Waste Management Plan ("IWWMP") that will be submitted in support of the water use licence application in terms of Section 40 of the National Water Act of 1998. A new domestic effluent treatment plant was commissioned during August 2008.

The Directors of CCI would once again like to thank the Managing Director of Batlhako Mining Limited, Mr Trevor Gillard, who with his team of consultants has worked tirelessly over the past three years to bring the feasibility and permitting process to this successful conclusion.

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

FINANCIAL POSITION

The net assets of the economic entity have decreased by $398,971 from $4,228,365 at 30 June 2007 to $3,829,394 in 2008. This decrease has largely resulted from the following factors:

- A decreased cash balance at year end.
- An increase in the loss for the year due to increased employment costs and a provision for doubtful debts on the Company's receivable.
- The repayment of convertible notes during the financial year and recognition of the AMCOL loan as a liability.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

AFTER BALANCE DATE EVENTS

On 11 September 2008 the Company announced that it had secured agreement for the placement of 4,500,000 ordinary fully paid shares at an issue price of $0.11 per share together with 4,500,000 free attaching unlisted options (exercise price of $0.30, expiring 30 September 2011) to raise $495,000 before costs to be used for working capital purposes.

There is no other matter or circumstance that has arisen since the end of the financial year to the date of this report, which has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL ISSUES

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

REMUNERATION REPORT (Audited)

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

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

Remuneration Policy

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

During the year ended 30 June 2008, the economic entity did not have a separately established nomination or remuneration committee. Considering the size of the economic entity, the number of directors and the economic entity's early stages of its development, the Board are of the view that these functions could be efficiently performed with full Board participation.

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

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

Non-Executive Director Remuneration

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

Structure

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. The Directors are not required to hold any shares in the Company under the Constitution of the Company, however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Managing Director and Executive Remuneration Structure

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

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

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

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

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

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

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

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

The aggregate of annual STI payments available for Executives across the Company is subject to the approval of the Board. Payments are usually delivered as a cash bonus. There were no STI payments during the financial year.

Variable Remuneration – Long Term Incentive (LTI)
The objective of the LTI plan is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

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

LTI grants to Executives are delivered in the form of share options. These options are issued at an exercise price determined by the Board at the time of issue. The Company does not have an adopted employee Share Option Plan.

(B) Remuneration of Directors and Executives (Audited)

The remuneration for each of the key management personnel of the economic entity during the year was as follows:

	Short Term			Post Employment		Share Based Payments		
2008	**Cash Salary & Fees**	**Cash Bonus**	**Non-Cash Benefits**	**Consultancy Agreement**	**Superannuation Contribution**	**Options**	**Total**	**% Performance Related**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	
Richard Linnell	60,000	-	-	-	-	140,000	200,000	70.00
Brian Thomas	300,000	-	-	-	27,000	140,000	467,000	29.98
Andrew Waller	-	-	-	209,885	-	140,000	349,885	40.00
Total	360,000	-	-	209,885	27,000	420,000	1,016,885	-
Executives								
Andrew Chapman	71,886	-	-	-	-	-	71,886	-
Trevor Gillard [1]	165,801	-	-	-	17,021	-	182,822	-
Total	237,687	-	-	-	17,021	-	254,708	-

1. Appointed 1 July 2007 as Managing Director of Batlhako Mining Limited

	Short Term			Post Employment		Share Based Payments		
2007	**Cash Salary & Fees**	**Cash Bonus**	**Non-Cash Benefits**	**Consultancy Agreement**	**Superannuation Contribution**	**Options**	**Total**	**% Performance Related**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	
Richard Linnell	60,000	-	-	-	-	-	60,000	-
Brian Thomas	200,000	-	1,942	-	18,000	-	219,942	-
Andrew Waller	-	-	-	153,479	-	-	153,479	-
Total	260,000	-	1,942	153,479	18,000	-	433,421	-
Executives								
Andrew Chapman [1]	56,667	-	-	-	-	-	56,667	-
Phillip Warren [2]	-	-	-	-	-	-	-	-
Peter Landau [3]	-	-	-	-	-	-	-	-
Total	56,667	-	-	-	-	-	56,667	-

1. Appointed 28 November 2006 as Company Secretary
2. Resigned 28 November 2006 as Company Secretary
3. Resigned 24 September 2006 as Company Secretary

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

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

		Terms and Conditions of Each Grant				
2008	**Granted and Vested Number**	**Grant Date**	**Value per Option at Grant Date $**	**Exercise Price $**	**First Exercise Date**	**Last Exercise Date**
Directors						
Richard Linnell	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
Brian Thomas	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
Andrew Waller	5,000,000	6.12.07	0.028	0.40	6.12.07	30.09.09
TOTAL	15,000,000					

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

	Value of options granted during the year	**Value of options exercised during the year**	**Value of options lapsed during the year**	**Total value of options granted, exercised & lapsed during the year**
2008				
Directors				
Richard Linnell	140,000	-	-	140,000
Brian Thomas	140,000	-	-	140,000
Andrew Waller	140,000	-	-	140,000

There were no alterations to terms and conditions of options granted as remuneration since their grant date.
The maximum grant value, which will be payable assuming that all service and performance criteria are met, is equal to the number of options granted multiplied by the fair value at grant date. The minimum payable assuming that service and performance conditions are not met is zero.

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

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

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

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

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

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

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

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

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

Mr Brian Thomas, Managing Director

- Term of Agreement – Employment Agreement. Indefinite until terminated by either party in accordance with provisions set out in the employment
- Remuneration $300,000 per annum plus superannuation and expenses
- 3 month termination clause
- Should the Company decide to terminate the Managing Director in lieu of notice it will pay 6 months of the Managing Director's Salary Package at the time at which notice is given in which event the Managing Director's employment will cease immediately upon receipt by him of such payment.

Mr Andrew Waller, Director

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

(G) Directors' Interests in Shares and Options of the Company (Unaudited)

Particulars relating to:

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

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

2007		Options Over Ordinary Shares	
	Ordinary Shares	30/09/07 Exercisable at $1.00	30/09/09 Exercisable at 40 cents
Richard Linnell	-	-	-
Brian Thomas	-	-	-
Andrew Waller	4,737,500	3,848,855	1,620,000

The material contracts involving Directors' interests during the financial year and up to the date of the Directors' Report are disclosed in Note 7 of the financial statements and elsewhere in the Chrome 2008 Annual Report.

MEETINGS OF DIRECTORS

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

	Board Meetings	
Director	**Attended**	**Held**
Mr R Linnell	5	5
Mr B Thomas	5	5
Mr A Waller	5	5

INDEMNIFYING OFFICERS OR AUDITOR

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

OPTIONS

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

Date of options granted	Expiry Date	Exercise Price	Number of Options
28/09/2006	30/09/2009	$0.40	67,106,759
6/12/2007	30/09/2009	$0.40	15,000,000
			82,106,789

PROCEEDINGS ON BEHALF OF COMPANY

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

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

CORPORATE GOVERNANCE

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

NON-AUDIT SERVICES

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

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2008:

Taxation Services:	**$35,622**

The auditor's independence declaration for the year ended 30 June 2008 is on page 16. This declaration forms part of this directors' report.

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

Mr B Thomas
Managing Director

Dated 26th September 2008

BDO Kendalls

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

ABN 79 112 284 787

26 September 2008

The Directors
Chrome Corporation Limited
Suite B
150 Hay Street
SUBIACO WA 6008

Dear Sirs

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

As lead auditor of Chrome Corporation Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

BG McVeigh
Director

BDO Kendalls

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

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
Continuing Operations					
Revenue	**4(a)**	111,458	15,145	266,000	15,145
Other Income	**4(b)**	167,073	-	715,374	-
Finance Costs	**5(a)**	(392,233)	(969,912)	(392,233)	(969,912)
Impairment of Non-Current Assets	**5(b)**	-	-	-	(548,301)
Other expenses	**5(c)**	(2,455,300)	(1,390,343)	(2,454,301)	(1,387,874)
Loss from continuing operations before income tax		**(2,569,002)**	**(2,345,110)**	**(1,865,160)**	**(2,890,942)**
Income tax expense	**6**	-	-	-	-
Loss from continuing operations for the year		**(2,569,002)**	**(2,345,110)**	**(1,865,160)**	**(2,890,942)**
Loss from discontinued operations after income tax	**23**	(983,795)	(186,446)	-	-
Loss attributable to minority equity interest		-	-	-	-
Loss attributable to members of the parent entity		**(3,552,797)**	**(2,531,556)**	**(1,865,160)**	**(2,890,942)**
Continuing Operations					
Basic loss per share (cents per share)	**9**	(1.81)	(0.17)		
Diluted loss per share (cents per share)	**9**	N/A	N/A		
Earnings per Share					
Basic loss per share (cents per share)	**9**	(2.50)	(0.18)		
Diluted loss per share (cents per share)	**9**	N/A	N/A		

The accompanying notes form part of these financial statements.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

BALANCE SHEETS
AS AT 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	**10(a)**	419,873	1,298,918	419,873	1,204,074
Trade and other receivables	**11**	12,571	203,638	9,639,830	108,833
Prepayments		5,786	2,664	5,786	2,664
Assets classified as held for sale	**23**	10,377,428	-	-	-
TOTAL CURRENT ASSETS		**10,815,658**	**1,505,220**	**10,065,489**	**1,315,571**
NON-CURRENT ASSETS					
Other receivables	**11**	-	133,201	-	7,860,969
Financial assets	**12**	-	-	3,498,920	3,498,920
Property, plant and equipment	**14**	43,299	1,158,995	43,299	7,390
Deferred exploration & evaluation	**15**	-	8,751,395	-	-
TOTAL NON-CURRENT ASSETS		**43,299**	**10,043,591**	**3,542,219**	**11,367,279**
TOTAL ASSETS		**10,858,957**	**11,548,811**	**13,607,708**	**12,682,850**
CURRENT LIABILITIES					
Trade and other payables	**16**	81,515	534,746	81,515	423,907
Provisions	**17**	50,120	35,772	50,120	35,772
Borrowings	**18**	6,246,600	5,980,500	6,246,600	5,980,500
Liabilities classified as held for sale	**23**	651,328	-	-	-
TOTAL CURRENT LIABILITIES		**7,029,563**	**6,551,018**	**6,378,235**	**6,440,179**
NON-CURRENT LIABILITIES					
Provisions	**17**	-	769,428	-	-
TOTAL NON-CURRENT LIABILITIES		**-**	**769,428**	**-**	**-**
TOTAL LIABILITIES		**7,029,563**	**7,320,446**	**6,378,235**	**6,440,179**
NET ASSETS		**3,829,394**	**4,228,365**	**7,229,473**	**6,242,671**
EQUITY					
Issued capital	**19**	117,905,498	115,473,536	117,905,498	115,473,536
Reserves	**20**	1,372,666	650,902	1,197,948	777,948
Accumulated losses		**(115,448,770)**	(111,896,073)	(111,873,973)	(110,008,813)
Parent Interest		**3,829,394**	**4,228,365**	**7,229,473**	**6,242,671**
Minority Interest	**26**	-	-	-	
TOTAL EQUITY		**3,829,394**	**4,228,365**	**7,229,473**	**6,242,671**

The accompanying notes form part of these financial statements.

STATEMENTS IN CHANGES OF EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

Economic Entity	Share Capital Ordinary	Retained Earnings	Option Reserve	Foreign Exchange Reserve	Share Based Payment Reserve	Minority Equity Interests	Total
	$	$	$	$	$	$	$
Balance at 1 July 2006	**109,320,209**	(109,364,517)	647,040	(82,620)	130,908	-	651,020
Net movement from foreign operations translation	-	-	-	(44,426)	-	-	(44,426)
Net income recognised directly in equity	-	-	-	(44,426)	-	-	(44,426)
Loss attributable to members of economic entity	-	(2,531,556)	-	-	-		(2,531,556)
Net income and expense recognised during the year	-	(2,531,556)	-	(44,426)	-		(2,575,982)
Shares issued during the year	6,576,394	-	-	-	-	-	6,576,394
Transaction costs	(423,067)	-	-	-	-	-	(423,067)
Balance at 30 June 2007	115,473,536	(111,896,073)	647,040	(127,046)	-	-	4,228,365
Balance at 1 July 2007	115,473,536	(111,896,073)	647,040	(127,046)	130,908	-	4,228,365
Net movement from foreign operations translation	-	-	-	301,764	-	-	301,764
Net income recognised directly in equity	-	-	-	301,764	-	-	301,764
Loss attributable to members of economic entity	-	(3,552,797)	-	-	-	-	(3,552,797)
Net income and expense recognised during the year	-	(3,552,797)	-	301,764	-	-	(3,251,033)
Shares issued during the year	3,029,774	-	-	-	-	-	3,029,774
Transaction costs	(597,812)	-	-	-	-	-	(597,812)
Share based payments	-	-	-	-	420,000	-	420,000
Balance at 30 June 2008	**117,905,498**	**(115,448,770)**	**647,040**	**174,718**	**550,908**	**-**	**3,829,394**

The accompanying notes form part of these financial statements

STATEMENTS IN CHANGES OF EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

Parent Entity

	Share Capital Ordinary $	Retained Earnings $	Option Reserve $	Share Based Payment Reserve $	Total $
Balance at 1 July 2006	109,320,209	(107,117,871)	647,040	130,908	2,980,286
Loss attributable to members of parent entity	-	(2,890,942)	-	-	(2,890,942)
Total income and expense recognised during the year	-	(2,890,942)	-	-	(2,890,942)
Shares issued during the year	6,576,394	-	-	-	6,576,394
Transaction costs	(423,067)	-	-	-	(423,067)
Balance at 30 June 2007	**115,473,536**	**(110,008,813)**	**647,040**	**130,908**	**6,242,671**
Balance at 1 July 2007	**115,473,536**	**(110,008,813)**	**647,040**	**130,908**	**6,242,671**
Loss attributable to members of parent entity	-	(1,865,160)	-	-	(1,865,160)
Total income and expense recognised during the year	-	(1,865,160)	-	-	(1,865,160)
Shares issued during the year	3,029,774	-	-	-	3,029,774
Transaction costs	(597,812)	-	-	-	(597,812)
Share based payment	-	-	-	420,000	420,000
Balance at 30 June 2008	**117,905,498**	**(111,873,973)**	**647,040**	**550,908**	**7,229,473**

The accompanying notes form part of these financial statements.

.

CHROME CORPORATION LIMITED AND CONTROLLED ENTITIES

ABN 30 003 207 467

CASH FLOW STATEMENTS
FOR YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		146,402	395,293	-	252,494
Payments to suppliers and employees		(2,201,757)	(1,302,679)	(2,010,188)	(1,727,602)
Interest received		139,373	16,070	266,000	15,415
Borrowing costs		(392,239)	(969,912)	(392,239)	(969,912)
Exploration expenditure		-	(20,000)	-	-
Development expenditure		(246,068)	(497,970)	-	-
Repayment of Blackthorn deposit		(250,000)	-	(250,000)	-
Net cash used in operating activities	**24(a)**	(2,804,289)	(2,379,198)	(2,386,427)	(2,429,605)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for patents, trademarks		(3,101)	-	-	-
Loans to related parties		(76,276)	-	(799,754)	589,908
Loans to other parties		(421,046)	-	(421,046)	-
Purchase of property, plant and equipment		(101,646)	(404,407)	(42,108)	(7,934)
Proceeds on sale of investments	**24(c)**	-	100,000	-	100,000
Proceeds on sale of plant and equipment	**24(b)**	-	7,105	-	-
Net cash used in investing activities		(602,069)	(297,302)	(1,262,908)	681,974
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		6,413,673	-	6,413,673	-
Repayment of borrowings		(5,980,500)	(2,463,526)	(5,980,500)	(2,463,526)
Proceeds from capital raising		3,029,774	6,576,394	3,029,774	6,576,394
Cost of capital raising		(597,812)	(423,067)	(597,812)	(423,067)
Net cash provided by financing activities		2,865,135	3,689,801	2,865,135	3,689,801
Net (decrease)/ increase in cash and cash equivalents held		(541,223)	1,013,301	(784,200)	1,012,184
Cash and cash equivalents at beginning of financial year		1,298,918	285,617	1,204,074	191,890
Cash and cash equivalents at end of financial year	**10 (b)**	757,695	1,298,918	419,873	1,204,074

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1. REPORTING ENTITY

Chrome Corporation Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as "the Group").

NOTE 2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Group also complies with the IFRSs and interpretations adopted by the International Accounting Standards.

The financial statements were approved by the Board of Directors on 26 September 2008.

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Note 15 – measurement of recoverable amount of exploration assets
Note 21 – contingent liabilities and contingent assets
Note 25 – share based payments
Note 26 – financial instruments – fair value estimation

(e) Gong Concern

On 5 March 2008 the Company announced that it had entered into a Sale and Purchase Agreement with AMCOL International Corporation Limited (AMCOL) to sell to AMCOL the Company's 74% interest in the Ruighoek Chrome Project in South Africa for A$41 million subject to certain conditions including shareholder and regulatory approvals.

Shareholder approval was received on 30 June 2008 and a settlement date for this transaction is now dependent on the statutory approvals required from the South African Competition Commission and also consent in terms of Section 11(1) of the Mineral and Petroleum Resources Development Act from the South African Minister for Minerals and Energy. At the date of this report settlement had not occurred.

As at balance date the Company had current assets of $10,815,658 including $10,377,428 Ruighoek Chrome Project assets classified as available for sale to AMCOL and current liabilities of $7,029,563 of which $6,246,600 is owed to AMCOL. The ability to settle the current liabilities is dependent upon completion of the sale of the Ruighoek Chrome Project or securing of other funding through borrowings or capital raisings. The Directors believe that based upon settlement of the sale of the Ruighoek Chrome Project and receipt of the balance of the sale proceeds (approximately $34.5 million before tax and costs) the entity will continue operating as a going concern. As a result the financial statements have been prepared on a going concern basis. If settlement is not achieved the Directors believe that they can raise sufficient funds to repay AMCOL the deposit and proceed towards mining Ruighoek themselves. However, should settlement not occur and the Company is unable to raise sufficient capital to repay AMCOL or continue to progress Ruighoek the Company and the Group may not be able to continue as a going concern.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2008 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as “the Group”.

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

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

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

(ii) Transactions eliminated on consolidation

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

(b) Segment Reporting

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

(c) Foreign Currency Transactions and Balances

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue Recognition

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

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

(e) Income Tax

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

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

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

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

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

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

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

(f) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined by reference to the fair value of the assets acquired, including goodwill where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Where the fair value of the identifiable net assets acquired, including any liability for restructuring costs, exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated.

(g) Impairment of Assets

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

(h) Cash and Cash Equivalents

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

(i) Trade and Other Receivables

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

(j) Investments and Other Financial Assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity,re-evaluates this designation at each reporting period.

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Chrome's management has the positive intention and ability to hold to maturity. If Chrome were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

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

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

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

Changes in the fair value monetary securities denominated in a foreign currency and classified as available for- sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Changes in the fair value of other monetary and non-monetary securities classified as available-for sale are recognised in equity.

Fair value

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

Cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Fair Value Estimation

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

Financial instruments traded in active markets

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

Financial instruments not traded in active markets

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

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Trade receivables and payables

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

Non-derivative financial liabilities

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

Share-based payment transactions

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Property, Plant and Equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture, fittings and equipment:	3-5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount [note 3(g)].

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

(n) Mineral Exploration and Evaluation Expenditure

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

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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(u) Earnings Per Share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

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

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

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

(y) Finance Expenses

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

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

(z) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro *rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) New Standards and Interpretations Not Yet Adopted

Except for the amendments arising from AASB 2007-4: Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments, which the Consolidated Entity has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the annual reporting period ending 30 June 2008.
These are outlined in the table below.

Reference	Title	Summary	Impact on Consolidated Entity financial report	Application Date of Standard	Application Date for Consolidated Entity
AASB Int. 12 (Revised)	Determining whether an Arrangement contains a Lease	The revised Interpretation specifically scopes out arrangements that fall within the scope of AASB Interpretation 12.	The entity has not yet determined the extent of the impact, if any.	1 January 2008	1 July 2008
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Consolidated Entity's financial statements, although it may have an impact on the Consolidated Entity's segment disclosure.	1 January 2009	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	The entity has not yet determined the extent of the impact, if any.	1 January 2009	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the Consolidated Entity's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Consolidated Entity has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 January 2009	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	The Consolidated Entity has share-based payment arrangements that may be affected by these amendments. However, the Consolidated Entity has not yet determined the extent of the impact, if any.	1 January 2009	1 July 2009

AASB 3	Business Combinations	The revised standard introduces a its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	The Consolidated Entity which accounting policy to adopt.	1 July 2009	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	If the Consolidated Entity changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Consolidated Entity's income statement.	1 July 2009	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009	1 July 2009
Amendments to International Financial Reporting Standards	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	Recognising all dividends received from subsidiaries, jointly controlled entities and associates as income will likely give rise to greater income being recognised by the parent entity after adoption of these amendments. In addition, if the Consolidated Entity enters into any group reorganisation establishing new parent entities, an assessment will need to be made to determine if the reorganisation meets the conditions imposed to be effectively accounted for on a 'carry-over basis' rather than at fair value.	1 January 2009	1 July 2009
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	The Consolidated Entity has not yet determined the extent of the impact of the amendments, if any.	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009	1 July 2009

Note 4: Revenue and Income

		Economic Entity		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
(a)	**Revenue from continuing operations**				
	Interest received other persons	111,458	15,145	111,458	15,145
	Interest received intercompany	-	-	154,542	-
		111,458	15,145	266,000	15,145
	Revenue from discontinued operations				
	Interest received other persons	27,915	925		
	Rental revenue	107,063	90,379	-	-
	Other revenue	38,299	38,844	-	-
		173,277	130,148	-	-
(b)	**Other Income**				
	Reversal of provision for diminution in Batlhako	-	-	548,301	-
	Unrealised gain on translation	167,073	-	167,073	-
		167,073	-	715,374	
	Other income from discontinued operations				
	Gain on disposal of fixed assets	-	7,105	-	-

Note 5: Other Expenses

Loss before income tax includes the following specific expenses:

		Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
(a)	**Finance Costs**				
	Interest on Convertible note	392,233	598,050	392,233	598,050
	Interest on short term loan	-	121,862	-	121,862
	Loan agreement fee	-	250,000	-	250,000
		392,233	969,912	392,233	969,912
(b)	**Impairment of non-current investments**				
	Provision for diminution in Batlhako	-	-	-	548,301
(c)	**Other Expenses (net of expenses from discontinued operatons)**				
	Rental expense on operating leases				
	- minimum lease payments	22,777	17,996	22,777	17,996
	Depreciation of plant and equipment	6,198	1,875	6,198	1,875
	Employment benefits expense	775,881	219,942	775,881	219,942
	Directors' fees	269,885	213,479	269,885	213,479
	Professional and consultants fees	249,957	320,450	249,957	320,450
	Provision for doubtful debts	497,322	-	497,322	-
	Administration expenses	633,280	756,684	632,281	614,131
		2,455,300	1,530,426	2,454,301	1,387,873

Note 6: Income Tax Expense

	Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	(3,552,797)	(2,531,556)	(1,865,190)	(2,891,041)
Prime facie tax payable on loss from ordinary activities before income tax at 30% (2007: 30%)	(1,065,839)	(759,467)	(559,557)	(867,282)
Add:				
Tax effect of:				
- other non-allowable items	159,815	55,932	47,307	55,932
- exempt foreign losses	-	-	-	-
	(906,024)	(703,535)	(512,250)	(811,350)
Less:				
Tax effect of:				
- issue costs charged to equity	(95,846)	(34,593)	(81,179)	(19,926)
Recoupment of prior year tax losses not previously brought to account	-	-	-	-
Deferred tax asset in relation to tax losses not recognised	1,001,870	738,128	593,429	831,276
Income tax attributable to parent entity	-	-	-	-
Income tax expense to wholly-owned subsidiaries under the tax sharing agreement	-	-	-	-
Income tax attributable to entity	-	-	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%	0%	0%
(b) Unused tax losses and other timing differences not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 3(e) occur				
- temporary differences	404,751	114,563	390,084	114,563
- tax losses:				
- Domestic/foreign operating losses	2,898,388	2,682,407	2,490,992	1,908,052
- capital losses	-	-	-	-
	3,303,139	2,796,970	2,881,076	2,022,615

Note 7: Key Management Personnel Compensation

(a) Directors

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

(i) Chairman – Non-executive
Mr Richard Linnell

(ii) Executive Director
Mr Brian Thomas – Managing Director

(iii) Non-executive Director
Mr Andrew Waller

(b) Other key management personnel

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

(i) Company Secretary
Andrew Chapman

(ii) Mr Trevor Gillard
Managing Director – Batlhako Mining Ltd.

(c) Key management personnel compensation

	Economic Entity		Parent Entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Short –term employee benefits	807,572	472,088	641,771	472,088
Post-employment benefits	44,021	18,000	27,000	18,000
Share-based payments	420,000	-	420,000	-
	1,271,593	490,088	1,088,771	490,088

(i) Option holdings

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

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

All options are vested and exercisable at the end of the year. There were no options issued to any other key management personnel other than those identified above.

Note 7: Key Management Personnel Compensation (continued)

2007	Balance at the start of the year	Granted during the year as Compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Richard Linnell	-	-	-	-	-	-
Brian Thomas	20,000,000	-	-	(19,447,582)	558,418	558,418
Andrew Waller	10,000,000	-	-	(4,531,145)	5,468,855	5,468,855
	30,000,000	-	-	(23,978,727)	6,027,273	6,027,273

All options are vested and exercisable at the end of the year. There were no options issued to any other key management personnel other than those identified above.

(ii) Share holdings

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

2008	Balance at the start of the year	Granted during the year as Compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Richard Linnell	-	-	-	-	-
BrianThomas	-	-	-	-	-
Andrew Waller	4,684,500	-	-	(123,500)	4,550,000
Total	4,684,500	-	-	(123,500)	4,560,000

2007	Balance at the start of the year	Granted during the year as Compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Richard Linnell	-	-	-	-	-
BrianThomas	-	-	-	-	-
Andrew Waller	-	-	-	4,684,500	4,684,500
Total	-	-	-	4,684,500	4,684,500

Note 8: Auditors' Remuneration	Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report - BDO Kendalls Audit and Assurance (WA) Pty Ltd	44,943	53,484	44,943	53,484
- other services - BDO Kendalls (WA) Pty Ltd	35,622	17,255	35,622	17,255
- auditing or reviewing the financial report - BDO Spencer Steward (Jhb) Inc.	14,005	12,902	-	-
	94,570	83,641	80,565	70,739

Note 9: Earnings per Share

		Economic Entity 2008 $	Economic Entity 2007 $
(a)	Reconciliation of Earnings to Profit or Loss		
	Loss	(3,552,797)	(2,531,556)
	Earnings used to calculate basic EPS	(3,552,797)	(2,531,556)
(b)	Reconciliation of Earnings to Profit or Loss from Continuing Operations		
	Loss from continuing operations	(2,569,002)	(2,345,110)
	Earnings used to calculate basic EPS from continuing operations	(2,569,002)	(2,345,110)
(c)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	141,945,173	1,369,514,303

Diluted earnings per share is not shown as it would not increase loss per share. At 30 June 2008 82,109,291 options (2007:1,242,142,398) and nil convertible notes (2007: 239,220,000) were outstanding which could potentially dilute basic earnings per share in the future.

Note 10: Cash and Cash Equivalents

10(a) Cash at bank and on hand

	Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash at bank and in hand, net of cash classified as held for sale	419,873	1,298,918	419,873	1,204,074
	419,873	1,298,918	419,873	1,204,074

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

	Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash at bank and in hand	419,873	1,298,918	419,873	1,204,074
Cash classified as held for sale	337,822	-	-	-
Balance as per Statement of Cash flows	757,695	1,298,918	419,873	1,204,074

Note 11: Trade and Other Receivables

		Economic Entity		Parent Entity	
CURRENT		**2008**	**2008**	**2008**	**2007**
		$	**$**	**$**	**$**
Other Debtors, net of other debtors classified as held for sale		509,893	203,638	507,903	108,833
Provision for non-recovery		(497,322)	-	(497,322)	-
		12,571	203,638	10,581	108,833
Amounts receivable from controlled entity:					
Chrome Holdings Ltd	(i)	-	-	7,380,121	-
Batlhako Mining Ltd	(i)	-	-	2,249,128	-
		-	-	9,629,249	-
		12,571	203,638	9,639,830	108,833
Movement in provision for non-recovery:					
Balance at 1 July		-	-	-	-
Increase in provision	(ii)	(497,322)	-	(497,322)	-
Balance at 30 June		(497,322)	-	(497,322)	-
NON-CURRENT					
Amounts receivable from controlled entity:					
Chrome Holdings Ltd	(i)	-	-	-	7,379,121
Batlhako Mining Ltd	(i)	-	-	-	1,030,149
Less: Provision for diminution		-	-	-	(548,301)
Other receivable:					
Blue Horison Investments 1 (Pty) Ltd, net of other receivable classified as held for sale		-	133,201	-	-
		-	133,201	-	7,860,969
Movement in provision for diminution:					
Balance at 1 July		-	-	(548,301)	-
(Increase)/ writeback in provision	(iii)	-	-	548,301	(548,301)
Balance at 30 June		-	-	-	(548,301)

Terms and Conditions

(i) Transactions between Chrome and its controlled entities consist of intercompany loans, upon which no interest is charged, other than the loan to Batlhako Mining Limited which commenced charging interest in the current financial year.

(ii) A provision for non-recovery has been made as the ability of the debtor to repay the loan monies advanced is not certain at balance date.

(iii) A provision for diminution raised in the 2007 financial year was written back this financial year due to the sale of the Ruighoek Chrome Project to AMCOL which on settlement will result in the loans being repaid in full.

Note 12: Other Financial Assets

Investments in subsidiaries	**11(a)**	-	-	3,498,920	3,498,920
Less non-current portion			-	3,498,920	3,498,920
Current portion		-	-	-	-

(a) Investments in subsidiaries are carried at cost. See further details in note 13.

(b) **Held to maturity Financial Assets Comprise:**

Bonds and guarantees	**(iii)**	15,000	15,000	15,000	15,000
Provision for non-recovery	**(iii)**	(15,000)	(15,000)	(15,000)	(15,000)
		-	-	-	-

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

Note 13: Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	**Percentage Owned (%)**	
Parent Entity		**2008**	**2007**
Chrome Corporation	Australia		
Subsidiaries of Chrome Corporation			
Chrome Holdings Ltd	Australia	100	100
XDSL Trading 352 (Pty) Ltd	South Africa	-	-
Bonmerci Investments 103 (Pty) Ltd	South Africa	100	100
Batlhako Mining Ltd	South Africa	74	74

(b) **Deregistration of Controlled Entities**
XDSL Trading 352 (Pty) Ltd was deregistered on 23 January 2007. The entity had no carrying value or assets and laibilites.

Note 14: Plant and Equipment

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
(a) At cost				
Property, Plant and equipment	1,247,006	1,178,498	48,557	12,164
Accumulated depreciation	(45,163)	(19,503)	(5,258)	(4,774)
Total Plant and equipment	1,201,843	1,158,995	43,299	7,390
(b) Reconciliation				
As at 1 July	1,158,995	766,997	7,390	1,330
Additions	74,222	407,998	42,107	7,935
Disposals	-	(7,105)	-	-
Depreciation expense	(31,374)	(8,895)	(6,198)	(1,875)
Net carrying value	1,201,843	1,158,995	43,299	7,390
(c) Reconciliation to balance sheet				
As per (a) above	1,201,843	1,158,995	43,299	7,390
Less: Classified as held for sale	1,158,544	-	-	-
	43,299	1,158,995	43,299	7,390

Note 15: Exploration and Evaluation Expenditure

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Costs carried forward in areas of interest in:				
Carrying amount of exploration and evaluation, net of exploration and evaluation classified as held for sale	-	8,751,392	-	-

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

Capitalised costs amounting to $246,068 (2007: $497,970) have been included in cash flows from operating activities in the cash flow statement.

Reconciliation

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

Exploration and/or evaluation expenditure				
Carrying amount at beginning of year	8,751,395	8,748,750	-	-
Additions	3,098	2,645	-	-
Exploration written off	-	-	-	-
Transferred to held for sale	(8,754,493)	-	-	-
Carrying amount at end of year	-	8,751,395	-	-

Note 16: Trade and Other Payables

Unsecured liabilities				
Trade payables, net of trade payables classified as held for sale	39,595	465,696	39,595	365,775
Sundry payables and accrued expenses, net of sundry and accrued expenses classified as held for sale	41,920	69,050	41,920	58,132
	81,515	534,746	81,515	423,907

Note 17: Provisions

	Economic Entity		Parent Entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Current				
Employee benefits	50,120	35,772	50,120	35,772
Non- current				
Restoration, net of restoration classified as held for sale	-	769,428	-	-
Movement in provisions				
Carrying amount at beginning of year	769,428	769,428	-	-
Reduction in provision	(144,095)	-	-	-
Transferred to held for sale	(625,333)	-	-	-
Carrying amount at end of year	-	769,428	-	-

Provision for Mine Rehabilitation

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

Note 18: Borrowings

	Note				
CURRENT					
Unsecured Liabilities					
Loan Amcol	**(a)**	6,246,600	-	6,413,673	-
Convertible Note	**(b)**	-	5,980,500	-	5,980,500
		6,246,600	5,980,500	6,413,673	5,980,500

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

Note 18: Borrowings (continued)

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

The basic terms of the convertible note are as follows:

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

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

Note 19: Issued Capital

	Economic Entity		**Parent Entity**	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
(a) Issued and paid up capital				
143,564,977 (2007: 1,672,518,263) fully paid ordinary shares	117,905,498	115,473,536	117,905,498	115,473,536

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

	2008		**2007**	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movement in shares on issue				
Beginning of the year	1,672,518,263	115,473,536	929,670,048	109,320,209
Issued during the year				
• consolidation of share capital	(1,588,892,503)	-	-	-
• placements	59,936,638	3,028,742	742,834,965	6,576,129
• exercise options	2,579	1,032	13,250	265
• less transaction costs	-	(597,812)	-	(423,067)
End of the year	143,564,977	117,905,498	1,672,518,263	115,473,536

(i) The Company finished a consolidation of its share capital on a 1 for 20 basis on 5 July 2007. At that time a share placement was completed via the issue of 59,936,638 shares at 10 cents each with one free attaching option for every 2 shares held exercisable at $0.44 each expiring 30 September 2009. It should be noted that $3 million was received prior to 30 June 2007 of this placement.

(iv) The Company conducted the following placements during the year ended 30 June 2007:

- 464,836,024 shares at an issue price of 0.5 cents each with one free attaching listed option (2 cents 30 September 2009)
- 278,000,000 shares at an issue price of 0.45 cents each with one free attaching listed option (2 cents 30 September 2009)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Note 19: Contributed Equity (continued)

(v) During the 2008 financial year, 2,579 (2007: 13,250) listed options were exercised at a price of $0.40 each (2007:$0.02).

(vi) Term and conditions

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

	2008 Number	2007 Number
(c) Options outstanding		
At balance date there were unissued ordinary shares in the chief entity under option as follows:		
Listed 30 September 2007 options at an exercise price of 5 cents each	-	499,320,624
Listed 30 September 2009 options at an exercise price of 2 cents each	82,109,291	742,821,774

Options held at the beginning of reporting period.

On 1 July 2007 there were 499,320,624 listed options with an exercise price of 5 cents expiring 30 September 2007.

Options issued during the 2007 financial year

(a) On 28 September 2006. 464,835,024 listed options with an exercise price of 2 cents each expiring 30 September 2009 were issued and vested.
(b) On 11 December 2006 200,000,000 listed options with an exercise price of 2 cents each expiring 30 September 2009 were issued and vested.
(c) On April 2007 69,000,000 listed options with an exercise price of 2 cents each expiring 30 September 2009 were issued and vested.

	Economic Entity		Parent Entity	
Note 20: Reserves	**2008**	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Option Reserve	647,040	647,040	647,040	647,040
Share Based Payments Reserve	550,908	130,908	550,908	130,908
Foreign currency transaction reserve	174,718	(127,046)	-	-
	1,372,666	650,902	1,197,948	777,948

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

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

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

Note 21: Contingent Liabilities and Contingent Assets

Under the terms of the Share Sale Agreement between the Company and AMCOL International Corporation the Company may incur the following liabilities:

1. The Company must reimburse AMCOL $150,000 in due diligence and transaction costs should settlement not occur.
2. Any fees payable to regulatory authorities during the approval process are split 50/50 if jointly beneficial or 100% the sole beneficiary.
3. If the cost of the Environmental Report exceeds $200,000 the acquisition price will be reduced by the amount of the excess cost.

Pursuant to the shareholder agreement between Blue Horison Investments 1 (Pty) Ltd and Bonmerci Investments 103 (Pty) Ltd, Blue Horison has two put options to return the 26% of the issued capital in Bathako Mining Ltd and receive in full the ZAR 500,000 payment. The timing of the put options are as follows:

1. At the time a decision to mine is made (pursuant to the grant of mining rights)
2. 45 days after Batlhako Mining Ltd commences commercial production.

Under the share agreement a contingent liability will arise if ether of these two put options is undertaken by Blue Horison Investments 1 (Pty) Ltd at either of the two put option dates.

Under the agreement if the put options are exercised the ZAR 500,000 is only repayable from any future profits derived.

The directors have considered the materiality and the likelihood of the put option events and have deemed a valuation of these options unnecessary.

Note 22: Segment Reporting

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

Primary Reporting – Geographical Segments

2008	Australia $	South Africa $	Unallocated $	Consolidated $
Revenue				
Operating Revenue	-	145,362		145,362
Other Revenue	-	-	306,446	306,446
Total Revenue	-	145,362	306,446	451,808
Result				
Segment Result	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Loss before income tax	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Income tax	-	-		-
Loss after income tax	(1,866,159)	(1,138,337)	(548,301)	(3,552,797)
Assets				
Segment Assets	481,529	10,377,428	-	10,858,957
Total Assets	481,529	10,377,428	-	10,858,957
Liabilities				
Segment Liabilities	6,378,235	651,328	-	7,029,563
Total Liabilities	6,378,235	651,328	-	7,029,563

Note 22: Segment Reporting (continued)

2008	Australia $	South Africa $	Unallocated $	Consolidated $
Other				
Capital Expenditure	42,108	59,538	-	101,646
Depreciation and amortisation of segment assets	6,198	25,176	-	31,374
Total Other	48,306	84,714	-	133,020
Cash Flow Information				
Net cash used in operating activities	(2,927,650)	123,361	-	(2,804,289)
Net cash used in investing activities	(1,262,908)	(660,839)	-	(602,069)
Net cash used in financing activities	2,865,135	-	-	2,865,135

2007	Australia $	South Africa $	Unallocated $	Consolidated $
Revenue				
Operating Revenue	-	129,223	-	129,223
Other Revenue	-	7,105	15,145	22,250
Total Revenue	-	136,328	15,145	151,473
Result				
Segment Result	(2,345,110)	(186,446)	-	(2,531,556)
Loss before income tax	(2,345,110)	(186,446)	-	(2,531,556)
Income tax	-	-	-	-
Loss after income tax	(2,345,110)	(186,446)	-	(2,531,556)
Assets				
Segment Assets	1,322,961	10,225,850	-	11,548,811
Total Assets	1,322,961	10,225,850	-	11,548,811
Liabilities				
Segment Liabilities	6,440,179	880,267	-	7,320,446
Total Liabilities	6,440,179	880,267	-	7,320,446
Other				
Capital Expenditure	7,934	396,473	-	404,407
Depreciation and amortisation of segment assets	1,875	7,020	-	8,895
Total Other	9,809	403,493	-	413,302
Cash Flow Information				
Net cash used in operating activities	(2,429,605)	50,407	-	(2,379,198)
Net cash used in investing activities	681,974	(979,276)	-	(297,302)
Net cash used in financing activities	3,689,801	-	-	3,689,801

Note 22: Segment Reporting (cont'd)

Accounting Policies

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

Intersegment Transfers

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

Business Segments

The economic entity has one business segment:

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

Geographical Segments

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

Note 23: Discontinued Operation

In March 2008 the Group announced it had entered into an agreement with Amcol International Corporation ("AMCOL") to purchase, subject to shareholder approval and South African regulatory approvals, the Group's 74% interest in the Ruighoek Chrome Project in South Africa for $41 million. The transaction will involve the sale of the Group's South African 100% owned subsidiary Bonmerci Pty Ltd. While settlement of this transaction has not yet occurred management are committed to finalising this transaction which is to be expected by October 2008. Accordingly the Group has shown the South African operations as discontinued operation in the income statement and balance sheet.

Note 23: Discontinued Operation (cont'd)

	2008	2007
Results of discontinued operation		
Revenue	173,277	130,148
Expenses	(1,157,072)	316,594
Loss for the year from discontinued operations	(983,795)	(186,446)

No income tax benefit or expense has been recognised in relation to discontinued operations

	2008	2007
Assets and liabilities held for sale operations		
Assets		
Trade and other receivables	126,569	
Cash and cash equivalents	337,822	
Plant and Equipment	1,158,544	
Deferred exploration & evaluation	8,754,493	
Assets classified as held for sale	10,377,428	
Liabilities		
Trade and other payables	25,995	
Provision for rehabilitation	625,333	
Liabilities classified as held for sale	651,328	
Cash flow information - held for sale operations		
Net cash used in operating activities	(536,654)	(374,516)
Net cash used in investing activities	(62,369)	(389,368)
Net cash used in held for sale operations	-	-

Note 24: Cash Flow Information

	Note	Economic Entity 2008 $	Economic Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax					
Loss after income tax		(3,552,797)	(2,531,556)	(1,865,160)	(2,890,942)
Depreciation		31,374	8,895	6,198	1,875
Share based payments		420,000		420,000	-
Write off bad debts		9,541	-	-	-
Provision for doubtful debts		497,322	-	497,322	-
Unrealised exchange gain		(167,073)	-	(167,073)	-
(Reversal of)/Provision for diminution in Batlhako		-	-	(548,301)	548,301
Changes in assets and liabilities, net of the effects of purchase and disposal subsidiaries					
Increase/(decrease) in payables and borrowings		(427,234)	292,404	(323,615)	244,742
Increase/(decrease) in provisions		113,533	17,503	14,348	17,503
(Increase)/decrease in other operating assets		571,121	(164,968)	(2,301)	(261,028)
(Increase)/decrease in receivables		(300,076)	(1,476)	(417,846)	(90,056)
Cashflow from operations		(2,804,289)	(2,379,198)	(2,386,427)	(2,429,605)

Note 25: Share-based Payments

Directors and Executives Option

The Company has issued listed options to Directors during the financial year. The terms and conditions of those listed options are the same for all option holders in that class.

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

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

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

Summary of options issued to Directors

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

	2008 No.	2008 WAEP	2007 No.	2007 WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	15,000,000	0.40	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Net change other*	-	-	-	-
Outstanding at the end of the year	15,000,000	0.30	-	-

All of the above options have vested and are exercisable.

Summary of options issued to Directors

The following options were issued during 2008.

Directors

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

There were no options issued during the 2007 financial year.

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

The weighted average contractual life for the options outstanding at 30 June 2008 is between 1.25 years (2007: nil).

Range of exercise price of options issued to Directors

The exercise price for all listed options outstanding at the end of the year was $0.40 (2007: nil).

Weighted average fair value of options granted to Directors

The weighted average fair value of listed options outstanding the end of the year was $0.028 (2007: nil).

Note 25: Share-based Payments (cont'd)

Option pricing of model of options issued to Directors

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

Note 26: Events After the Balance Sheet Date

On 11 September 2008 the Company announced that it had secured agreement for the placement of 4,500,000 ordinary fully paid shares at an issue price of $0.11 per share together with 4,500,000 free attaching unlisted options (exercise price of $0.30, expiring 30 September 2011) to raise $495,000 before costs to be used for working capital purposes.

Note 27: Minority Interest

On 2 February 2006, Bonmerci Investments 103 (Pty) Ltd sold 26% of it's investment in Batlhako Mining Ltd to Blue Horison Investments 1 (Pty) Ltd a wholly owned subsidiary of Black Empowerment partner Aka Resources Holdings (Pty) Ltd.

The Minority interest is represented as follows:

	Economic Entity	
	2008	**2007**
	$	**$**
Minority Interest Share in Batlhako Mining Ltd		
Share Capital	6	6
Accumulated Losses	(6)	(6)
	-	-

Note 28: Financial Risk Management

Overview

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

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

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

Credit risk

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

Presently, the Group undertakes exploration and evaluation activities exclusively in South Africa. At the balance sheet date there were no significant concentrations of credit risk.

Cash and cash equivalents

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

Note 28: Financial Risk Management (cont'd)

Trade and other receivables

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

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other intercompany receivables and investments. The management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

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

		Consolidated Carrying amount	
	Note	**2008**	**2007**
Loans and receivables	*11*	12,571	203,638
Cash and cash equivalents	*10*	419,873	1,298,918

		Company Carrying amount	
	Note	**2008**	**2007**
Loans to subsidiaries	*11*	9,629,249	7,860,969
Receivables	*11*	10,581	108,833
Cash and cash equivalents	*10*	419,873	1,204,074

Impairment losses

None of the Group's other receivables are past due (2007: nil).

Liquidity risk

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

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group has convertible notes which were repaid during the current financial year. The Company has a loan from AMCOL outstanding which represents the deposit paid by AMCOL of US$6,000,000 for the purchase of the Ruighoek Chrome Project. This loan will from part of the total consideration for the project at settlement. The Group does not have any other external borrowings.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecast operational and exploration activities should the agreement to sell the Company's Ruighoek Chrome Project not reach settlement. The decision on how the Company will raise any future capital will depend on market conditions existing at that time.

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

Consolidated
30 June 2008

	Carrying amount	**Contractual cash flows**	**6 mths or less**	**6-12 mths**	**1-2 years**	**2-5 years**
AMCOL loan	6,246,600	6,246,600	6,246,600	-	-	-
Trade and other payables	81,515	81,515	81,515	-	-	-
	6,328,115	6,328,115	6,328,115	-	-	-

Note 28: Financial Risk Management (cont'd)

Consolidated
30 June 2007

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Convertible notes	5,980,500	5,980,500	-	5,980,500	-	-
Trade and other payables	534,746	534,746	534,746	-	-	-
	6,515,246	6,515,246	534,746	5,980,500	-	-

Company
30 June 2008

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
AMCOL loan	6,246,600	6,246,600	6,246,600	-	-	-
Trade and other payables	81,515	81,515	81,515	-	-	-
	6,328,115	6,328,115	6,328,115	-	-	-

Company
30 June 2007

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Convertible notes	5,980,500	5,980,500	-	5,980,500	-	-
Trade and other payables	423,907	423,907	423,907	-	-	-
	6,404,407	6,404,407	423,907	5,980,500	-	-

Market Risk

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

Currency risk

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

The Group has received a US$6 million deposit on the sale of its interest in the Ruighoek Chrome Project (refer Note 18 for details).

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

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

Note 28: Financial Risk Management (cont'd)

Exposure to currency risk

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

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
Cash	337,822	94,844	-	-
Trade and other receivables	126,569	94,805	-	-
Trade payables	(25,995)	(110,839)	-	-
Gross balance sheet exposure	438,396	78,810	-	-
Forward exchange contracts	-	-	-	-
Net exposure	438,396	78,810	-	-

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

	Consolidated		Company	
	2008 $	2007 $	2008 $	2007 $
AMCOL loan	(6,246,600)	-	(6,246,600)	-
Gross balance sheet exposure	(6,246,600)	-	(6,246,600)	-
Forward exchange contracts	-	-	-	-
Net exposure	(6,246,600)	-	(6,246,600)	-

Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the Rand and US Dollar at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

	Consolidated		Company	
	Equity	Profit or loss	Equity	Profit or loss
30 June 2008				
Rand	43,840	43,840	-	-
US Dollar	624,660	624,660	624,660	624,660
30 June 2007				
Rand	7,881	7,881	-	-
US Dollar	-	-	-	-

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

Note 28: Financial Risk Management (cont'd)

Interest rate risk

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

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

Profile

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

	Weighted Average Interest Rate	Carrying Amount $	Weighted Average Interest Rate	Carrying Amount $
Consolidated		**2008**		**2007**
Variable rate instruments				
Cash and cash equivalents	5.25%	419,873	4.06	1,298,918
Cash backed performance bonds	N/A	-	N/A	-
		419,973		1,298,918
Company				
Variable rate instruments				
Cash and cash equivalents	5.25%	419,873	4.06	1,204,074
Cash backed performance bonds	N/A	-	N/A	-
		419,973		1,204,074

Interest rate risk

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

Consolidated

	Profit or loss		Equity	
Effect in thousands of AUD	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
30 June 2008				
Variable rate instruments	4,199	(4,199)	4,199	(4,199)
30 June 2007				
Variable rate instruments	12,989	(12,989)	12,989	(12,989)

Note 28: Financial Risk Management (cont'd)

Company

	Profit or loss		Equity	
Effect in thousands of AUD	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
30 June 2008				
Variable rate instruments	4,199	(4,199)	4,199	(4,199)
30 June 2007				
Variable rate instruments	12,041	(12,041)	12,041	(12,041)

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value. The basis for determining fair values is disclosed in note 12.

Other Market Price Risk

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

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital Management

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

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

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

Note 29: Capital and other commitments

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

Note 30: Related Party Transactions

Ultimate parent

Chrome Corporation Limited is the ultimate Australian parent entity.

Identification of Related parties

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

Note 30: Related Party Transactions (cont'd)

Wholly Owned Entities

Unsecured loans due to the parent entity from each of its wholly owned entities and 74% owned Batlhako Mining Limited are as follows:

	2008 $	2007 $
Chrome Holdings Limited	7,380,121	7,379,121
Bonmerci Investments 103 (Pty) Ltd	-	-
Batlhako Mining Limited	2,249,128	1,030,149
Less: provision for non-recovery	-	(548,301)
	9,629,249	7,860,969

Other Transactions

Mr Brian Thomas is a director and beneficial shareholder of Knights Landing Limited of which the Company has loaned to it $76,276 (2007: $73,736). This amount has been fully provided for in the 2008 financial year. Mr Thomas does not control Knights Landing Limited.

DIRECTORS' DECLARATION

In the directors' opinion:

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

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

  (ii) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company and the consolidated entity.

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

(c) the remuneration disclosures set out on pages 9 to 13 of the Directors' Report (as part of the audited Remuneration Report) for the year ended 30 June 2008 comply with section 300A of the *Corporations Act 2001.*

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

Subject to the satisfactory outcome of matters set out in Note 1, in the Director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Mr B Thomas
Managing Director

Dated this 26th of September 2008

BDO Kendalls

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

ABN 79 112 284 787

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

Report on the Financial Report

We have audited the accompanying financial report of Chrome Corporation Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company's and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Chrome Corporation Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2(e) in the financial report which indicates that the consolidated entity had current assets of $10,815,658 at year end including $10,377,428 of Ruighoek Chrome Project assets classified as held for sale, and current liabilities of $7,029,563. The ability to settle the current liabilities is dependent upon completion of the sale of the Ruighoek Chrome Project or securing of other funding through borrowings or capital raisings. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Chrome Corporation Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001.*

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

BG McVeigh
Director
Perth, Western Australia
26 September 2008

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2008.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the director's report.

The names of the directors of the company are:

Richard Linnell
Brian Thomas
Andrew Waller

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director
- none of the director's income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice at the company's expense in the furtherance of their duties as directors. Written approval must be obtained from the chairman prior to incurring any expense on behalf of the company.

Trading Policy

The company policy regarding directors and employees trading in its securities is set by the finance committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities' prices.

Audit Committee

The board has considered establishing an audit committee and believe that given the current size of the board this function is efficiently achieved with full board support. Accordingly, the Board has resolved not to establish an audit committee at this stage.

Performance Evaluation

An annual performance evaluation of the board and all board members was conducted by the board for the financial year ended 30 June 2008.

Remuneration Policies

The remuneration policy, which sets the terms and conditions for the chief executive officer and other senior executives, was developed by the remuneration committee after seeking professional advice from independent consultants and was approved by the board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed half yearly which is based on the forecast growth of the company's profits and shareholders value. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all directors and the five highest-paid executives, including all monetary and non-monetary components, are detailed in the Note 7 to the financial report. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the economic entity. It will also provide executives with the necessary incentives to work to grow long-term shareholder value. The policy complies with the four key principles of IFSA Guidance Note 02-16.

The payment of bonuses, stock options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the board for approval. All bonuses, options and incentives must be linked to predetermined performance criteria. The board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at www.chromecorp.com

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

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

1. Shareholdings

The issued capital of the Company as at 1 September 2008 is 143,564,977 ordinary fully paid shares and 82,106,866 listed options ($0.40, 30 September 2009).

Ordinary Shares	**No. of Holders**	**No. of Shares**
1 - 1,000	1,048	272,474
1,001 - 5,000	378	1,149,168
5,001 – 10,000	197	1,615,893
10,001 - 100,000	550	19,318,883
100,001 and over	152	121,208,559
	2,325	143,564,977
Number holding less than a marketable parcel	1,314	893,927

Listed Options ($0.40, 30 September 2009)	**No. of Holders**	**No. of Options**
1 - 1,000	144	33,330
1,001 - 5,000	148	408,003
5,001 – 10,000	68	482,386
10,001 - 100,000	124	3,691,257
100,001 and over	60	77,491,890
	544	82,106,866

ASX ADDITIONAL INFORMATION

2.	**Top 20 Ordinary Fully Paid Shareholders as at 15 September 2008**	**Units**	**% of Issued Capital**
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,386,800	10.02
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,490,345	8.70
3	CITICORP NOMINEES PTY LIMITED	10,399,251	7.24
4	SATURN INVESTMENTS SARL	8,312,712	5.79
5	SKIPTAN PTY LTD <P& M MEURS FAMILY A/C>	4,621,875	3.22
6	MR ANDREW WALLER	4,500,000	3.13
7	ANZ NOMINEES LIMITED <CASH INCOME A/C>	4,306,732	3.00
8	AJAVA HOLDINGS PTY LTD	4,048,818	2.82
9	TROJAN EQUITY LIMITED	3,000,000	2.09
10	ADENBROOKE PTY LIMITED	2,000,000	1.39
11	McNEIL NOMINEES PTY LIMITED	2,000,000	1.39
12	ILANDA ASSOCIATES LIMITED	1,573,305	1.10
13	MS ANNE-CARITA KONTKANEN & MR JOHN HILDRED <SUPER DUPER SUPER FUND A/C>	1,477,410	1.03
14	SHEATHER SUPER PTY LTD <SHEATHER SUPER FUND A/C>	1,423,750	0.99
15	GEB CAPITAL LIMITED	1,250,000	0.87
16	TROY HOLMES PTY LTD <TWH FAMILY A/C>	1,132,000	0.79
17	HASAN HOLDINGS PTY LTD <HASAN HOLDINGS S/F A/C>	1,080,000	0.75
18	MR PHILLIP CLIVE HARDCASTLE	1,035,000	0.71
19	AZUR CAPITAL GROUP LIMITED	1,020,000	0.70
20	ISTANA SECURITIES LIMITED	1,000,000	0.70
		81,057,998	56.45

ASX ADDITIONAL INFORMATION

3.	**Top 20 Holders Listed Options ($0.40, 30 September 2009) as at 18 September 2007)**	**Units**	**% of issued Capital**
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,520,000	15.25
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,326,251	8.92
3	SATURN INVESTMENTS SARL	7,020,000	8.55
4	CITICORP NOMINEES PTY LIMITED	5,949,283	7.25
5	ORD GROUP PTY LTD <NO.2 A/C>	5,000,000	6.09
6	MS SABINA MARIE SCHLINK <HENSMAN FAMILY A/C>	5,000,000	6.09
7	MR ANDREW G WALLER	5,000,000	6.09
8	ILANDA ASSOCIATES LIMITED	3,377,083	4.11
9	BAYMINT PTY LTD	2,986,606	3.64
10	MR DONATO IACOVANTUONO	1,688,000	2.06
11	ROSEPOINT CAPITAL PTY LTD	1,620,000	1.97
12	AZUR CAPITAL GROUP LIMITED	1,587,223	1.93
13	JACOBS CORPORATION PTY LTD	1,500,078	1.83
14	MR JAMES ROBERT FARKAS	1,495,001	1.82
15	MS SANDRA DAVIS	1,000,000	1.22
16	MR SLOBODAN CETIC	800,000	0.97
17	MR JOHANNES PETRUS JOZEF DE VETTEN & MRS JACQUELINE DE VETTEN <J&J DE VETTEN S/F A/C>	778,986	0.95
18	AEGIS PARTNERS LTD	637,989	0.78
19	GEB CAPITAL LIMITED	625,000	0.76
20	MR PHILLIP JAMES CARLETON & MRS SUSAN LOUISE CARLETON	620,000	0.76
		66,531,500	81.04

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

4. Substantial Shareholders as at 15 September 2008

		No. of Shares Held	% Held
1	Manro Haydan Trading	12,490,345	8.70
2	Merrill Lynch & Co Inc	12,490,345	8.70
3	Saturn Investments SARL	8,682,712	6.05

5. Substantial Optionholders ($0.40, 30 September 2009) as at 15 September 2008

		No. of Options Held	% Held
1	HSBC Custody Nominees (Australia) Limited	12,520,000	15.25
2	HSBC Custody Nominees (Australia) Limited	7,326,251	8.92
3	Saturn Investments SARL	7,020,000	8.55
4	Citicorp Nominees Pty Limited	5,949,283	7.25
5	Ord Group Pty Ltd <No.2 A/C>	5,000,000	6.09
6	Ms Sabina Marie Schlink <Hensman Family A/C>	5,000,000	6.09
7	Mr Andrew G Waller	5,000,000	6.09

6. Voting Rights

Ordinary Fully Paid Share holders

At a general meeting of the Company shareholders are entitled:

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

Options

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