NiPlats Australia Limited

(ACN 100 714 181)

Annual Financial Report

For the year ended 30 June 2010

Contents

Corporate Directory

NiPlats

ACN: 100 714 181

ASX Code: NIP

Niplats Australia Limited shares are listed on the Australian Stock Exchange (ASX)

DIRECTORS

Anthony Barton	(Non Executive Chairman)
Derek Carew-Hopkins	(Non Executive Director)
Richard Wolanski	(Executive Director)

COMPANY SECRETARY

Richard Wolanski

REGISTERED OFFICE

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Perth WA 6000
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SOLICITORS

Price Sierakowski
Level 24, 44 St Georges Terrace
Perth WA 6000

BANKERS

ANZ Banking Corporation
Level 9, 77 St George's Terrace
Perth WA 6000

SHARE REGISTER

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

AUDITORS

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

INTERNET ADDRESS

www.niplats.com.au

Dear Shareholder,

On behalf of the Board, it is with great pleasure I report the achievements made by NiPlats Australia Limited ("NiPlats" or the "Company") this year at both operational and corporate levels. As at the date of this report, NiPlats is in the enviable position of having developed a new exciting exploration focus on Copper, Gold and Silver while continuing to build value through the completion of the Vanadium pre-feasibility studies. The Company is progressing the two areas of focus from a position of financial security unparalleled since the listing of the Company on the ASX in late 2007.

With initial copper intersections identified in November 2009, and recognising that the vanadium project did not require significant further exploration, the **Board resolved to focus the entire 2010 exploration programme on the Copper/Gold potential of the tenements**.

This strategy involved a commitment to build access roads to the northern part of the tenements, an area that has been largely inaccessible and unexplored for approximately 100 years. This strategy has led to the identification of (what the Board of Directors consider) some of the most prospective Copper/Gold/Silver and Lead surface sample assays identified within Australia for quite some time.

Following successful capital raisings exceeding $6 million in the past 2 months, the largest Exploration Programme in the history of NiPlats has commenced. The programme, which will be completed in December 2010, includes:

- Geophysical exploration programme to be completed in October 2010 comprising Gravity survey, Induced Polarisation (IP) survey and Sub Audio Magnetics (SAM) survey.
- Drilling exploration programme comprising:
    - RC Drilling of 10,000 metres;
    - Diamond Drilling of 5,000 metres;
    - Authorisation for an additional 5,000 metres of drilling dependent on weather conditions.

This programme will deliver significant data on the unique geology of the NiPlats tenements and has the potential to deliver significant shareholder value in the short term as well as enable an even more focussed and targeted exploration programme in 2011.

Even in recent times of global financial downturn and uncertain domestic taxation of mining operations, there are numerous examples where significant shareholder value has been generated by companies through successful copper and gold exploration. NiPlats believes the same potential exists for shareholders of our Company.

The Company is also currently completing Pre-feasibility Studies focussed on the Central **vanadiferous magnetite** deposit. The studies have already delivered an initial conceptual net present value in excess of $500 million. The tenements contain one of the world's largest undeveloped **vanadium deposits** with combined Measured, Indicated and Inferred Resources totalling 3,159 Mt at 0.30% (at 0.23% V_2O_5 cut-off grade).

These studies are designed to deliver the following key outcomes:

- Flowsheet, OPEX, CAPEX and Net Present Value for different alternatives for the vanadiferous magnetite project;
- Pit design and optimisation that will lead to a Reserve estimate on the Central deposit.

In conjunction with these outcomes, Environmental and Aboriginal heritage work will be completed and an application made for a Mining Lease.

The tenements also contain a high-grade, high-quality fluorite deposit which is seen as a separate development project. NiPlats reported Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF_2 and an Inferred Resource of 2.6 Mt at 23.6% CaF_2., in August 2009 which has increased the Resource in size by over 50% since listing on ASX .

Given the close proximity of the Copper/Gold, vanadium and fluorite projects, there is real potential for infrastructure sharing that may significantly reduce the capital expenditure required to develop each of the projects separately. This opportunity will significantly improve the value to the shareholders of each of the projects and improve the development potential of the NiPlats tenements.

Operations Report

The Board is extremely pleased with the progress of the Company in what has been a challenging economic and financial environment. With the prospect of one of Australia's newest base metals provinces within our tenements, global economic recovery, increasing commodity prices and a very large high grade vanadium project, the Company is now entering a very exciting phase that may certainly deliver significant shareholder value.

Anthony Barton
Chairman

16th September 2010

INTRODUCTION

NiPlats has established a portfolio of 100% owned tenements covering approximately 473 square kilometres in the East Kimberley region of Western Australia ("Tenements").

Since NiPlats was listed on the ASX in 2007, the company has focussed on exploring an extensive zone of vanadiferous and titaniferous magnetite mineralisation which also host PGE+Au ("Platinum group elements plus gold") mineralisation and a high grade Fluorite resource.

Exploration in late 2009 identified visible copper sulphides in diamond drill core.

NiPlats focus for the remainder of 2010 is:

1. **Copper, Gold and Silver** exploration programme, including systematic RC and Diamond drilling on the Speewah project to be completed by the end of 2010.

2. Completing Pre-feasibility Studies focussed on the Central **vanadiferous magnetite** deposit. These studies are designed to deliver the following key outcomes:
   - Processing Flowsheet, OPEX, CAPEX and Net Present Value for different alternatives for the vanadiferous magnetite project;
   - Pit design and optimisation that will lead to a Reserve estimate on the Central deposit.

   In conjunction with these outcomes, Environmental and Aboriginal heritage work with be completed and an application for a Mining Lease that would allow future development.

HIGHLIGHTS

Copper /Gold/ Silver

- Surface sampling in recent months for the purposes of identifying drill targets has returned exceptional new copper, gold and silver assays from various sites, including:
  - Copper sample assaying 16.5% Copper;
  - Gold sample assaying 4.9 g/t Gold with 3.4% Copper;
  - Multi-element samples assaying:
    - 8.26% Copper, 4.28g/t Gold, 26 oz/t Silver; and
    - 8.1% Copper, 5.0 g/t Gold, 24 oz/t Silver;
  - Lead sample assaying 11.1% Lead.

- Commencement of geophysical exploration programme to be completed in October 2010 comprising:
  - Gravity survey;
  - Induced Polarisation (IP) survey;
  - Sub Audio Magnetics (SAM) survey.

- Commencement of Drilling exploration programme to be completed by December 2010, comprising:
  - RC Drilling of 10,000 metres;
  - Diamond Drilling of 5,000 metres;
  - Authorisation for an additional 5,000 metres of drilling dependent on weather conditions.

Vanadiferous Magnetite

- Benchmarked OPEX and CAPEX for FeV flowsheet demonstrate conceptual Net Present values (NPV) in excess of AUD $500 million.
- Magnetic separation of representative composite sample from Central high grade vanadium deposit produced a very high grade magnetic concentrate of 2.48% V_2O_5;
- Preliminary tests have shown vanadium recoverability's of up to 78% from samples in the high grade Central Zone into the magnetite concentrate;
- First run salt roast tests (test FeV flowsheet) show vanadium recovery of up to 87.5%.

RESOURCES

The tenements contains one of the world's largest undeveloped **vanadium deposits** with combined Measured, Indicated and Inferred Resources totalling 3,159 Mt at 0.30% (at 0.23% V_2O_5 cut-off grade) in three deposits.
This includes the Central deposit which includes a high grade zone of 434 Mt at 0.37% (at 0.23% V_2O_5 cut-off grade), comprising a Measured Resource of 115 Mt at 0.37% V_2O_5 , Indicated Resource of 85 Mt at 0.38% V_2O_5 and an Inferred Resource of 234 Mt at 0.37% V_2O_5.

Sinclair Knight Merz ("SKM") completed further metallurgical testwork on representative samples from the basal high grade zone of the Central deposit that confirmed the very high tenor of 2.48% V_2O_5 in magnetite concentrate.
A comparison of NiPlats vanadium resource (in terms of resource size and vanadium tenor in concentrate) with other Australian projects and an existing South African production facility (Xstrata) is shown in Figure 1 below.

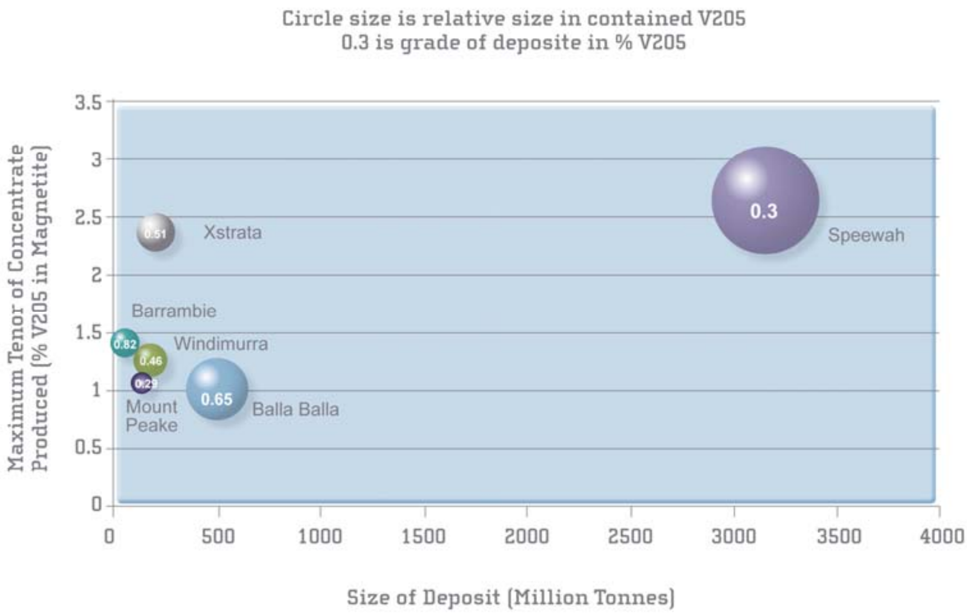

Figure 1: Comparison of concentrate tenor, resource grade and tonnes for vanadium magnetite deposits

The tenements also contain a high-grade, high-quality **fluorite deposit** with Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF_2 and an Inferred Resource of 2.6 Mt at 23.6% CaF_2.

VANADIFEROUS MAGNETITE PRE-FEASIBILITY STUDIES

The Vanadiferous Magnetite Pre-feasibility Study – The focus of the past 12 months exploration has been to provide RC and Diamond Core drilling data for a pre-feasibility study with the ultimate goal of providing a viable vanadiferous magnetite project at Speewah. The focus of the study is the high grade Measured and Indicated Resources of 200 Million tonnes.
The studies have commenced and the following key considerations will be completed/actioned during 2010:

Metallurgical Testing
Metallurgical studies involving laboratory scale testing of the Speewah magnetite concentrate to consider the following processing stages:

Stage 1 – Beneficiation of Ore to Magnetite Concentrate

Production of a high tenor vanadium magnetite concentrate: -**A magnetite concentrate will be required for any development alternative**. The ASX announcement of 1 April 2010 has already reported high vanadium tenor across the Measured Resource of the Central deposit. Variability tests conducted in recent weeks from Davis Tube testwork on composite Reverse Circulation drill chip samples collected predominantly from within the Central vanadium deposit and selected parts of the Red Hill and Buckman deposits, **have shown vanadium recoveries of up to 77.73% V_2O_5 and mass**

recoveries up to 14.18% magnetite in concentrate. Significantly, all samples reported vanadium tenor in the magnetite concentrates over 2.0% V_2O_5 (range 2.15 to 2.64% V_2O_5).
A Davis-tube testing programme is now being planned to map the distribution of vanadium concentrate grade and mass recoveries in the deposit, for input into future pit optimisations and reserve estimates.

Stage 2 – Development Alternatives

i. Magnetite Concentrate (Alternative 1):
This involves the shipping of the magnetite concentrate as an end product. Sinclair Knight Merz ("SKM") initial scoping report indicates that transporting the magnetite concentrate to Wyndham where it is loaded onto barges before being loaded onto larger ships away from the port, may be the most efficient method to transport large quantities of magnetite concentrate for export.

ii. Ferro-Vanadium (Alternative 2):
Pyrometallurgical testwork on the magnetite concentrate for vanadium recovery. This work has commenced and involves laboratory scale salt-roast processing. Results will assist in flowsheet design and provide data for operating cost and capital cost estimates that will refine promising initial conceptual NPV modelling. **Initial test results, completed in recent days, on the magnetite concentrate have shown vanadium recovery of up to 87.5% from the magnetite concentrate at various grind sizes and salt reagent additions.** Testing is ongoing to optimise recoveries and establish operating cost inputs.

iii. Pig Iron (Alternative 3): - **Pyrometallurgical testwork on the magnetite concentrate to produce pig iron end product**. This work has been commissioned with Mintek (South Africa) simulating arc furnace processing. This will assist design of flowsheet and provide data for operating cost and capital cost estimates. Results from first round testing are expected to be available in September 2010;

iv. Acid Leach Plant: (Alternative 4) - **Hydrometallurgical testwork on the magnetite concentrate to produce three end products including a high grade iron (Fe) product, vanadium product (V2O5) and a titanium product (TiO2).** NiPlats has engaged Mineral Engineering Technical Services Pty Ltd (METS) to run a pilot programme to test the process on the Speewah magnetite concentrate and determine recoveries of end products over the coming weeks. The pilot study will then be assessed and a decision made as to whether to proceed to development of a process flowsheet, OPEX and CAPEX estimates in a scoping report.

Access, Tenure, Approval and Logistics

a. Flora and Fauna studies on the Central vanadium deposit. Collection of flora and fauna samples as part of the 2010 field programme will supplement desk-top and field studies completed in 2009;
b. Survey over proposed initial mining area. A programme has been planned as part of the 2010 field programme with the objective of providing regulatory clearance sign off of the area that comprises the land that would encompass the high grade Central zone upon which proposed initial mining, camp and processing plant would be situated;
c. Review of port facilities and proposed Royalty for Regions upgrade of Wyndham port. It is important to note that should a Ferro-Vanadium or Pig-iron processing route eventuate (Stage 2 alternatives above) that there is existing capacity at Wyndham Port for the proposed annual production outcomes. In the event that process does not proceed past Stage 1 then requirements on port facilities significantly increase due to the bulk commodity nature of the Stage 1 end product;
d. Power studies focused on sourcing from Ord River hydro-electricity scheme;
e. Water studies;
f. Mining Lease Application with implementation and completion of supporting studies required for the approval of a Mining Lease.

Financial Modelling
The financial modelling used benchmarked OPEX and CAPEX inputs from similar projects provided by SKM. NiPlats initial conceptual modelling favours a Ferro-Vanadium development alternative. Based on the magnetite concentrate samples, mass yield and recoverability generated from Speewah ore and industry benchmarked OPEX and CAPEX inputs the initial NPV modelling results were:

<u>Assumptions include:</u>
Magnetite Concentrate through put: 500,000 tonnes p.a.
Mass recovery of concentrate from ore: 10.8%
FeV Production: 6,976 tonnes p.a.
FeV Sales Price: USD$35/kg
Discount rate: 10%
Mine Life: 30 years
AUD/US$ Exchange Rate: 80 cents
Net Present Value: >AUD $500 million

This modelling will be further refined and optimised as the metallurgical testing programmes provide detailed information on operating cost inputs and contributes to flowsheet modelling that will impact CAPEX requirements.

VANADIFEROUS MAGNETITE STRATEGY

Having released a maiden vanadium resource in March 2009, NiPlats reviewed the domestic market and with no existing local vanadium production/export recognised that knowledge and support for a project to exploit the vanadium deposit was in its infancy in Australia, despite significant and projected increase in world demand.

Vanadium is a ferro-alloy used to produce hardened and tool steel. With the massive increases in global steel production primarily being delivered through increased production from China, NiPlats considered the opportunity for one of the world's largest undeveloped high grade vanadium deposits to be significant.

OTHER PROSPECTS – PGE AND FLUORITE

The tenements are also prospective for:

1. <u>PGE+Au</u> – All drilling within the vanadium zones provides further information regarding PGE+Au prospectivity, with specific exploration designed to test for feeder/high grade zones of the PGE+Au reef initially discovered in 2007;
2. <u>Fluorite</u>– Exploration for Copper/Gold will also test for fluorite veins along strike and at depth within the same structural corridors.

CONCLUSIONS

The key drivers of share value for NiPlats in 2010 are:

1. Exploration for Copper/Gold mineralisation along the fault zones is supported by visible copper sulphides (chalcopyrite) and assays of surface samples reported. NiPlats will systematically drill Copper/Gold targets identified during the 2010 exploration season.

2. Completion of scoping/pre-feasibility studies on the Central vanadium deposit, where the outcropping, high grade basal portion has combined Measured and Indicated Mineral Resource totalling **200 million tonnes at 0.375% V_2O_5**. These studies will provide information for Ferro-Vanadium and vanadium-rich pig iron production, including metallurgical testwork and flowsheet design, OPEX and CAPEX estimates, a reserve estimate, pit optimisation and expand and optimise initial conceptual NPV of >AUD $500 million for the proposed vanadium project. This will in turn lead to the application for a Mining Lease in relation to the vanadium project. These studies will enable the Company to begin considering alternate opportunities to add shareholder value from this project including:

    a. Identification of development partners for investment in the project;
    b. Sale of the project;
    c. Commencement of a Bankable Feasibility Study.

The directors submit their report for Niplats Australia Limited ("Niplats" or "the Company") and its controlled entities for the year ended 30 June 2010.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated. No director has served as a director of any other ASX Listed Companies in the past 3 years unless mentioned below.

Anthony Barton
Non – Executive Chairman
Appointed 21st May 2007

Mr Barton has been involved in founding and growing a number of successful listed public companies. He has extensive experience in capital markets, corporate finance, funds management and venture capital and has had advisory roles in the incorporation and listing of many Australian based resource companies.

Mr Barton is the founding Executive Chairman of the boutique investment bank Australian Heritage Group. He is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and has 33 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms.
Mr Barton is also a Non-Executive Chairman of NT Resources Limited.

Derek Carew-Hopkins
Non Executive Director
Appointed 1st August 2008

Mr Carew-Hopkins has extensive experience in engineering and is a specialist in water and environmental issues. As the Director General of the Department of Environment, Mr Carew-Hopkins had responsibility for a diverse range of environmental and water related regulation, assessment and investigation including a significant agenda of new initiatives across the environment portfolio. He left Government in 2006 and now runs a consultancy specialising in guiding development projects through the approval processes.

Mr Carew-Hopkins has a Bachelor of Civil Engineering from the University of Central Queensland and is an accredited Mediator in dispute resolution. He spent the early part of his career in mining and construction project management and many years in water supply development.

Richard Wolanski
Executive Director & Company Secretary
Appointed 21st May 2007

Mr Wolanski has been involved with Niplat's since prior to the IPO in September 2007, which he managed. He has had extensive professional experience in both Australia and international finance industries, providing corporate, strategic and financial advisory assistance to public companies in Australia, Singapore and the United Kingdom. He is a Chartered Accountant and has a Bachelor of Commerce from the University of Western Australia. He currently is a Director for NT Resources Limited.

Mr Wolanski was also a Director of Maverick Energy Limited during the financial year however resigned 23rd November 2009.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares of the Company were

		Ordinary Shares	Options Over Ordinary Shares
A Barton	Non Executive Chairman	10,749,536[1]	2,750,000[2]
D Carew-Hopkins	Non Executive Director	300,000	600,000
R Wolanski	Executive Director & Company Secretary	419,768	1,750,000
Total		11,469,304	5,100,000

[1] 4,469,768 of the Shares are held by Mr AP Barton and Mrs CH Barton as trustee for the Barton Family Superannuation Fund of which Mr Barton is a director and a beneficiary. 5,710,000 of the Shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr Barton is a director and a beneficiary. 169,768 of the Shares are held by Inglewood Lodge Pty Ltd of which Mr Barton is a director and a beneficiary. 400,000 of the Shares are held by Selwood Nominees Pty Ltd of which Mr Barton is a director.

[2] 1,000,000 of the options are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr Barton is a director and a beneficiary.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

Niplats has established a portfolio of 100% owned tenements covering approximately 473 square kilometres in the East Kimberley region in Western Australia ("Tenements"). The principal activities of the entities within the Group during the year were focusing on exploration and development of the Tenements in the East Kimberley region of Western Australia.

CORPORATE STRUCTURE

NiPlats is a company limited by shares that is incorporated and domiciled in Australia. NiPlats has a fully owned subsidiary Speewah Mining Pty Ltd. The Group has prepared a consolidated financial report incorporating the entity that it controlled during the financial year, Speewah Mining Pty Ltd a 100% owned subsidiary.

OPERATING REVIEW

The consolidated entity's operations are discussed in detail in the Operations Report.

REVIEW OF CONSOLIDATED FINANCIAL CONDITION

The consolidated entity recorded an operating loss after income tax of $1,327,600 (2009: $458,178 loss). There was no dividend declared or paid during the year.

CAPITAL STRUCTURE

As at the date of this report the Company had 113,659,397 fully paid ordinary shares and 8,500,000 options over ordinary shares on issue. Details of the terms of the options are outlined in Note 18 of the consolidated financial statements.

CASH FROM OPERATIONS

The net cash outflow from operations of $268,741 is significantly smaller than the cash outflow in the previous year of $858,256. The cash outflow decrease was due to the company receiving a Research & Development refund of $337,362 and an Incentive Scheme Grant for $88,000.

As well as this, the company also received cash for operational expenses from placements completed on the 14th September 2009 and 18th February 2010 each totalling $1 million respectively. During the period 500,000 options were also converted to shares totalling $100,000. All of these were used for operational expenses during the year.
The cash balance at year end was $350,313.

PROFIT/(LOSS) PER SHARE	2010	2009
Basic earnings/(loss) per share (cents)	**(1.70)**	**(0.61)**
Diluted earnings/(loss) per share (cents)	**(1.70)**	**(0.61)**

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year the following significant changes were made to the Company's equity:

- On 14th September 2009 a placement of 5,000,000 ordinary shares at 20 cents was completed.
- On 16th and 26th November 2009, the Company issued a total of 500,000 ordinary shares as the result of the conversion of options.
- On 5th February 2010 at a General Meeting of Shareholders, a placement of 2,500,000 ordinary shares at 40 cents was ratified by shareholders. The funds in respect of the placement were received immediately following the ratification.
- On the 5th February 2010 at a General Meeting of shareholders, 1,800,000 options at 55 cents were issued to Directors of the Company ratified by shareholders. The options expire 31st December 2014.
- On the 5th February 2010, the Directors granted 1,700,000 options at 55 cents to contractors and employees of the company. The options expire 31st December 2014 and 500,000 of these vested immediately whereas the remaining 1,200,000 vest 12 months from issue.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

After the balance date the following significant changes were made to the Company's equity:

- On the 6th August 2010 the Company issued 11,721,024 Shares in a Share Purchase Plan at $0.215.
- On the 6th August 2010 the Company issued 12,161,628 Shares in an Excluded Offer Capital Raising at $0.215.
- On the 7th September 2010 the Company issued 6,976,745 Shares in an Underwriting of the Shortfall for the Share Purchase Plan.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors foresee that the 2010/2011 financial year will build on the positive results achieved during 2009/2010 and continue the focus on:

- Copper, Gold and Silver exploration programme, including systematic RC and Diamond drilling on the Speewah project to be completed by the end of 2010.
- Completing Pre-feasibility Studies focussed on the Central **vanadiferous magnetite** deposit. These studies are designed to deliver the following key outcomes:
    - Processing Flowsheet, OPEX, CAPEX and Net Present Value for different alternatives for the vanadiferous magnetite project;
    - Pit design and optimisation that will lead to a Reserve estimate on the Central deposit

In conjunction with these outcomes, Environmental and Aboriginal heritage work with be completed and an application for a Mining Lease that would allow future development.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's environmental obligations are regulated under both State and Federal law. All environmental performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. The consolidated entity has a policy of at least complying with, but in most cases exceeding, it's statutory environmental performance obligations. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2010.

SHARES UNDER OPTION

As at the year ended 30 June 2010 and the date of this report, there were 8,500,000 unissued ordinary shares under granted options.

Date Options Granted	Expiry Date	Issue Price of Shares	Number Under Option
2-July -2007	30-Jun-2012	$0.20	4,500,000
1-May -2008	31-Mar-2013	$0.45	200,000
1-Aug -2008	30-Jun-2012	$0.50	100,000
1-Aug -2008	30-Jun-2012	$0.65	100,000
1-Aug -2008	30-Jun-2012	$0.80	100,000
5-Feb -2010	31-Dec-2014	$0.55	2,300,000
5-Feb -2010	31-Dec-2014	$0.55	1,200,000
			8,500,000

SHARES ISSUED ON EXERCISE OF OPTIONS

During or since the end of the financial year, 500,000 options to acquire fully paid ordinary shares in NiPlats were exercised at an exercise price of 20 cents.

Other then what is mentioned above, there were no other options exercised.

1,800,000 options were ratified for issue by shareholders on the 5th February 2010, with an exercise price of $0.55 and an expiry date of 31st December 2014. These were issued to existing Directors of the Company.

During the financial year 1,700,000 options were issued to employees and contractors with an exercise price of $0.55 and an expiry date of 31st December 2014.

Refer to Note 18 of the consolidated financial statements for further details of the options outstanding.
Option holders do not have any right, by virtue of the option, to participate in any issue of the Company or any related body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Director and Officer Protection Deeds ("D&O Deed") with each Director and the Company Secretary ("Officers"). Under the D&O Deed, the Company indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the Officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the D&O Deed.

Also pursuant to the D&O Deed, the Company must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Company. The Company has paid insurance premiums of $9,158 (2009: $7,800) in respect of liability for any current and future directors, company secretary, executives and employees of the Company. This amount is payable in total and no specific amount is included in the directors' remuneration.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest dollar.

REMUNERATION REPORT (PARAGRAPHS 1-5 HAVE BEEN AUDITED)

This report details the nature and amount of remuneration for each director of NiPlats Australia Limited, and for the executives in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company, and includes one executive in the company.

For the purposes of this report, the term "executive" encompasses the chief executive, senior executives and the company secretary of the company.

Details of key management personnel (including the highest paid executive of the Company)

(i) Directors

A Barton	Non Executive Chairman
D Carew Hopkins	Non Executive Director
R Wolanski	Executive Director/Company Secretary

(ii) Executives

K Rogers	Chief Geologist
R Ramsay	Project Manager
A Eves	Exploration Manager

There are no other changes to the key management personnel after reporting date and before the date the financial report was authorised for issue. Other than as detailed above there are no other Executives of the Company.

1. Remuneration Committee

The Remuneration Committee of the Board of Directors of NiPlats is responsible for determining and reviewing compensation arrangements for the directors and executives. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

2. Remuneration Policy

The Company's remuneration policies are reflected in the Charter of the Remuneration Committee. It is the Company's objective to provide maximum stakeholder benefit from the retention of high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.
The Company's remuneration policy is to establish competitive remuneration (including performance incentives) consistent with long term development and success, to ensure remuneration is fair and reasonable (taking into account all relevant factors, and within appropriate controls or limits) that performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments (other than notice periods) will not be provided or agreed other than in exceptional circumstances.

It is the Company's objective that the remuneration policy aligns with achievement of strategic objectives and creation of long term value for shareholders. The Company does not use specific performance hurdles or conditions in determining remuneration or short term rewards. The Company assesses each employee annually based upon the individual performance in carrying out the agreed responsibilities of the employee which have been developed in consideration of the Company's long term goals. The performance incentive component is reflected as part of the increase in salary and the issue of equity based compensation for each employee on an annual basis.

The Company does not have a formal policy to prohibit executives from entering into arrangements to protect the value of unvested long term incentive awards.

3. Non Executive Director Remuneration

3.1 Fixed Remuneration

The aggregate remuneration to non executive directors will not exceed the maximum approved amount of $150,000. 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 by shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non executive directors of comparable companies when undertaking the annual review as well as additional time commitment of directors who serve on one or more sub committees and assistance to the Company with new investment opportunities. Each of the non executive directors during the financial year received a salary of $30,000 per annum plus superannuation.

Non executive directors are encouraged to hold shares in the Company; these are to be purchased by the director on market. It is considered good corporate governance for directors to have a stake in the company on whose board he or she sits.
Remuneration of non executive directors for the year ended 30 June 2010 is disclosed in Table 1 under the remuneration section of this report.

3.2 Variable Remuneration – Short Term Incentives

Non executive directors do not receive performance based bonuses or additional remuneration for their membership of subsidiary boards or committees.

3.3 Variable Remuneration – Long Term Incentives

During the financial year Mr Derek Carew-Hopkins, was issued 300,000 options that are subject to the following conditions:

- 300,000 unlisted options exercisable at $0.55 on or before 31st December 2014.

During the financial year Mr Anthony Barton, was issued 750,000 options that are subject to the following conditions:

- 750,000 unlisted options exercisable at $0.55 on or before 31st December 2014.

The options were granted upon receipt of shareholder approval on 5th February 2010 and were issued as an alternate remuneration to cash to encourage long term relationships with the Company.

Other than the above, the Company has no contractual obligation to provide long term incentives to non executive directors.

4. Executive Director Remuneration

The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company so as to:

- reward executives for company and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

Executive remuneration comprises of:

- base pay and benefits; and
- long term incentives through equity based compensation.

4.1 Fixed Remuneration

Base pay and benefits

Base pay is structured as a total employment cost package that may be delivered as combination of cash and salary sacrifice superannuation at the executive's discretion.

Executives are offered a competitive base pay. Reference is made to industry benchmarks to ensure that the base pay is set to reflect the market for a comparable role. Base pay is reviewed annually, or upon promotion, to ensure the executive's pay is competitive with comparable positions of responsibility. There is no guaranteed base pay increases for any executive contract.

4.2 Variable Remuneration – Long Term Incentives

During the financial year Mr Richard Wolanski, Executive Director, was issued 750,000 options that are subject to the following conditions:

- 750,000 unlisted options exercisable at $0.55 on or before 31st December 2014.

The options were granted upon receipt of shareholder approval on 5th February 2010 and were issued as an alternate remuneration to cash to encourage long term relationships with the Company.

Other than the above, the Company has no contractual obligation to provide long term incentives to the executive director.

4.3 Employment Contract – Richard Wolanski (Executive Director & Company Secretary)

On the 24th March 2009 the Company re-negotiated an employment agreement with Mr Richard Wolanski. Mr Wolanski was originally appointed the Executive Director of the Company on 21st May 2007.

Under the term of the present agreement, Mr Wolanski received a fixed remuneration of $54,500 per annum (inclusive of superannuation), for his services as an Executive Director. In addition, Mr Wolanski will be paid at a rate of $100 per hour (exclusive of GST) for any services provided to the Company which are outside of the scope of his duties as Executive Director.

The agreement may be terminated with 1 years notice in writing by the Company. The Company may also terminate Mr Wolanski's employment for any breach of duty in relation to the Company or if any acts of dishonesty or fraud are committed by him. If Mr Wolanski's employment is terminated, unless invited by the board of directors, he must resign as a Director of the Company. Mr Wolanski's employment is otherwise on commercial terms and conditions.

4.4 Employment Contracts – Executives - Ken Rogers (Chief Geologist), Rob Ramsay (Project Manager), Alex Eves (Exploration Manager)

The Company has entered into employment agreements with Messer's Rogers, Ramsay and Eves for the provision of technical geological services based on daily rates for the provision of services.

Alex Eves was made redundant on the 31st March 2009 as a full-time employee, however he did not cease to be an executive of the company and remains employed as a contractor.

Rob Ramsay has been employed with the company since 2007. Only beginning this reporting period, has he been considered a Key Management Personnel as his role has recently expanded with the company.

5. Remuneration of Key Management Personnel and Executives of the Company

Table 1: Remuneration for the year ended 30 June 2010

30 June 2010	Short Term Salary & Fees	Post Employment Superannuation	Share Based Payments		Total	Options as % of Total
			Options	Shares		
	$	$	$	$	$	%
Directors						
A Barton	30,000	2,700	279,000	-	311,700	89
D Carew-Hopkins	30,000	2,700	111,600	-	144,300	77
R Wolanski	167,353	4,500	279,000	-	450,853	62
Sub Total[1]	**227,353**	**9,900**	**669,600**	**-**	**906,853**	
Executives						
K Rogers	76,450	6,881	72,500	-	155,831	46
R Ramsay (Appointed 1st April 2009)	111,750	-	58,000	-	169,750	34
A Eves (Appointed 1st April 2009)	115,007	-	43,500	-	158,507	27
Sub Total	**303,207**	**6,881**	**174,000**	**-**	**484,088**	
Total	**530,560**	**16,781**	**843,600**	**-**	**1,390,941**	

1. Premium for Director's liability insurance is not included in remuneration table.

There were no changes of the Directors or executives after reporting date and before the date the financial report was issued.
Other than disclosed in the table no director or executive received any compensation in the financial year ended 30 June 2010.
None of the remuneration for directors or executives was performance related.

Table 2: Remuneration for year ended 30 June 2009

Details of the remuneration of each director of NiPlats, each of the executives of the Company and the consolidated entity who received the highest remuneration for the year ended 30 June 2009 are set out in the following tables.

30 June 2009	Short term Salary & Fees	Post Employment Superannuation	Share based payments Options	Share based payments Shares	Total	Options as % of Total
	$	$	$	$	$	%
Directors						
A Barton	32,700	-	-	-	32,700	0.0
K S Liddell (resigned as Non Executive Director 14th February 2009)	17,985	-	-	-	17,985	0.0
D Carew-Hopkins (appointed 1st August 2008)	29,975	-	5,640	-	35,615	15.8
R Wolanski	164,078	4,500	-	-	168,578	0.0
Sub Total[1]	**244,738**	**4,500**	**5,640**	**-**	**254,878**	
Executives						
K Rogers	90,844	-	-	-	90,844	0.0
A Eves (redundancy 31st1 March 2009)	102,500	17,775	29,300	-	149,575	19.6
Sub Total	**193,344**	**17,775**	**29,300**	**-**	**240,419**	
Total	**438,082**	**22,275**	**34,940**	**-**	**495,297**	

1. Premium for Director's liability insurance is not included in remuneration table.

None of the remuneration for directors or executives was performance related.

5.1 Equity Based Compensation - 2010

During the year, the following options were issued to directors of the Company:

- 300,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr Carew-Hopkins;
- 750,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr Barton;
- 750,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr Wolanski.

The options were issued as an alternate remuneration to cash, to provide industry competitive remuneration rates and to encourage long term relationships with the Company. As such, there was no performance conditions related to these options.

During the year, the following options were issued to executives of the Company:

- 500,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr K Rogers, Chief Geologist;
- 400,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr R Ramsay, Project Manager;
- 300,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued to Mr A Eves, Exploration Manager.

The options were issued as an alternate remuneration to cash, to provide industry competitive remuneration rates and to encourage long term relationships with the Company. The performance conditions related to the options were a period of continuous service for 12 months from date of issue.

As at 30 June 2010, there were 8,500,000 unissued ordinary shares under option granted to directors, executives and contractors.

Table 3: Compensation Options Granted during the year ended 30 June 2010

30 June 2010	Granted No.	Grant Date	Fair Value Grant Date ($)	Exercise Price ($)	Expiry Date	First Exercise Date	Last Exercise Date	Vested No.	Vested %
Directors									
D Carew-Hopkins	300,000	5-Feb-10	0.372	$0.55	31-Dec-14	5-Feb-2010	31-Dec-14	300,000	100
A Barton	750,000	5-Feb-10	0.372	$0.55	31-Dec-14	5-Feb-2010	31-Dec-14	750,000	100
R Wolanski	750,000	5-Feb-10	0.372	$0.55	31-Dec-14	5-Feb-2010	31-Dec-14	750,000	100
Executives									
K Rogers	500,000	5-Feb-10	0.365	$0.55	31-Dec-14	1-Mar-2011	31-Dec-14	-	0
R Ramsay	400,000	5-Feb-10	0.365	$0.55	31-Dec-14	1-Mar -2011	31-Dec-14	-	0
A Eves	300,000	5-Feb-10	0.365	$0.55	31-Dec-14	1-Mar -2011	31-Dec-14	-	0
Total	**3,000,000**							**1,800,000**	

There were 500,000 shares issued on conversion of employee options for the year ended 30 June 2010.

There were no alterations to options terms since grant date and no options were forfeited. Further details of the options are contained in Note 18.

Other than as detailed above, no Directors or executives were granted, issued or had options outstanding as at 30 June 2010.

30 June 2010	Value of Options Granted ($)	Value of Options Exercised ($)	Value of Options Lapsed ($)	Total Value of Options ($)	Value at Lapse Date ($)*
Directors					
D Carew-Hopkins	111,600	-	-	111,600	-
A Barton	279,000	-	-	279,000	-
R Wolanski	279,000	-	-	279,000	-
Executives					
K Rogers	182,500	100,000	-	282,500	-
R Ramsay	146,000	-	-	146,000	-
A Eves	109,500	-	-	109,500	-
Total	**1,107,600**	**100,000**		**1,207,600**	

* The value at lapse date of options that were granted as part of remuneration and that lapsed during the year because a vesting condition was not satisfied. The value is determined at the time of lapsing, but assuming the condition was satisfied.

Other than as detailed above, no Directors or executives were issued options or had options outstanding in the financial year ended 30 June 2010.

5.2 Equity Based Compensation - 2009

During the year, the following options were issued to directors and executives of the Company.

On the 28th November 2008, During the financial year 3 tranches of 100,000 options were ratified for issue by shareholders on the 28th November 2008, with an exercise price of $0.50, $0.65 and $0.80 respectively to Mr Carew-Hopkins as part of his appointment as a Non-Executive Director on the 1st August 2008.

The options were issued as an alternate remuneration to cash, to provide industry competitive remuneration rates and to encourage long term relationships with the Company. As such, there were no performance conditions related to the options.

As at 30 June 2009, there were 5,500,000 unissued ordinary shares under option granted to directors and executives.

Table 3: compensation Options Granted during the year ended 30 June 2009

30 June 2009	Granted No.	Grant Date	Fair Value Grant Date ($)	Exercise Price ($)	Expiry Date	First Exercise Date	Last Exercise Date	Vested No.	Vested %
Directors									
D Carew-Hopkins	100,000	1-Aug-08	0.0230	$0.50	30-Jun-12	28-Nov-08	30-Jun-12	100,000	100
	100,000	1-Aug-08	0.0183	$0.65	30-Jun-12	28-Nov-08	30-Jun-12	100,000	100
	100,000	1 Aug-08	0.0151	$0.80	30-Jun-12	28-Nov-08	30-Jun-12	100,000	100
Executives									
-	-	-	-	-	-	-	-	-	-
Total	**300,000**							**300,000**	**100**

There were no alterations to options terms since grant date and no options were forfeited. Further details of the options are contained in Note 18.

There were no shares issued on exercise of compensation options for the year ended 30 June 2009.

Other than as detailed above, no Directors or executives were granted, issued or had options outstanding as at 30 June 2009.

30 June 2009	Value of Options Granted ($)	Value of Options Exercised ($)	Value of Options Lapsed ($)	Total Value of Options ($)	Value at Lapse Date ($)
Directors					
D Carew-Hopkins	5,640	-	-	5,640	-
Executives					
-	-	-	-	-	-
Total	**5,640**	**-**	**-**	**5,640**	**-**

Other than as detailed above, no Directors or executives were issued options or had options outstanding in the financial year ended 30 June 2009.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors Meetings	Audit[1] Committee Meeting	Nomination[1] Committee Meeting	Remuneration[1] Committee Meeting
Number of Meetings Held	2	1	1	1
Number of Meetings Attended				
Anthony Barton	2	1	1	1
Derek Carew-Hopkins	2	1	1	1
Richard Wolanski	2	1	1	1

1. Committee is made up of the full Board. Reference to meeting refers to meeting conducted specifically to deal with the particular business of that Committee.

COMMITTEE MEMBERSHIP

The role of the Audit, Remuneration and Nomination Committees is carried out by the full Board in accordance with the appropriate charters. The Board considers that no efficiencies or benefits would be gained by establishing separate committees.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of NiPlats support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the following section of this annual report.

AUDITOR INDEPENDENCE

Section 370C of the Corporation Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the consolidated financial report. This Independence Declaration is disclosed on page 28 of this report and forms part of this directors' report for the year ended 30 June 2010.

NON AUDIT SERVICES

The Company's auditors, Ernst & Young, provided no non audit services during the year ended 30 June 2010.

TAX CONSOLIDATION

The Company and its subsidiary form a tax consolidated group.

Signed in accordance with a resolution of the directors.

Anthony Barton
Chairman

16th September 2010

1. INTRODUCTION

1.1. Corporate Governance

The Australian Stock Exchange ("ASX") Listing Rules ("Listing Rules") require a listed entity to include in its annual report a statement on corporate governance practices disclosing the extent to which it has followed the "best practice" corporate governance recommendations set by the ASX Corporate Governance Council. If the entity has not followed any of the recommendations, it must identify them and give reasons why. It must state the period during which the recommendations were followed. For this purpose, Listing Rules Guidance Note 9A sets out the 8 essential corporate governance principles and the applicable "best practice recommendations".

1.2. Compliance with ASX Listing Rule 4.10.3

Listing Rule 4.10.3 and Guidance Note 9A reflect ASX policy that it is "*appropriate to focus on disclosure of corporate governance practices rather than prescribe adoption of a particular practice*". Therefore, an entity's obligation is to highlight areas of departure from the recommendations: the "*if not, why not?*" approach.

1.3. The Company's Approach

The Board and senior management of NiPlats Australia Limited ("the Company") are committed to acting responsibly, ethically and with high standards of integrity as the Company works to create shareholder value. To achieve this goal, the Board has developed and adopted corporate governance practices and policies that have been implemented throughout management and governance. This Corporate Governance Statement summarises these practices as they have been adopted by the Company.

1.4. Adoption by the Board

The Board of the Company has reviewed and considered this Corporate Governance Statement and has adopted it. A Board resolution to this effect has been passed.

1.5. Summary of Compliance

The Company has complied with 23 of the 26 "best practice recommendations". Non compliance with Recommendations 2.1, 2.2 and 4.2 relates to the Board considering it appropriate to not separately constitute an Audit Committee, there not being a majority of independent Directors on the Board or an independent Chairman. The full Board deals with matters that would be dealt with by Audit, Remuneration and Nomination Committees and it considers the make up of the Board and its Committee's are appropriate given the Company's size and operations and the current directors' skills and experience. The Company's codes and policies are publicly available on its website: www.niplats.com.au.

2. ESSENTIAL PRINCIPLES OF GOOD CORPORATE GOVERNANCE

2.1. Principle 1: Lay Solid Foundations for Management and Oversight

"*Recognise and publish the respective roles and responsibilities of the board and management.*"

Recommendation 1.1: *Formalise and disclose the functions reserved to the Board and those delegated to senior executives.*

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a Board Charter which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct.

The Board's primary role is the optimisation of Company performance and protection and enhancement of shareholder value. They develop strategies for the Company, reviews strategic objectives and monitors performance against these objectives. Its functions and responsibilities include the following;

- setting strategic and policy direction;
- monitoring performance against strategy;
- identifying principal risks and opportunities and ensuring risk management systems are established and reviewed;
- approving and monitoring financial reports;
- capital management;
- compliance;

- significant business transactions and investments;
- appointing senior management and monitoring performance;
- remuneration;
- development and succession;
- adopting procedures to ensure the business of the Company is consistent with Company values;
- continuous disclosure compliance;
- ensuring effective shareholder communication;
- overseeing the Company's commitment to sustainable development and the environment;
- ensuring the Board remains appropriately skilled;
- reviewing and approving corporate governance systems;
- enhancing and protecting the Company's reputation; and
- establishing and maintaining appropriate ethical standards.

The Board is also governed by the Company's Constitution, and on appointment each director is provided with a Director's Information Kit, which forms part of the terms of their appointment and contains guides to directors' duties and responsibilities, the role of the Board and committees, the Constitution and the Company's policies.

The Board has delegated the authority and responsibility to manage and administer the Company's general operations and its financial operations to its Executive director and company secretary, Mr Richard Wolanski. The Company has in place formal letters of engagement for its senior management, setting out the responsibilities specifically delegated to them.

Recommendation 1.2: *Disclose the process for evaluating the performance of senior executives.*

During each Financial Year an assessment of the performance of each senior executive (including the Managing Director) is undertaken by the Remuneration Committee and the Board. Individual executives are evaluated against the terms and conditions of their employment and set policies for senior executive remuneration. Remuneration packages consist of base salary, fringe benefits, incentive schemes (including performance related bonuses), superannuation and entitlements upon retirement or termination.

Senior executive are evaluated and rewarded for both financial and non-financial performance across a range of indicators that apply to delivering results across the Company and linked to creating value for shareholders. Annual salary increases are determined by the following three factors: (a) movement in job salary rates as determined by the Minerals and Energy Human Resources Conference ("MEHRC") national survey on like positions and job size; (b) movement in individual competency values; and (c) movement in individual performance values.

A copy of the Company's Remuneration Committee Charter and Remuneration Statement is contained on the Company's website www.niplats.com.au.

2.2. Principle 2: Structure the Board to Add Value

"*Have a board of an effective composition size and commitment to adequately discharge its responsibilities and duties.*"

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

The board comprises of Mr Richard Wolanski, Mr Anthony Barton and Mr Derek Carew-Hopkins as directors. Details of the directors are set out in the Company's annual report. At present, Mr Carew Hopkins is considered to be an independent director in terms of the ASX Corporate Governance Council's definition of independence. Mr Wolanski and Mr Barton are not considered to be independent as Mr Wolanski is employed in an executive capacity by the Company and Mr Barton is a substantial shareholder of the Company. The Board has adopted procedures intended to ensure independent decision making occurs, including the requirement for directors to absent themselves from discussions in which they have a conflict of interest and the functioning of the Remuneration and Audit Committees.

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

The chairperson, Mr Barton, is not independent, as outlined above.

Recommendation 2.3: *The roles of the chairperson and Chief Executive Officer should not be exercised by the same individual.*

The role of chairperson is filled by Mr Anthony Barton, and the role of chief executive officer is filled by Mr Richard Wolanski as Executive Director.

Recommendation 2.4: *The board should establish a Nomination Committee.*

The Board has established a nomination committee comprising of all three Directors. The Board considers that given its size and that two members of the Board hold non-executive positions in the Company, no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Board assesses the experience, knowledge and expertise of potential directors before any appointment is made. The nomination committee deals with matters relating to the renewal of Board Members and Board Performance. The company has also adopted a Nomination and Remuneration Committee Charter.

Recommendation 2.5: *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

The Remuneration Committee has developed a formal process for performance evaluation of the Board. The Remuneration Committee reviews the remuneration policies applicable to all Directors and Executive Officers once a year making recommendations on remuneration packages and terms of employment to the Board.

The company secretary is appointed and removed by the Board. The company secretary works with the Chairman, the Board and the Board Committees on all governance issues. All Directors have access to the company secretary for the purpose of obtaining information or advice.

As referred to previously, an evaluation of the performance of the Executive director, Mr Richard Wolanski was undertaken by the Board in March 2010 and again August 2010. Both Mr Anthony Barton and Mr Derek Carew-Hopkins also undertook an evaluation of their performance in August 2010.

A copy of the Board Performance Evaluation Policy and Board Charter is contained on the Company's website at www.niplats.com.au

2.3. Principle 3: Promote Ethical and Responsible Decision Making

"*Actively promote ethical and responsible decision making.*"

Recommendation 3.1: *Establish a code of conduct to guide directors, the chief executive office (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:*

3.1.1 – the practices necessary to maintain confidence in the company's integrity.

3.1.2 – the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders.

3.1.3 – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has adopted a Code of Conduct setting the standards expected of officers, employees and contractors. This demonstrates the Company's commitment to conducting business in an ethical and accountable manner. In essence, officers, employees and contractors are expected to;

- act in good faith with the utmost honesty, integrity, objectivity and fairness;
- not to act improperly, misleadingly or deceptively;
- not to engage in illegal activity;
- understand and comply with applicable laws and Company policies;
- avoid conflicts of interest;
- be professional, responsible and accountable;
- respect an individual's rights; and
- deal responsibly with the community.

The Board monitors implementation of the Code. Breaches are reported by employees or contractors to a supervisor and by management or directors to the Board or the chairperson. In addition, the Director's Information Kit provided to each director contains a guide to the duties and responsibilities of directors and it is expected that Directors will be familiarised with these or any other documents prepared by the Company to meet corporate governance requirements.

Recommendation 3.2: *Establish and disclose the policy concerning trading in company securities by directors, senior executives and employees.*

The Company has in place a trading policy, "A Guide to Dealing in Securities", a copy of which is included in the Director's Information Kit provided to each director. A copy of this policy is also provided to all officers and employees of the Company on their commencement of service with the Company.

The trading policy imposes certain restrictions to prevent breaches of the insider trading provisions of the Corporations Act 2001 (Cth). The key aspects of it are that:

- trading in Company securities is only permitted on specific approval from the Company's chairman to deal within a specified time period and trading range;
- no trading is permitted where a director, officer or employee is in possession of information which if generally available, a reasonable person would expect to have a material effect on the price or value of the securities, and
- active dealing in the Company's securities to derive income is not permitted.

The trading policy was adopted before the current year and is reviewed annually. The insider trading prohibition is also notified to officers and employees at least annually.

The Policy on Directors and Senior Executives dealing in Securities objective is to:

- minimise the risk of Directors and Senior Executives of the Company contravening the laws against insider trading;
- ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- increase transparency with respect to trading in securities of the Company by Directors and Senior Executives.

2.4. Principle 4: Safeguard Integrity in Financial Reporting

"Have a structure to independently verify and safeguard the integrity of the company's financial reporting."

Recommendation 4.1: *The board should establish an audit committee.*

The Board has established an Audit Committee consisting of the full board. The Board considers that given its size and that two members of the Board hold non-executive positions in the Company, no efficiencies or other benefits would be gained by establishing a separate audit committee.

Recommendation 4.2: *Structure the audit committee so that it consists of:*

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

The audit committee is made up of the full board being two non – executive directors and one executive director. The chairman of the Audit Committee, Mr Derek Carew-Hopkins is not the Chairman of the Board and is a Non-Executive director of the company. He is considered to be an independent director pursuant to the ASX Corporate Governance Principles.

The Board considers that given its size and that two members of the Board hold non-executive positions in the Company, no efficiencies or other benefits would be gained by establishing a separate audit committee or appointing another non-executive, independent director to the Board.

Recommendation 4.3: *The audit committee should have a formal charter.*

The Board has adopted an Audit Committee Charter which sets out the duties of the Committee. These include the following;

- to be the focal point of the communication between the Board, management and the external auditor;
- recommend engagement and monitor performance of the external auditor;
- review external audit reports and ensure prompt remedial action;
- review the effectiveness of management information and internal control, all areas of significant financial risk and risk management, significant transactions not a normal part of the Company's business, financial information and ASX reporting statements; and
- monitor internal controls and compliance and review the disclosure policy annually.

The audit committee aims to meet at least once every quarter, with further meetings on an as required basis. The charter is included on the Company's website which also includes any information on procedures for the selection and appointment of the external auditor, or rotation of external engagement partners.

2.5. Principle 5: Make Timely and Balanced Disclosure

"*Promote timely and balanced disclosure of all material matters concerning the Company.*"

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

The Company has in place a continuous disclosure policy, "A Guide to Disclosure" which is reviewed at least annually, a copy of which is included in the Director's Information Kit provided to each director upon appointment, and which forms part of the terms of their appointment. A copy of the policy is also provided to all Company officers, employees and agents. The Company has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of its securities. The Company discharges these obligations by releasing information to ASX in the form of an ASX release or disclosure in other relevant documents (e.g. the Annual Report). In addition, a list of recent announcements is presented in each Board meeting for discussion, minuting and action if required.

2.6. Principle 6: Respect the Rights of Shareholders

"*Respect the rights of shareholders and facilitate the effective exercise of those rights.*"

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

The Company has in place a communications policy, a copy of which is included in the Director's Information Kit provided to each director upon appointment. The company is committed to ensuring that trade in securities takes place in an efficient, competitive and informed market. The communications policy recognises the importance of forthright communication as a key plank in building shareholder value and that to prosper and achieve the growth the company must (among other things) earn the trust of employees, customers, suppliers, communities and security holder by being forthright in its communications and consistent in its fulfilment of obligations.

The key aspects of the policy are:

- diligent compliance with the Company's disclosure and trading policies;
- prompt, transparent compliance with statutory reporting and meeting obligations, including detailed and full disclosure in relation thereto; and
- effective use of the Company's website, electronic communication and its share registry to keep shareholders up to date and to deal with enquiries.

The communications policy was adopted in May 2007 and is reviewed annually.

The Company employs a wide range of communication approaches to its members and the broader investment community. In addition to direct communication with its members, a section of the Company's website it is dedicated to its investors. Media releases, investor presentations and interim and full-financial reports are available for review on its website. These announcements, presentations and reports are placed on the website immediately after they have been released to ASX. Members with access to email can, through the Company's website, elect to be placed on an email mailing list in order to be sent certain corporate information as it is released, including notices of annual general meetings and explanatory statements and Annual reports. The Company regularly issues direct mail-outs to all shareholders advising of its email communication facility to encourage shareholders to be placed on its email mailing list.

As the usage and acceptance of electronic communications in the community increases, the Company continues to investigate the potential for increased use of electronic means of communicating with its investors and engaging their involvement in the Company, including shareholder participation in its general meetings.

2.7. Principle 7: Recognise and Manage Risk

"*Establish a sound system of risk oversight and management and internal control.*"

Recommendation 7.1: *The board or appropriate committee should establish policies on risk oversight and management, and disclose a summary of those policies.*

The Company has in place a risk oversight and management policy, a copy of which is included in the Director's Information Kit provided to directors upon appointment and which sets out systems for risk oversight, management and internal control.

This risk management policy was adopted in May 2007. The key aspects of it are:

- the Board oversees the establishment and implementation of risk management;
- the Audit Committee is delegated the function and responsibility to establish, implement and maintain risk management systems and frameworks; and
- the Company's senior management are delegated the tasks of management of operational risk and the implementation of risk management strategies.

The Board approves risk management systems and reviews them and their implementation annually. The Company's risk profile, assessed and determined on the basis of the Company's businesses in mineral exploration, is reviewed annually. The Board regularly considers risk management at its meetings.

The Company's risk management systems and control frameworks include the Board's ongoing monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the Board, regular presentations to the Board by management on the management of risk, approval procedures for significant capital expenditure above threshold levels, the functioning of the Audit Committee, comprehensive written policies on specific activities and corporate governance, regular communication between directors on compliance and risk and consultation and review between the Board and external accountants.

Recommendation 7.2: *The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively the board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.*

The Board has identified the specific and general risks that the Company is subject to and regularly assess and evaluation the impact of these and other potential risks on the Company's operation and business objectives. The risk profile of the company contains both financial and non-financial factors including material risks arising from pricing, competitive position, currency movements, operational efficiency, product quality and investments in new projects. Senior management are responsible for the development of risk mitigation plans and the implementation of risk reduction strategies and each week the senior management team meets to identify and discuss the types of business risks threatening the Company as a whole or specific business activity within the Company.

To reduce these risks, the company has in place an experienced Board, regular Board meetings, financial annual audit and half year review, rigorous appraisal of new investments, and advisers familiar with the company. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board Meetings.

The Executive Director reports regularly to the Board on the areas of risk he is responsible for and provides an annual written report to the Board summarising the effectiveness of the Company's management of material business risk. The Board is of the view that its risk management systems promote informed and measured decision making on risk issues bases on a systematic approach to risk identification, assessment, control, review and reporting.

Recommendation 7.3: The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Chief Executive Officer and the Financial Controller confirms in writing to the Board that the financial reports of the Company for the financial year:

- present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given in paragraph (a) above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.8. Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1: *The board should establish a Remuneration Committee.*

The Company aims to attract and retain high calibre directors and senior executives capable of meeting the leadership and specific management needs of the Company. A Remuneration Committee was established by the Board during the previous year to focus on this Company objective. The role of the Remuneration Committee is carried out by the full Board.

The Committee's duties include supervising employment and human resources, recommending remuneration for executive directors and senior employees and for non executive director remuneration within approved limits, assisting executive directors develop remuneration arrangements and reviewing executive succession and development.
The Committee met once during the Financial Year.

Recommendation 8.2: *Clearly distinguish the structure of non executive directors remuneration from that of senior directors and senior executives.*

Executive Directors remuneration packages may comprise of:

(a) salary and associated superannuation;
(b) fixed directors fees; and
(c) performance based bonuses.

The aggregate remuneration to non executive directors will not exceed the maximum amount of $150,000 approved by the Company's shareholders. The Company has adopted a Nomination and Remuneration Committee Charter.
Full remuneration disclosure, including superannuation entitlements, and the number of meetings of the Remuneration Committee is provided by the Company in this annual report. The Remuneration Committee ensures that all equity based executive remuneration is made within the guidelines set by plans approved by Shareholders.

Departure from Best Practice Recommendations

From 1 July 2009 to 30 June 2010, the Company complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council, other than in relation to the table below.

Recommendation	Notification of Departure	Explanation from Departure
2.1	The Board does not have a majority of independent directors	It is comprised of three non-independent directors. The existing structure is considered appropriate given the small scale of the Company's enterprise and the associated economic restrictions this places on the Company. The existing structure is aimed at maximising the financial position of the Company by keeping its operating costs to a minimum.
2.2	The Chairman is not independent	The existing structure is considered appropriate given the small scale of the Company's enterprise and the associated economic restrictions this places on the Company. The existing structure is aimed at maximising the financial position of the Company by keepings its operating costs to a minimum.
4.2	The Audit Committee; - does not consist of only non-executive directors - does not consist of majority independent directors - is not chaired by an independent chair	The role of the Audit Committee is currently carried out by the full Board, consisting of only three non-independent directors, being one Executive Director and two Non-Executive Directors. The existing structure is considered appropriate given the size and financial position of the company.

The Niplats Australia Limited Corporate Governance Principles and Practices Manual is available on the Company's website www.niplats.com.au

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Auditor's Independence Declaration to the Directors of NiPlats Australia Limited

In relation to our audit of the financial report of NiPlats Australia Limited for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
Perth
16 September 2010

GHM:NR:NiPlats:2010:010

Directors' Declaration

In accordance with a resolution of the directors of Niplats Australia Limited, I state that:

In the opinion of the directors:
(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30th June 2010 and of its performance for the year ended on that date; and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30th June 2010.

On behalf of the Board

Mr Anthony Barton
Chairman

16th September 2010

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated 2010 $	2009 $
Income Statement			
Revenue	6(a)	**107,006**	145,653
Directors' and Employees benefit expenses	6(b)		
- Share based payment		**(1,013,100)**	(34,940)
- Wages & Salary		**(115,400)**	(111,903)
- Superannuation		**(4,500)**	(4,500)
Consultants expenses		**(158,369)**	(135,248)
Compliance costs		**(110,840)**	(142,794)
Depreciation expense	6(b)	**(3,142)**	(2,273)
Insurance		**(13,128)**	(19,014)
Other administration expenses		**(339,661)**	(150,084)
Profit/(Loss) before income tax expense		**(1,651,134)**	(455,103)
Income tax benefit/(expense)	7	**323,534**	(3,075)
Net profit/(loss) for the year		**(1,327,600)**	(458,178)
Other Comprehensive Income		**-**	-
Total Comprehensive Income for the Year		**(1,327,600)**	(458,178)
Total Comprehensive Income for the Year is attributable to:			
Owners of Niplats Australia Limited		**(1,327,600)**	(458,178)
		(1,327,600)	(458,178)
Earnings/(Loss) per share			
Basic loss per share (cents per share)	9	**(1.70)**	(0.61)
Diluted loss per share (cents per share)	9	**(1.70)**	(0.61)

The accompanying notes form part of these consolidated financial statements.

Statement of Financial Position

AS AT 30 JUNE 2010

NiPlats

	Notes	Consolidated 2010 $	2009 $
Assets			
Current Assets			
Cash and cash equivalents	10	**350,313**	1,422,431
Trade and other receivables	11	**67,075**	75,130
Total Current Assets		**417,388**	1,497,561
Non Current Assets			
Deferred exploration expenditure	14	**9,788,688**	6,871,922
Plant & Equipment	13	**25,718**	13,061
Other financial assets	12	**40,000**	40,000
Total Non Current Assets		**9,854,406**	6,924,983
Total Assets		**10,271,794**	8,422,544
Liabilities			
Current Liabilities			
Trade and other payables	15	**274,890**	194,710
Total Current Liabilities		**274,890**	194,710
Non Current Liabilities			
Provisions		**2,570**	1,738
Total Non Current Liabilities		**2,570**	1,738
Total Liabilities		**277,460**	196,448
Net Assets		**9,994,334**	8,226,096
Equity			
Issued capital	16	**10,534,787**	8,452,049
Reserves	16	**1,395,891**	382,791
Retained profits/(accumulated losses)		**(1,936,344)**	(608,744)
Total Equity		**9,994,334**	8,226,096

The accompanying notes form part of these consolidated financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated 2010 $	2009 $
Cash Flows from Operating Activities			
Interest received		**19,005**	146,697
Research & Development Tax Rebate		**337,362**	-
Exploration Incentive Scheme Grant		**88,000**	-
Payments to suppliers and employees		**(713,108)**	(1,004,953)
Net cash provided by/(used in) operating activities	10	**(268,741)**	(858,256)
Cash Flows from Investing Activities			
Payment for exploration and evaluation		**(2,882,113)**	(2,887,319)
Proceeds from sale of plant and equipment		**-**	1,239
Payment for plant and equipment		**(15,800)**	-
Net cash provided by/(used in) investing activities		**(2,897,913)**	(2,886,080)
Cash Flows from Financing Activities			
Proceeds from issue of shares		**2,115,000**	-
Payment of share issue costs		**(20,464)**	(10,699)
(Repayment of)/proceeds from borrowings		**-**	-
Net cash provided by/(used in) financing activities		**2,094,536**	(10,699)
Net increase/(decrease) in cash and cash equivalents		**(1,072,118)**	(3,755,035)
Cash and cash equivalents at beginning of year		**1,422,431**	5,177,466
Cash and Cash Equivalents at end of year	10	**350,313**	1,422,431

The accompanying notes form part of these consolidated financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2010

Consolidated	Issued Capital $	Share Based Payment Reserves $	Retained Profits / (Accumulated Losses) $	Total Equity $
At 1 July 2008	**8,459,673**	**347,851**	**(150,566)**	**8,656,958**
Loss for the year	-	-	(458,178)	**(458,178)**
Total income and expense for the period and total comprehensive income			(458,178)	**(458,178)**
Transaction with owners in their capacity as owners:				
Capital raising fees	(7,624)	-	-	**(7,624)**
Share based payment	-	34,940	-	**34,940**
Balance at 30 June 2009	**8,452,049**	**382,791**	**(608,744)**	**8,226,096**
At 1 July 2009	**8,452,049**	**382,791**	**(608,744)**	**8,226,096**
Loss for the year	-	-	(1,327,600)	**(1,327,600)**
Total income and expense for the period and total comprehensive income			(1,327,600)	**(1,327,600)**
Transaction with owners in their capacity as owners:				
Issue of Share Capital	2,115,000	-	-	**2,115,000**
Capital raising fees	(32,262)	-	-	**(32,262)**
Share based payment		1,013,100	-	**1,013,100**
Balance at 30 June 2010	**10,534,787**	**1,395,891**	**(1,936,344)**	**9,994,334**

The accompanying notes form part of these consolidated financial statements.

1. CORPORATE INFORMATION

NiPlats Australia Limited ("NiPlats" or "the Company") is a company domiciled in Australia and publicly listed on the Australian Stock Exchange (ASX). The address of the Company's registered office is Level 22 Allendale Square, 77 St Georges Tce, Perth WA 6000. The consolidated financial statements of the Company as at and for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities). The nature of the operations and principal activities of the Group are described in the Director's Report.

The consolidated financial report was authorised for issue by the directors on 16th September 2010 in accordance with a resolution of the directors.

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) and the Corporations Act 2001. The consolidated financial report also complies with International Financial Reporting Standards (IFRS's) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

Unless stated otherwise, the consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs 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 estimates are revised and in any future periods affected.

(e) Changes in accounting policies

From 1 July 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009 applicable to the group.

Reference	Title	Application Date of Standard	Summary / Impact	Application Date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	1 January 2009	New Standard replacing AASB 114 *Segment Reporting,* which adopts a management reporting approach to segment reporting The amendments have a direct impact on the notes included in the Group's financial statements	1 July 2009
AASB 1039 (Revised)	Concise Reporting	1 January 2009	AASB 1039 was revised in August 2008 to achieve consistency with AASB 8 Operating Segments. The revisions include changes to terminology and descriptions to ensure consistency with the revised AASB 101 *Presentation of Financial Statements*	1 July 2009
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	1 January 2009	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 titles of the financial statements. These amendments have a direct impact on the presentation of the Group's financial statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standards – Share	1 January 2009	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting	1 July 2009

	Based Payments : Vesting Conditions and Cancellations		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. This amendment requires there be further disclosure in the Group's financial statements regarding Share-based payments.	
AASB 3 (Revised)	Business Combinations	1 July 2009	The revised Standard introduces a number of changes to the accounting for business combinations. The Group has not entered into any business combinations during the reporting period and so there is no impact.	1 July 2009
AASB 127 (Revised)	Consolidation and Separate Financial Statements	1 July 2009	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. The Group has not changed its ownership interest in existing subsidiaries in this reporting period and so there is no impact.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	1 July 2009	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
AASB 2008-5 and AASB 2008-6	Amendments to Australian Accounting Standards arising from Annual Improvements Project	1 Janaury 2009 and 1 July 2009	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary amendments to IFRS's. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part 2 deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009. The second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. This amendment does not impact the Group and its financial statements.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognized in profit and loss in an entity's separate financial statements (ie, Parent company accounts). The distinction between pre-and post-acquisition profits is no longer required. However the payment of such dividends require 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 reorganizations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value. This amendment does not impact the Group's financial statements.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	1 January 2009	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy; • quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) • inputs other than quoted prices	1 July 2009

			• included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and • inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, 1023 and 1038 comprise editorial changes resulting from the amendments to AASB 7. This amendment does not impact the Group's financial statements.	
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2, AASB 138 and AASB Interpretations 9 & 16]	1 July 2009	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australia entities is made to IFRIC 16 which allows qualifying hedge instruments to be held by an entity or entities within the group, including the foreign operation itself, as long as the designations, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendments. These amendments arise from the issuance of the AASB's Improvements to IFRS's. The amendments pertaining to IFRS 5, 8, IAS 1, 7, 17, 36 and 39 have been issued in Australia as AASB 2009-5. These amendments do not have an impact on the Group's financial statements.	1 July 2009
AASB 2009-7	Amendments to Australian Accounting Standards	1 July 2009	These comprise editorial amendments and have no direct impact on the measurement and recognition of amounts disclosed in the financial report.	1 July 2009
AASB 124 (Revised)	Related Party Disclosures (December 2009)			

The following new accounting standards have been issued but are not effective for this reporting period as the Group has not elected to early adopt any new standards or amendments. This means that none of the following standards impacts the Groups financial position or performance for these accounts. The extent of their impact, if any is yet to be determined, once the standards come into effect.

Reference	Title	Application Date of Standard		Application Date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	1 January 2010		1 July 2010
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	1 January 2010		1 July 2010
AASB 2009-9	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*	1 January 2010		1 July 2010
AASB 2009-10	Amendments to Australian Accounting Standards –	1 February 2010		1 July 2010

	Classification of Rights Issues [AASB 132]			
AASB 9	Financial Instruments	1 January 2013		1 July 2013
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, 1038 and Interpretations 10 & 12]	1 January 2013		1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	1 January 2011		1 July 2011
AASB 2009-12	Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023, 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 January 2011		1 July 2011
AASB 2009-13	Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	1 July 2010		1 July 2010
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	1 January 2011		I July 2011
AASB 2010-1	Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters	1 July 2010		1 July 2010
AASB 1053	Application of Tiers of Australian Accounting Standards	1 July 2013		1 July 2013
AASB 2010-2	Amendments to Australian Accounting Standards arising from reduced disclosure requirements	1 July 2013		1 July 2013
AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, 7, 121, 128, 131, 132 & 139]	1 July 2010		1 July 2010
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134 and Interpretation 13]	1 January 2011		1 July 2011
Interpretation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010		1 July 2010

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial report comprises the financial statements of NiPlats Australia Limited and its controlled entities (the "Group" or "consolidated entity"). NiPlats Australia Limited's controlled entity is the wholly owned company Speewah Mining Pty Ltd.

A controlled entity is any entity controlled by NiPlats, whereby NiPlats has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial statements of controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies. Accounting policies of controlled entities have been changed where necessary to ensure consistency with those policies applied by the parent entity.

All inter company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained, or until the date control ceased. There are no minority interests in the equity of the controlled entity.

(b) Income Tax and Other Taxes

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

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.
Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax consolidation legislation
The Company and its' subsidiary have formed a tax consolidated group. The consolidated financial statements have been prepared on this basis of the formation of a consolidated group.

The Company and its' subsidiary have implemented the tax consolidation legislation as of the 1st July 2004.

The head entity, NiPlats and the subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, NiPlats also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

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

(c) Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(d) Plant and Equipment
Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment
Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

Subsequent costs are included in the assets 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.

Impairment
Carrying values of assets are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may not be recoverable in whole or in part.

Where an asset does not generate cash flows that are largely independent it is assigned to cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset.

An impairment exists if the carrying value of the asset is determined to be in excess of its recoverable amount, in which case the asset or cash generating unit is written down to its recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-50%

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

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

(e) Financial Assets

Other financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) Financial assets carried at fair value

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(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. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

(f) Shares in controlled entities

Investments in controlled entities are measured at cost. The Group assesses whether it is necessary to recognise any impairment loss in the investment in subsidiaries following any significant changes in the underlying assets or operations of the relevant subsidiary.

(g) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

(h) Provision for restoration, rehabilitation and environmental expenditures
The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation program, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

(i) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short term borrowings in current liabilities on the financial statement.

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

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

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. Interest revenue is recognised as interest accrues using the effective interest method.

(m) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.
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.

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

(n) Share Based Payment Transactions

Equity settled transactions

The Group provides benefits to directors and employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of shares is determined by the price on grant date and of options using the Black & Scholes model, further details of which are given in Note 18. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of NiPlats (market conditions) if applicable.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(o) Employee Benefits

Wages, salaries and annual leave

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Contributed Equity

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

(q) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of mineral resources and ore reserves

The Group's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard.

The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

(ii) Capitalisation of exploration and evaluation expenditure
Under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group has the option to either expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected, when the conditions in AASB 6 are met, to capitalise these costs.

Actual results may differ from these estimates

(b) Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

(i) Share base payment transactions
The Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in Note 18.

The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of the assets and liabilities within the next annual reporting period but may impact income and expenses.

(ii) Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(iii) Provision for decommissioning and restoration costs
Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation. The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites.

5. PARENT ENTITY INFORMATION

	Parent	
	2010	2009
	$	$
Current Assets	**351,583**	5,394,948
Non-current Assets	**9,347,248**	2,285,077
Total Assets	**9,698,831**	7,680,025
Current Liabilities	**145,463**	73,721
Non-current Liabilities	**2,570**	1,736
Total Liabilities	**148,033**	75,457
Contributed Equity	**10,534,786**	8,452,049
Retained Earnings / (Accumulated Losses)	**(2,379,878)**	(1,230,272)
Option Reserve	**1,395,891**	382,791
Total Equity	**9,550,799**	7,604,568
Profit / (Loss) for the year	**(1,326,739)**	(395,970)
Other Comprehensive income / (loss) for the year	**-**	-
Total Comprehensive income / (loss) for the year	**(1,326,739)**	(395,970)

	Consolidated	
	2010	2009
	$	$

6. REVENUES

(a) Revenue

Interest	**19,006**	145,653
Exploration Incentive Scheme Grant	**88,000**	-
	107,006	145,653

(b) Expenses

Depreciation – plant and equipment	**(3,142)**	(2,273)
Directors' and employee benefits expenses:		
- wages and fees	**(115,400)**	(111,903)
- superannuation contribution expense	**(4,500)**	(4,500)
- share based payments	**(1,013,100)**	(34,940)

	Consolidated 2010 $	2009 $
7. INCOME TAX		
The major components of the income tax are:		
Income Statement		
Current income tax		
Current year	**(1,095,413)**	(1,053,120)
Current tax attributable to prior years	**(137,326)**	115,251
Deferred income tax		
Relating to origination and reversal of temporary differences	**881,358**	919,088
Deferred tax assets related to current year timing differences not brought to account as realisation is not regarded probable	**27,847**	21,856
Income tax expense/(benefit) reported in the income statement	**(323,534)**	3,075
Statement of Changes in Equity Deferred Tax		
Deferred income tax relating to items charged or credited directly to equity		
Capital raising costs charged to equity	**13,827**	3,075
	13,827	3,075
Reconciliation to Income Tax Expense on Accounting Profit/ (Loss)		
A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting profit/(loss) before income tax	**(1,651,134)**	(445,103)
Tax payable/(refundable) at the statutory income tax rate 30%	**(495,341)**	(136,531)
Non Deductible Expenses		
Employee share expenses	**303,930**	10,482
Prior year adjustments impacting timing differences not recognised	**177,392**	107,268
Deferred tax assets not brought to account as realisation is not considered probable	**27,847**	21,856
Research and Development tax offset received	**(337,362)**	-
Income Tax Expense/(Benefit)	**(323,534)**	3,075

7. INCOME TAX (continued)

Consolidated	Balance Sheet		Income Statement	
			Year ended	Year ended
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	$	$	$	$
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Exploration	**(2,936,606)**	(2,076,093)	**(860,513)**	(909,845)
Accrual Income	**-**	(710)	**710**	730
Fixed Assets	**(2,216)**	(3,419)	**1,203**	(5,615)
Deferred tax assets				
Capital raising costs	**96,308**	83,024	**(543)**	(21,775)
Tax losses	**2,835,708**	1,968,177	**-**	-
Provisions	**806**	521	**285**	(11,083)
Accrued Expenses	**6,000**	28,500	**(22,500)**	28,500
	-	-		
Deferred tax (income)/expense			**(881,358)**	(919,088)

The Group has tax losses for which no deferred tax asset is recognised on the balance sheet that arose in Australia of $27,847 (2009: $72,853) and are available indefinitely for offset against future taxable profits of the Group subject to continuing to meet relevant statutory tests.

The Company and its' subsidiary form a tax consolidated group. The consolidated financial statements have been prepared on this basis of the formation of a consolidated group.

8. SEGMENT REPORTING

The Consolidated Entity operates in one geographical area being Australia and one industry, being exploration for the year to 30 June 2010. The Chief Operating Decision Makers are the Board of Directors and management of the Group. There is only one operating segment identified being exploration activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

	Consolidated	
	2010	2009
	$	$
9. EARNINGS/(LOSS) PER SHARE		
Profit/(Loss) used in calculation of basic and diluted earnings per share	**(1,327,600)**	(458,178)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	**79,965,753**	74,800,000
Effect of dilution:		
share options	**-**	-
Weighted average number of ordinary shares adjusted for effect of dilution	**79,965,753**	74,800,000

As at 30th June 2010 the Company has 8,500,000 Directors' and Employees Options (2009: 5,500,000) on issue exercisable before 31st March 2012, 30th June 2012 and 31st December 2014 respectively. These options are not considered to be dilutive as the conversion of the options to ordinary shares will decrease loss per share.

On the 20th August 2009, the Company completed a placement of 5 million shares at 20 cents to raise $1 million. The shares related to the placement were issued on the 14th September 2009.

On the 16th November 2009 and 26 November 2009, the Company issued a total of 500,000 shares at 20 cents to raise $100,000. The shares related to the conversion of employee options.

On the 5th February 2010, the Company completed a placement of 2.5 million shares at 40 cents to raise $1 million. The shares related to the placement were issued on the 18th February 2010.

Other than what is mentioned above there have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding for the reporting period.

	Consolidated	
	2010	2009
	$	$
10. CASH AND CASH EQUIVALENTS		
(i) Cash and cash equivalents balance		
Cash at bank and on hand	**350,313**	1,422,431
Short term deposits	**-**	-
	350,313	1,422,431

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(ii) Reconciliation of net loss after tax to net cash flows from operations		
Profit/(Loss) for the year	**(1,327,600)**	(458,178)
Share-based payments	**1,013,100**	34,940
Depreciation	**3,142**	2,273
Taxation	**-**	3,075
(Increase)/decrease in assets:		
- current receivables	**(18,157)**	1,042
Increase/(decrease) in liabilities:		
- current payables	**59,942**	(441,408)
- provision	**832**	-
Net Cash flow from / (used in) Operating Activities	**(268,741)**	(858,256)

11. TRADE AND OTHER RECEIVABLES		
Accrued interest	**-**	2,368
GST recoverable	**53,600**	72,762
Trade Receivables	**13,475**	-
	67,075	75,130

(a) Allowance for impairment loss

Trade and other receivables which are primarily from the ATO are non-interest bearing and are generally paid on 30 day settlement terms. Trade and other receivables are neither past due nor impaired at 30 June 2010.

(b) Fair value

Due to the short term nature of the other receivables, their carrying value is assumed to approximate their fair value.

	Consolidated 2010 $	Consolidated 2009 $
12. OTHER FINANCIAL ASSETS		
Non-current		
Term deposit for bank guarantee for rehabilitation bond	**40,000**	40,000
	40,000	40,000

The Non-current other financial asset term deposit is a security for bank guarantees provided by the Company to the State Government to support Rehabilitation Bonds on exploration tenements. The funds attract interest at fixed rates in term deposits.

	2010 $	2009 $
13. PLANT AND EQUIPMENT		
Cost	**31,301**	15,501
Accumulated depreciation	**(5,583)**	(2,440)
Net carrying amount	**25,718**	13,061
At beginning of year, net accumulated depreciation	**13,060**	16,537
Additions	**15,800**	-
Disposals	**-**	(1,203)
Depreciation charge for the year	**(3,142)**	(2,273)
At end of year, net accumulated depreciation	**25,718**	13,061

The useful life of the assets was estimated between 2 and 10 years for 2010.

No provisions have been made for the impairment of plant and equipment as impairment is made if carrying amount exceeds recoverable amount.

	2010 $	2009 $
14. DEFERRED EXPLORATION EXPENDITURE		
Costs carried forward in respect of:		
Explorations and Evaluations Phase – At Cost		
Balance at beginning of the year	**6,871,922**	3,866,561
Expenditure incurred	**2,916,766**	3,005,361
Total Exploration Expenditure	**9,788,688**	6,871,922

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

	2010 $	2009 $
15. TRADE AND OTHER PAYABLES		
Trade payables	**274,890**	194,710
	274,890	194,710

Trade payables and other creditors are non interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

16. CONTRIBUTED EQUITY AND RESERVES

Consolidated	2009	
	Number	$
Issued capital at beginning of year as at 1 July 2008	**74,800,000**	8,459,673
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movement in ordinary shares on issue		
Transaction Costs on share issue	-	(7,624)
Issued Capital at end of year as at 30 June 2009	74,800,000	8,452,049

Movement in options on issue	Number	Exercise Price
Options on Issue as at 1 July 2008	**5,200,000**	
Class C Executive Options Issued	100,000	**50 cents**
Class D Executive Options Issued	100,000	**65 cents**
Class F Executive Options Issued	100,000	**80 cents**
Options on Issue as at 30 June 2009	**5,500,000**	**-**

Consolidated	2010	
	Number	$
Issued capital at beginning of year as at 1 July 2009	74,800,000	8,452,049
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movement in ordinary shares on issue		
Issued 14th September 2009 for cash	5,000,000	1,000,000
Transaction costs on share issue	-	(32,262)
Issued 16th November 2009 for cash (conversion of employee options)	250,000	50,000
Issued 26th November 2009 for cash (conversion of employee options)	250,000	50,000
Issued 5th February 2010 for cash	2,500,000	1,000,000
Share Purchase Plan funds received		15,000
Issued Capital at end of year as at 30 June 2010	82,800,000	10,534,787

Movement in options on issue	Number	Exercise Price
Options on Issue as at 1 July 2009	5,500,000	
Conversion of Options to Shares 16th November 2009	(250,000)	**20 cents**
Conversion of Options to Shares 26th November 2009	(250,000)	**20 cents**
Issue of options 5th February 2010 to Directors	1,800,000	**55 cents**
Issue of options 5th February 2010 to Employees	1,700,000	**55 cents**
Options on Issue as at 30 June 2010	**8,500,000**	

On the 5th August 2010, the Company issued 11,721,024 shares in a Share Purchase Plan at $0.215. As at 30 June 2010, the Company had not yet issued any of these shares but had received $15,000 (69,767 shares).

Also on the 5th August 2010, the Company issued 12,161,628 shares in an Excluded Offer Capital Raising at $0.215.
On the 7th September 2010, the Company issued 6,976,745 shares in an Underwriting of the Shortfall for the Share Purchase Plan at $0.215.

Other then what is mentioned above, there were no significant movements in equity after the 2010 reporting period until the lodgement of this report.

Terms and conditions of contributed equity

Ordinary shares
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

As per the Corporations Act 2001 the Company does not have authorised capital and ordinary shares do not have a par value.

During the year, the following options were issued by the Company:
- 1,800,000 unlisted options exercisable at $0.55 on or before 31st December 2014 issued to Directors which vest on issue. The options vested on the 5th February 2010 upon shareholder approval at General Meeting of Shareholders;
- 500,000 unlisted options exercisable at $0.55 on or before 31st December 2014 issued to contractor which vest on issue;
- 1,200,000 unlisted options exercisable at $0.55 on or before 31st December 2014 issued to employees which vest 12 months from date of issue which was the 1st March 2010.

	Equity Benefits Reserve $
Reserves	
At 1 July 2008	347,851
Share-based payments - employee benefits	34,940
At 30 June 2009	382,791
Share-based payments - employee benefits related to issue of options	1,013,100
At 30 June 2010	**1,395,891**

Nature and Purpose of Equity Benefits Reserve

This reserve is used to record the value of equity benefits provided to directors, employees and external service providers as part of their fees and remuneration.

	Consolidated	
	2010 **$**	2009 $
17. COMMITMENTS		
(a) Exploration Expenditure Commitment		
In order to maintain the Company's interest in mining tenements, the Company is committed to meet the minimum expenditure conditions under which the tenements were granted.		
Within 1 year	**600,410**	470,525
(b) Operating Lease Commitment		
The Company entered an agreement for occupancy and warehouse storage facilities on a monthly basis, the commitments under these agreements are:		
within 1 year	**44,821**	606
1 - 3 years	**44,821**	606

18. SHARE BASED PAYMENTS

(a) Recognised share-based payment expenses

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 6 to the income statement.

(b) General terms of share-based payment plans

The options issued during the year ended 30 June 2010 have been issued to provide long term incentives for Directors, employees and contractors of the Company. A total of 3,500,000 unlisted options exercisable at $0.55 on or before 31st December 2014 were issued. A total of 2,300,000 of the options vest on issue, with the remaining 1,200,000 options vesting upon 1st March 2011.

(c) Summaries of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) and movements in employee share options issued during the year.

	2010		2009	
	Number	WAEP	Number	WAEP
Options outstanding at the beginning of the year	**5,500,000**	**0.23**	5,200,000	0.21
Granted during the year	**3,500,000**	**0.55**	300,000	0.65
Converted during the year	**(500,000)**	**0.20**	-	-
Outstanding at the end of the year	**8,500,000**	**0.37**	5,500,000	0.23
Exercisable at the end of the year	**7,300,000**	**0.34**	5,500,000	0.23

There were 8,500,000 options issued or exercisable as at 30 June 2010 (2009: 5,500,000).

On the 21st May 2007, the Company granted 5,000,000 options over ordinary shares with an exercise price of $0.20 each, exercisable until 30 June 2012. The options vested on the 3rd July 2007. These options were expensed on a straight line basis from the date of grant (21st May 2007) to the date of vesting (3rd July 2007) in the financial statements of the year ended 30 June 2007 and 30 June 2008. On the 16th November 2009 and the 26th November 2009 a total of 500,000 of these options were converted into ordinary shares.

On the 1st April 2008, the Company granted 200,000 options over ordinary shares with an exercise price of $0.45 each to an employee, exercisable until the 31st March 2013. The options vested on the 1st March 2009 on redundancy of the employee.

On the 1st August 2008, the Company granted three tranches of 100,000 (total of 300,000) options over ordinary shares with an exercise price of $0.50, $0.65 and $0.80 each, exercisable until 30 June 2012. The options were granted upon appointment of Director and vested on the 28th November 2008, and were subsequently issued, upon shareholder approval at the Annual General Meeting of shareholders.

On the 5th February 2010, the shareholders ratified the issue of 1,800,000 options over ordinary shares with an exercise price of $0.55 each, exercisable until 31st December 2014. The options vested immediately, and were subsequently issued on the 10th February 2010.

On the 5th February 2010, the Company granted 1,700,000 options over ordinary shares with an exercise price of $0.55 each, exercisable until 31st December 2014. 1,200,000 options vest on the 1st March 2011, and the remaining options vested immediately.

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 June 2010 is 3.05 years (2009: 3.03 years).

18. SHARE BASED PAYMENTS (continued)

(e) Range of exercise price and weighted average share price at the date of exercise

The exercise price for options outstanding at the end of the year was:

Options	2010	2009
Class A (4,500,000)	0.20	0.20
Class B (200,000)	0.45	0.45
Class C (100,000)	0.50	0.50
Class D (100,000)	0.65	0.65
Class E (100,000)	0.80	0.80
Class F & G (3,500,000)	0.55	-

There were 500,000 share options exercised during the year at exercise price of 20 cents (2009: nil).

(f) Weighted average fair value

The weighted average fair value of options at the year ended 30 June 2010 was 12.4 cents (2009: 6.7 cents). No options were forfeited or expired during the year ended 30 June 2010. The weighted average fair value only includes vested options.

(g) Option pricing model

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2010 and 30 June 2009:

	2010	2009
Options Issued	**3,500,000**	**300,000**
Volatility (%)	**150**	**70**
Risk free interest rate (%)	**4.48**	**4.21**
Historic share price previous to grant date (cents)	**39**	**41**
Expected life of options (years)	**4**	**3**
Options exercise price (cents)	**55**	**50, 65 and 80**

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

19. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash and short term deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 6, 9, 10 and 16 to the consolidated financial statements.

The Group manages its exposure to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the approved Group policies.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecast for interest rate and foreign exchange. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

19. FINANCIAL RISK MANAGEMENT (continued)

Commodity price risk

The Group's policy is to sell its commodity products at current market prices. Once in production the Group expects to have an exposure to commodity price risk associated with the production and sale of vanadium and fluorite. Presently the Group is not exposed to commodity price risk.

Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board in accordance with the approved investment policy. This policy defines maximum exposures and credit ratings limits.

The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.
During the financial year the Group has managed its cash assets by entering into a fixed interest term deposits to maximise its cash balance.

The following table summarises the impact of reasonably possible changes on interest rates for the Consolidated Group as at 30 June 2010. The sensitivity is based on the assumption that interest rate changes by 80 basis points with all other variables held constant. The 80 basis points sensitivity is based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 3 year period. The analysis is performed on the same basis for the comparative period.

The Group's exposure to interest rate risk on post-tax loss arises from higher or lower interest income from cash and cash equivalents. Please see Note 10 for information on cash balance held with variable and fixed interest rates.

	Consolidated	
	2010	2009
	$	$
Financial assets		
Cash and cash equivalents	**350,313**	1,422,431
Loan to subsidiary	**-**	-
Other Financial Assets	**40,000**	40,000
Financial Liabilities	**-**	-
	390,313	1,462,431
Impact on post tax profit and equity		
Post-tax gain/(loss) and equity		
80 bp increase	**2,186**	8,190
80 bp decrease	**(2,186)**	(8,190)

The difference in the impact on post tax loss is due to lower interest income from cash on hand and other financial assets. The sensitivity is lower in 2010 than in 2009 because of a decrease in cash balances that has occurred due to exploration expenditure that has occurred during the year.

Foreign currency risk

The Group has no material transactional foreign currency exposure.

Credit risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks and receivables.

The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. Investment limits are set in accordance with limits set by the Board based on the counterparty credit rating. The limits are assigned to minimise concentration of risks and mitigate financial loss through potential counterparty failure. The compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to senior management.

As the Group is yet to commence mining operations it has no significant exposure to customer credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets in the Statement of Financial Position.

Credit Quality of Financial Assets

	S&P Credit rating				
	AAA	**A1+**	**A1**	**A2**	**Unrated**
	$	**$**	**$**	**$**	**$**
Consolidated as at 30 June 2010					
Cash at bank	**-**	**349,832**	**-**	**-**	**481**
Other Financial Assets	**-**	**40,000**	**-**	**-**	**-**
Trade Receivables	**-**	**-**	**-**	**-**	**67,075**
Consolidated as at 30 June 2009					
Cash at bank	-	1,421,931	-	-	500
Other Financial Assets	-	40,000	-	-	-
Trade Receivables	-	-	-	-	-

Liquidity risk
The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Group's liquidity needs can be met through a variety of sources, including: cash generated from interest accrued on cash balances, short and long term borrowings and issue of equity instruments.

Alternatives for sourcing our future capital needs include our current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

The following table details the Group and Parent's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

	Less than 6 months	**6 months – 12 months**	**1-2 years**	**> 2 years**
	$	$	$	$
Consolidated at 30 June 2010				
Trade and other payables	**274,890**	**-**	**-**	**-**
Consolidated at 30 June 2009				
Trade and other payables	194,710	-	-	-

Capital risk management
The Group's total capital is defined as equity attributable to equity holders of the parent, cash and cash equivalents.

The Group's capital management objectives are:

- To safeguard the business as a going concern;
- To maximise potential returns for shareholders through minimising dilution; and

- To retain an optimal debt to equity balance in order to minimise the cost of capital.

The Group may issue new shares or sell assets to reduce debts in order to maintain the optimal capital structure.

20. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of NiPlats and the subsidiary:

	Country of Incorporation	% Equity Interest 2010	% Equity Interest 2009	Investment ($) 2010	Investment ($) 2009
Speewah Mining Pty Ltd	Australia	**100**	100	**198,185**	198,185

The outstanding loan balance to the subsidiary as at 30 June 2010 is $6,351,683 (2009: $4,045,720). The loan is non-interest bearing and is repayable on demand.

Details relating to key management personnel including remuneration are included in Note 23.

21. EVENTS AFTER THE BALANCE SHEET DATE

On the 26th July 2010, the Company announced a placement of 12,161,628 shares at 21.5 cents to raise $2,614,750. The shares related to the placement were issued on the 6th August 2010.

On the 30th July 2010, the Company completed a share purchase plan with applications and receipts for 11,721,024 shares at 21.5 cents to raise $2,520,020. The shares related to the placement were issued on the 6th August 2010. Underwriting for the first $1.5 million shortfall of the Share Purchase Plan has been completed by Martin Place Securities, approved by shareholders at a general meeting on the 7th September 2010. 6,976,745 shares were issued on the same day at 21.5 cents.

Other than what is mentioned above no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of NiPlats, the results of those operations or the state of affairs of NiPlats in subsequent years that is not otherwise disclosed in the consolidated financial statements.

22. AUDITORS' REMUNERATION

The auditors of NiPlats are Ernst & Young.

	Consolidated 2010 $	Consolidated 2009 $
Amounts received or due and receivable by Ernst & Young for:		
An audit or review of the financial report of the entity	**32,875**	46,453
	32,875	46,453

23. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

There were no changes to key management personnel between the reporting date and the date the financial report was authorised for issue.

(a) Compensation of Key Management Personnel

Key Management Personnel		
Short-term	**530,560**	438,082
Post-employment superannuation	**16,781**	22,275
Value of Share based payments	**843,600**	34,940
	1,390,941	495,297

(b) Option Holdings of Key Management Personnel

30 June 2010	Balance at Beginning of Period 1 July 2009	Granted as Remuner-ation	Options Exercised	Net Change Other	Balance at End of Period 30 June 2010	Vested at 30 June 2010 Total	Not Exercisable	Exercisable
Directors								
A Barton	2,000,000	750,000	–	–	**2,750,000**	**2,750,000**	–	2,750,000
D Carew-Hopkins	300,000	300,000	–	–	**600,000**	**600,000**	–	600,000
R Wolanski	1,000,000	750,000	–	–	**1,750,000**	**1,750,000**	–	1,750,000
Executives								
K Rogers	500,000	500,000	500,000	–	**500,000**	**500,000**	500,000	–
R Ramsay	500,000	400,000	–	–	**900,000**	**500,000**	400,000	500,000
A Eves	200,000	300,000	–	–	**500,000**	**500,000**	300,000	200,000
Total	**4,500,000**	**3,000,000**	**500,000**	**–**	**7,000,000**	**7,000,000**	**1,200,000**	**5,800,000**

30 June 2009	Balance at Beginning of Period 1 July 2008	Granted as Remuner-ation	Options Exercised	Net Change Other	Balance at End of Period 30 June 2009	Vested at 30 June 2009 Total	Not Exercisable	Exercisable
Directors								
A Barton	2,000,000	–	–	–	**2,000,000**	**2,000,000**	–	2,000,000
K Liddell (resigned 14 Jan 2009)	1,000,000	–	–	–	**1,000,000**	**1,000,000**	–	1,000,000
D Carew-Hopkins	–	300,000	–	–	**300,000**	**300,000**	–	300,000
R Wolanski	1,000,000	–	–	–	**1,000,000**	**1,000,000**	–	1,000,000
Executives								
A Eves (Redundant 31 Mar 2009)	200,000	–	–	200,000	**-**	**-**	–	-
Total	**4,200,000**	**300,000**	**–**	**200,000**	**4,300,000**	**4,300,000**	**–**	**4,300,000**

(c) Shareholdings of Key Management Personnel

30 June 2010	Balance 1 July 2009 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2010 Ord
Directors					
A Barton	8,749,387	**-**	**-**	98,736	8,848,123
D Carew-Hopkins	**-**	**-**	**-**	200,000	200,000
R Wolanski	350,000	**-**	-	69,768	419,768
Executives				–	
K Rogers	50,000	–	250,000	21,736	271,736
R Ramsay	–	–	–	–	–
A Eves	–	–	–	–	–
Total	**9,149,387**	**-**	**250,000**	**390,240**	**9,739,627**

[1] 3,750,000 of the Shares are held by Mr AP Barton and Mrs CH Barton as trustee for the Barton Family Superannuation Fund of which Mr Barton is a director and a beneficiary. 4,998,123 of the Shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr Barton is a director and a beneficiary. 100,000 of the Shares are held by Inglewood Lodge Pty Ltd of which Mr Barton is a director and a beneficiary.

30 June 2009	Balance 1 July 2008 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2009 Ord
Directors					
A Barton	8,649,387[1]	–	–	100,000	8,749,387[1]
K Liddell (resigned 14 Jan 2009)	–	–	–	–	–
D Carew-Hopkins	–	–	–	–	–
R Wolanski	350,000	–	–		350,000
Executives				–	
A Eves (Redundant 31 Mar 2009)	–	–	–	–	–
Total	**8,999,387**	**–**	**–**	**100,000**	**9,099,387**

[1] 3,750,000 of the Shares are held by Mr AP Barton and Mrs CH Barton as trustee for the Barton Family Superannuation Fund of which Mr Barton is a director and a beneficiary. 100,000 of the shares are held by Inglewood Lodge Pty Ltd of which Mr Barton is a director and shareholder. 2,695,637 of the Shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr Barton is a director and a beneficiary. 2,203,750 of the Shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Management Account of which Mr Barton is a director and a beneficiary.

(d) Related Party Transactions

All equity transactions with key management personnel have been entered into under terms no more favourable than those the Group would have adopted if dealing at arm's length.

Australian Heritage Group Pty Ltd ("AHG"), a company of which Mr Anthony Barton is a Director has entered into a occupancy and administration agreement with NiPlats in respect of providing occupancy, administration and bookkeeping services commencing March 2009. The total value of the occupancy and administration services provided by AHG during the year was $116,120 (2009: $45,345) AHG was also paid for providing co-ordination and management services in relation to a capital raising of $1 million in August 2010. This included a $5,000 Management Fee and 1.5% of the total capital raised which is typically passed on to any Australian Financial Service License ("AFSL") holders who have provided capital raising services. The total value of the management and capital raising fees provided by AHG during the year was $22,000 (2009: $0).
All services provided by companies associated with directors were provided on commercial terms.

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 9th September 2010.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Listed Ordinary Shares	
			Number of Holders	**Number of Shares**
1	–	1,000	96	70,233
1,001	–	5,000	339	1,026,865
5,001	–	10,000	270	2,399,408
10,001	–	100,000	592	23,022,170
100,001	–	and over	160	87,140,721
			1457	**113,659,397**
The number of shareholders holding less than a marketable parcel of shares are:			118	97,416

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of Shares	**Percentage of Shares %**
1	Mineral Securities Holdings Pty Ltd	32,500,000	28.59
2	Australian Heritage Group Pty Ltd <Australian Heritage A/c>	3,256,250	2.86
3	Mr A P Barton & Mrs C H Barton <Anthony P Barton PSF A/c>	2,469,768	2.17
4	Australian Heritage Group Pty Ltd <New Capital Fund A/c>	2,203,750	1.94
5	Mr Anthony Peter Barton & Mrs Corinne Heather Barton <Barton Super Fund A/c>	1,500,000	1.32
6	Dahele Pty Ltd	1,200,000	1.06
7	IE Properties Pty Ltd	1,165,000	1.02
8	First Island Trustees Limited <Westerhill A/c>	1,144,002	1.01
9	HSBC Custody Nominees (Australia) Limited	1,010,000	0.89
10	L & E Fisher Nominees Pty Ltd	1,000,000	0.88
11	Greatside Holdings Pty Ltd	915,116	0.81
12	RBC Dexia Investor Services Australia Nominees Pty Ltd <MLCI A/c>	767,901	0.68
13	Moraitis Family Investments Pty Ltd	750,000	0.66
14	Mr Nicholas Kenos & Mrs Pauline Kenos <N & P Kenos S/F A/c>	700,000	0.62
15	S & S Lauder Holdings Pty Ltd <S & S Lauder Investment A/c>	614,768	0.54
16	Mr Anthony Kastropil <TK Superannuation Fund A/c>	609,768	0.54
17	Mr Justin Hondris	596,219	0.52
18	Romanna Pty Ltd <ICM Superannuation Fund A/c>	594,768	0.52
19	GDM Services Pty Ltd <GDM Services Super A/c>	569,768	0.50
20	Mulato Nominees Pty Ltd	550,000	0.48
		54,117,078	**47.61**

NiPlats

(c) Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares	Percentage of Ordinary Shares %
Mineral Securities Holdings Pty Ltd	32,500,000	28.59

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unquoted Securities (and names of holders with more than 20% of equity in securities in each case)

Class	Number of Securities	Number of Holders	Holders with More Than 20%
Class A options over ordinary shares exercisable at $0.20 on or before 30 June 2012	4,500,000	5	Anthony Barton, Australian Heritage Group Pty Ltd, Richard Wolanski, Keith Liddell
Class B options over ordinary shares exercisable at $0.45 on or before 31 March 2013	200,000	1	Alex Eves
Class C options over ordinary shares exercisable at $0.50 on or before 30 June 2012	100,000	1	Derek Carew-Hopkins
Class D options over ordinary shares exercisable at $0.65 on or before 30 June 2012	100,000	1	Derek Carew-Hopkins
Class E options over ordinary shares exercisable at $0.80 on or before 30 June 2012	100,000	1	Derek Carew-Hopkins
Class F options over ordinary shares exercisable at $0.55 on or before 31 December 2014	2,300,000	4	Anthony Barton, Richard Wolanski
Class G options over ordinary shares exercisable at $0.55 on or before 31 December 2014	1,200,000	3	Ken Rogers, Rob Ramsay, Alex Eves

(f) Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchange of the Australian Stock Exchange Limited.

(g) On-Market Buyback

There is no on-market buyback of the shares in the Company.

(h) Schedule of Mining Tenements

Area of Interest	Tenements	Comments
Australia – Western Australia		
East Kimberley	M80/267	All of the Tenements are registered in the name of Speewah Mining Pty Ltd, a wholly owned subsidiary of NiPlats Australia Ltd.
East Kimberley	M80/268	
East Kimberley	M80/269	
East Kimberley	E80/2863	
East Kimberley	E80/3657	
East Kimberley	ELA80/4468	
East Kimberley	L80/43	
East Kimberley	L80/47	

Note:

M = Mining Lease
E = Exploration Licence
L = Miscellaneous Licence

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Independent auditor's report to members of NiPlats Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of NiPlats Australia Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of NiPlats Australia Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position at 30 June 2010 and of its performance for the year ended on that date; and

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

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 30 June 2010. 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 NiPlats Australia Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
16 September 2010