NiPlats

NiPlats Australia Limited

(ACN 100 714 181)

Annual Financial Report

For the year ended 30 June 2009

Contents

NiPlats

Corporate Directory

NiPlats

DIRECTORS

Anthony Barton	(Non Executive Chairman)
Derek Carew-Hopkins	(Non Executive Director) Appointed 1 August 2008
Richard Wolanski	(Executive Director)

COMPANY SECRETARY

Richard Wolanski

REGISTERED OFFICE

Level 22, Allendale Square
77 St George's Terrace
Perth WA 6000
Tel: (08) 9221 8055
Fax: (08) 9325 8088
Email: info@niplats.com.au

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 & Young
11 Mounts Bay Road
Perth WA 6000

INTERNET ADDRESS

www.niplats.com.au

ACN 100 714 181

Chairman's Report

NiPlats

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. NiPlats has ended the financial year, some 20 months since listing on ASX, having discovered Australia's largest vanadium deposit and announced a maiden vanadium resource in February 2009.

The total Indicated and Inferred Mineral Resource for the combined low and high grade zones is estimated at 851 million tonnes at 0.32% V_2O_5 (at 0.23% V_2O_5 lower cut-off grade). The Indicated portion of the high grade zone is 107 million tonnes at 0.40% V_2O_5 (at 0.365% V_2O_5 lower cut-off grade).

The Company has identified this high grade basal zone for pre-feasibility studies to be carried out in 2009 and 2010 where preliminary investigations suggest a potential 100+ year mine life when considered together with surrounding exploration targets. It is important to note that the entire resource, inclusive of low grade, contains magnetite with vanadium tenor that is higher than is being exploited commercially in other existing vanadium projects.

The objective for the 2009 programme currently underway is to upgrade and materially increase the existing vanadium resource, complete further metallurgical and pyro-metallurgical testwork, pit optimisation, increase reserves and commence environmental heritage and geotechnical studies.

The Board believes that the most valuable objectives, intended to be achieved in the next year, will be the metallurgical analysis of processing of the deposit and flowsheet design that will deliver initial capital expenditure and operating cost estimates that will allow the Company to provide a preliminary estimate of the net present value of the vanadium project and provide valuable input for a bankable feasibility study for the vanadium project.

The Company continues to develop an understanding of the Platinum reef associated with the vanadium deposit. Exploration in 2009 will use drilling and gravity surveys as aids in locating the feeder conduits to the mineralised gabbro unit which may have potential for better PGE+Au+V values.

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 been increased in size by over 50% since listing on ASX . The 2009 programme will generate a further fluorspar resource upgrade, which will be followed by an update of previous pit optimisation studies for potential open cut and underground mining operation.

Given the close proximity of the 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.

The Board is pleased with the progress of the Company in what has been an extremely challenging economic and financial environment. With the prospect of economic recovery, increasing commodity prices and a very large high grade vanadium project, the Company is now entering a very exciting phase that can deliver significant shareholder value.

I am always available and pleased to talk with shareholders whenever you have queries and ideas regarding the operations of our Company and look forward to meeting with you at our Annual General Meeting.

Anthony Barton
Chairman

29 September 2009

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 hosts PGE+Au ("Platinum group elements plus gold") mineralisation and a high grade fluorite resource located on the tenements.

Exploration completed in the last year focused on:

- Wide-spaced exploration drilling of the vanadiferous magnetite gabbro to define the regional extent of the PGE+Au reef discovered in 2007 and perhaps identify vectors to feeder zones that could host higher-grade material;
- Assaying the drill intervals of vanadiferous magnetite with a view to completing vanadium resource estimates at the main prospects and obtaining material for metallurgical testwork to assess development potential;
- Drill the down dip extensions of the fluorite resource to test the potential for a copper-gold system;
- Drill extensions of the existing fluorite resource, update the resource estimate and assess development options.

LOCATION

The NiPlats tenements are located approximately 110 kilometres southwest of Kununurra and 110 kilometres south of the port of Wyndham in the Kimberley region of Western Australia (Figure 1). The Tenements are accessed via 45 kilometres of unsealed tracks from the sealed Great Northern Highway.

Fluorite was first recorded in the area in 1905 with the first resources defined in the 1970's, with further development of the resource in the intervening years until the current time. PGE+Au mineralisation hosted by a vanadiferous and titaniferous magnetite gabbro was first discovered in late 2006.

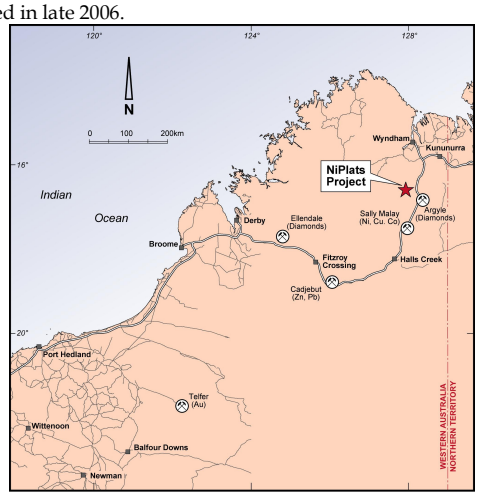


Figure 1: Location Map

RESOURCES

Vanadium

The high grade portion of the total resource is given in Table 1.

Table 1: Speewah Central Prospect Mineral Resource estimate Basal High Grade Zone.

Zone	Category	M Tonnes	Grade at V_2O_5 >= 0.365%			
			V %	V_2O_5 %	Total Fe %	Total Ti %
Basal High Grade	Measured	-	-	-	-	-
	Indicated	107	0.22	0.40	15.2	2.1
	Inferred	172	0.22	0.39	15.4	2.2
	High Grade Total	**279**	**0.22**	**0.39**	**15.3**	**2.2**

Note: The CSA Mineral Resource was estimated within constraining wireframe surfaces based on a nominal lower cut-off grade of 0.2% V, for the high grade zone. The resource is quoted from blocks above the specified cut-off grade of 0.365% V_2O_5. Estimate based on results of XRF analysis for V, Fe and Ti, with V_2O_5 calculated as V % x 1.785. Differences may occur due to rounding.

The high grade resource sits within the total resource (Table 2).

Table 2: Speewah Central Prospect Mineral Resource estimate Combined Zones.

Zone	Category	M Tonnes	Grade at V_2O_5 >= 0.23%			
			V %	V_2O_5 %	Total Fe %	Total Ti %
Basal High Grade	Measured	-	-	-	-	-
	Indicated	127	0.22	0.39	15.1	2.1
	Inferred	256	0.21	0.38	15.0	2.1
	High Grade Total	**383**	**0.21**	**0.38**	**15.1**	**2.1**
Low Grade	Measured	-	-	-	-	-
	Indicated	207	0.15	0.28	15.1	2.1
	Inferred	261	0.15	0.26	14.5	2.0
	Low Grade Total	**468**	**0.15**	**0.27**	**14.8**	**2.0**
Combined Zones	Measured	-	-	-	-	-
	Indicated	334	0.18	0.32	15.1	2.1
	Inferred	517	0.18	0.32	14.8	2.1
	Grand Total	**851**	**0.18**	**0.32**	**14.9**	**2.1**

Note: The CSA Mineral Resource was estimated within constraining wireframe surfaces based on a nominal lower cut-off grade of 0.2% V, from the high grade zone, and 0.1% V for the low grade zone. The resource is quoted from blocks above the specified cut-off grade of 0.23% V2O5. Estimate based on results of XRF analysis for V, Fe and Ti, with V2O5 calculated as V % x 1.785. Differences may occur due to rounding.

The maiden resource at Speewah sits within Australia's largest vanadium deposit on the NiPlats tenements. The Company has identified the high grade basal zone for pre-feasibility studies to be carried out in 2009 and 2010 where preliminary investigations suggest a potential 100+ year mine life when considered together with surrounding exploration targets. It is important to note that the entire resource, inclusive of low grade, contains magnetite with vanadium tenor that is higher than is being exploited commercially in other existing vanadium projects.

The resource estimate represents only the Central Zone within the Speewah Dome (Figure 2). In addition, the Red Hill and Buckman Zones are exploration targets, which together encompass a total target of 1.4-2.6 billion tonnes at 0.3-0.4% V_2O_5, based on drilling and mapping. The Red Hill and Buckman exploration targets were significantly increased in March 2009 from initial estimates released in November 2008.

Vanadium Metallurgical Testwork

The Company was able to demonstrate the very high vanadium tenor in the vanadiferous titaniferous magnetite within the resource gabbroic host rock. The amount of vanadium in the magnetite ('tenor') is important in the end product production cycle, where higher tenor magnetite may deliver significant cost savings as less magnetite concentrate needs to be treated to produce vanadium end products.

NiPlats commissioned Sinclair Knight Merz ("SKM") to manage an initial metallurgical programme to investigate the following.

1. Potential methods of beneficiation of vanadiferous titanomagnetite-bearing gabbro to produce a magnetite concentrate.
2. Selected geochemical and physical characteristics of the magnetite concentrate with particular interest in the tenor of the V_2O_5 in the magnetite.

Results confirm the vanadiferous titanomagnetite bearing gabbro can be treated by low strength magnetic separation to produce a magnetite concentrate assaying 2.64% V_2O_5 at 74% vanadium recovery.

This result is a significantly higher tenor than reported by other Australian primary production vanadiferous magnetite projects.

Fluorite

The tenements also contain a high-grade, high-quality fluorite deposit for which 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 represents an increase of over 505 since listing on the ASX in September 2007.

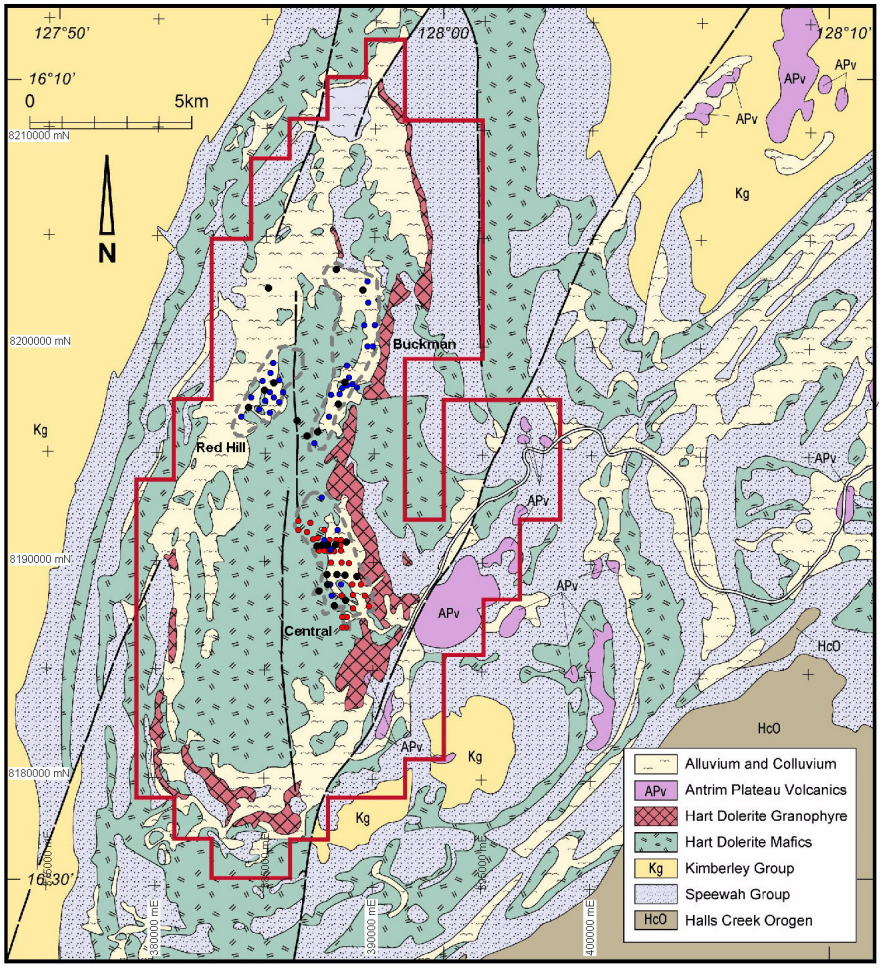


Figure 2. Regional geology and location of drill holes within the vanadium zones.

FUTURE WORK FOR 2009

The 2009 Exploration & Development Programmes for input into a Pre-feasibility Study have commenced and include:

- Upgrading station tracks and establishing drill-site access;
- RC drilling;
- Diamond core drilling;
- Geological mapping;
- Soil sampling;
- Gravity survey programme;
- Environmental, heritage and geotechnical studies;
- Metallurgical and pyro-metallurgical testwork and Flowsheet design on the vanadium deposit;
- Pit optimisation;
- Operating and Capital Cost estimates.

The programme will focus on the very large high grade vanadium resource announced earlier this year, and deliver outcomes for pre-feasibility studies on the vanadium and fluorite deposits and test the PGE+Au potential. NiPlats was awarded a $110,000 drilling grant from the WA State Government Exploration Incentive Scheme (EIS) co-funding programme that will cover part of the costs of the 2009 diamond drilling programme. NiPlats was one of the 35 successful companies from a total of 168 applications in June 2009.

Vanadium

The Board are encouraged by the high grade Indicated Mineral Resource of **107 million tonnes at 0.40% V_2O_5**, which compares favourably with other vanadium projects globally both in size and grade, and which will be used for pre-feasibility studies. Significantly, the resource outcrops in the west and dips flatly to the east at about 4° (degrees), providing favourable geometry

for minimising the mining strip ratio. Furthermore, the resource shows little weathering and is mostly fresh rock from the surface, which will facilitate the magnetic separation of the vanadium bearing titaniferous magnetite mineral.

The objective for the 2009 programme is to upgrade and materially increase the existing vanadium resource, complete further metallurgical and pyro-metallurgical testwork, pit optimisation, Reserve estimate and commence environmental heritage and geotechnical studies.

PGE

Variations in PGE+Au assays from the 2008 drilling programme and modelling of the basal content of the host gabbro intrusion support the existence of potential feeder zones. Exploration in 2009 will use drilling and gravity surveys as aids in locating the feeder conduits to the mineralised gabbro unit which may have potential for better PGE+Au+V values.

Copper/Gold

Assays for the Copper-Gold potential of the 2008 programme drill samples have been submitted with only partial results received. In particular, the deep diamond core drilled in 2008 has yet to be cut and analysed. Full information will be released upon receipt of all information and subsequent analysis.

Fluorite

Samples from the 2008 RC drilling programme testing the ABCE fluorite deposit have been received and released. NiPlats has commissioned a fluorite resource upgrade which is expected to be completed in the coming weeks. The 2009 programme will include further RC drilling into the fluorite deposit which will be used for another fluorite resource upgrade, which will be followed by updating previous pit optimisation studies for potential open cut and underground mining operation.

CONCLUSIONS

Having confirmed a large, high quality vanadium resource, the Board advises that future work will focus on pre-feasibility studies on the outcropping, high grade basal portion of the resource which has an Indicated Mineral Resource of **107 million tonnes at 0.40% V_2O_5**. Preliminary investigations suggest the deposit could support a potential mine life of over 100 years based on producing approximately 6,500 tonnes of ferro-vanadium end product per year. The Directors are confident that significant advances to the vanadium project will be made throughout the course of the year as a result of further studies now underway. Further advances will also be made in the exploration for the PGE+Au mineralisation and the fluorite resource will be examined for a potential open cut and underground mining operation.

COMPETENT PERSON STATEMENT

Mr Ken Rogers (Member of the Australian Institute of Geoscientists), acting Chief Geologist for NiPlats Australia Limited, compiled the technical aspects of this report. Mr Rogers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

The directors submit their report for NiPlats Australia Limited ("NiPlats" or "the Company") and its controlled entities for the year ended 30 June 2009.

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. Other than as detailed below no director has served as a director of any ASX listed company during the past 3 years.

Anthony Barton (Non Executive Chairman)
B.Bus (Accountancy)

Mr Barton has been involved in founding and growing a number of successful listed public companies. Mr Barton has extensive experience in capital markets, corporate finance, funds management and venture capital. Mr Barton 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. Mr Barton is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and he has 32 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms. Mr Barton is a Non-Executive Director of the ASX listed Phylogica Ltd.

Derek Carew-Hopkins (Non Executive Director) Appointed 1 August 2008
B.Eng (Civil)

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. He is well known for his expertise in groundwater investigations and wellfield development and dispute resolution.

Richard Wolanski (Executive Director)
B.Com, ACA

Mr Wolanski has extensive professional experience in both Australia and international finance industries. He has provided corporate, strategic and financial advisory assistance to public companies in Australia, Singapore and the United Kingdom.

Mr Wolanski is a Chartered Accountant and has a Bachelor of Commerce from the University of Western Australia. Mr Wolanski is a Non Executive Director of Maverick Energy Limited, appointed 2 July 2008.

Keith Liddell (Non Executive Director) Resigned 14 February 2009
BSc (Hons), MSc (Engineering), FAusIMM, CP (Metallurgy), CP (Mgt), FIE Aust, C Eng (UK), Pr Eng (South Africa), FSAIMM, MIMMM

Mr Liddell is an experienced metallurgical engineer and resource company manager, having worked exclusively in the minerals industry since 1980. His technical expertise includes engineering of plant and equipment, process development, project management, and risk planning. He has particular experience with the development of resource projects for platinum group metals, base metals, gold, diamonds, and industrial minerals. He holds a number of patents in his name. Mr Liddell has extensive experience in the management of resource companies, including the formulation and implementation of corporate strategy, managing stakeholder relationships and in arranging corporate and project finance. He is the former Managing Director of Aquarius Platinum Limited, a leading platinum mining company that successfully developed the Kroondal Platinum Mine in South Africa under his direction.

COMPANY SECRETARY

Richard Wolanski
B.Com, ACA

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[3]
A Barton	Non Executive Chairman	8,649,387[1]	2,000,000[2,3]
K Liddell (Resigned 14 Feb 2009)	Non Executive Director	-	1,000,000[3]
D Carew-Hopkins	Non Executive Director	-	300,000[4]
R Wolanski	Executive Director & Company Secretary	350,000	1,000,000[3]
		8,999,387	4,300,000

[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. 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 New Capital Fund of which Mr Barton is a director and a beneficiary.

[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.

[3] The options were issued on 2 July 2007.

[4] The options were ratified at a general meeting of shareholders on 28 November 2008.

CopperCo Limited (Receiver & Manager Appointed), of which Mr Liddell was formerly Executive Chairman and a shareholder, holds a direct interest in 30,000,000 shares in NiPlats.

PROFIT/(LOSS) PER SHARE	2009	2008
Basic earnings/(loss) per share (cents)	**(0.61)**	(0.65)
Diluted earnings/(loss) per share (cents)	**(0.61)**	(0.65)

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, which is outlined in Note 18 of the consolidated financial statements.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the entities within the Group during the year were focusing on exploration of the Tenements in the East Kimberley region of Western Australia.

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 $458,178 (2008: $433,900 loss).

There was no dividend declared or paid during the year.

CAPITAL STRUCTURE

As at the date of this report the Company had 79,800,000 fully paid ordinary shares and 5,500,000 options over ordinary shares on issue. Following the appointment of Derek Carew-Hopkins as non executive director on 1 August 2008, 300,000 options have been granted to Mr Carew-Hopkins which were subsequently ratified at a general meeting of shareholders. Details of the terms of the options are outlined in Note 16 of the consolidated financial statements.

CASH FROM OPERATIONS

The net cash outflow from operations of $858,256 is significantly larger than the cash outflow in the previous year of $106,275. The cash outflow was mainly due to payments to suppliers and employees and reflects the increased operations resulting from the first full financial year as an ASX listed exploration company.

The net cash outflow from operations was funded by the initial public offering completed on 21 September 2007 of $3 million and subsequent placements completed on 26 June 2008 and 20 August 2009 totalling $2.72 million and $1 million respectively. The cash balance at year end was $1,422,431.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Maiden Vanadium Resource

- During the year the Company announced a maiden vanadium resource. The total Indicated and Inferred Mineral Resource for the combined low and high grade zones is estimated at 851 million tonnes at 0.32% V_2O_5 (at 0.23% V_2O_5 lower cut-off grade). The Indicated portion of the high grade zone is 107 million tonnes at 0.40% V_2O_5 (at 0.365% V_2O_5 lower cut-off grade).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

- On 20 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 14 September 2009.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The directors foresee that the 2009/2010 financial year will build on the positive results achieved during 2008/2009 and continue the focus on:

- upgrade and materially increase the existing vanadium resource, complete further metallurgical and pyro-metallurgical testwork, pit optimisation, Reserve estimate and commence environmental heritage and geotechnical studies;
- drilling and gravity surveys as aids in locating the feeder conduits to the mineralised gabbro unit which may have potential for better PGE+Au+V values;
- fluorite resource upgrade, which will be followed by updating previous pit optimisation studies for potential open cut and underground mining operation.

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 2009.

SHARES UNDER OPTION

As at the year ended 30 June 2009 and the date of this report, there were 5,500,000 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	5,000,000
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
			5,500,000

SHARES ISSUED ON EXERCISE OF OPTIONS

During or since the end of the financial year, no options to acquire fully paid ordinary shares in NiPlats were exercised.

During the financial year 3 tranches of 100,000 options were ratified for issue by shareholders on 28 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 1 August 2008.

Refer to Note 16 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 $7,800 (2008: $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 (PARAGRAPH'S 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
K Liddell	Non Executive Director *(resigned 14 February 2009)*
D Carew Hopkins	Non Executive Director *(appointed 1 August 2008)*
R Wolanski	Executive Director/Company Secretary

(ii) Executives

K Rogers	Chief Geologist
A Eves	Exploration Manager *(redundancy 31 March 2009)*

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. The Company will implement such a policy in course of the upcoming financial period.

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 currently receives 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 2009 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. Non executive directors do not receive additional remuneration for their membership of subsidiary boards or committees.

3.3 Variable Remuneration – Long Term Incentives

Mr Derek Carew-Hopkins, Non Executive Director, is entitled to 300,000 options that are subject to the following conditions:

- 100,000 unlisted options exercisable at $0.50 on or before 30 June 2012;
- 100,000 unlisted options exercisable at $0.65 on or before 30 June 2012;
- 100,000 unlisted options exercisable at $0.80 on or before 30 June 2012.

The options, granted upon appointment on 1 August 2008, vested upon receipt of shareholder approval on 28 November 2008. The options were issued as an alternate remuneration to cash and 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 Directors Remuneration

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

The Company provided no long term incentives to executives in the financial year ended 30 June 2009.

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

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

Under the term of the present agreement, Mr Wolanski received a fixed remuneration of $56,301 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 Mr Wolanski commits any act of dishonesty or fraud. 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 Contract – Alex Eves (Exploration Manager)

On 4 March 2008 the Company entered into an employment agreement with Mr Alex Eves. Mr Eves was appointed as the Exploration Manager of the Group from 4 March 2008.

Under the term of the present agreement, Mr Eves received a fixed remuneration of $141,700 per annum (inclusive of superannuation).

The employment agreement also provides for the issue of options in the Company to Mr Eves. Mr Eves has been issued 200,000 options for no subscription price which are exercisable at $0.45 and have an expiry date of 31 March 2013.

Mr Eves was made redundant on 31 March 2009. On the date of his redundancy the Board vested all options issued to Mr Eves.

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

Table 1: Remuneration for the year ended 30 June 2009

30 June 2009	Short term Salary & Fees $	Post Employment Superannuation $	Share based payments Options $	Share based payments Shares $	Total $	Options as at % of Total %
Directors						
A Barton Non Executive Chairman	32,700	-	-	-	32,700	0.0
K S Liddell (resigned 14 February 2009) Non Executive Director	17,985	-	-	-	17,985	0.0
D Carew-Hopkins (appointed 1 August 2008) Non Executive Director	29,975	-	5,640	-	35,615	15.8
R Wolanski Executive Director & Company Secretary	164,078	4,500	-	-	168,578	0.0
Sub Total[1]	**244,738**	**4,500**	**5,640**	**-**	**254,878**	**2.2**
Executives						
K Rogers Chief Geologist	90,844	-	-	-	90,844	0.0
A Eves (redundancy 31 March 2009) Exploration Manager	102,500	17,775	29,300	-	149,575	19.6
Sub Total	**193,344**	**17,775**	**29,300**	**-**	**240,419**	**12.19**
Total	**438,082**	**22,275**	**34,940**	**-**	**495,297**	**7.05**

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

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

Other than the appointment of Mr Derek Carew-Hopkins as non executive director of the Company on 1 August 2008, 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 2009.

Table 2: Remuneration for year ended 30 June 2008

Details of the remuneration of each director of NiPlats and each of the executives of the Company and the consolidated entity who received the highest remuneration for the year ended 30 June 2008 are set out in the following tables.

30 June 2008	Short term Salary & Fees $	Post Employment Superannuation $	Share based payments Options $	Share based payments Shares $	Total $	Options as at % of Total %
Directors						
A Barton Non Executive Chairman	36,410	-	9,136	-	45,546	20.0
K S Liddell Non Executive Director	31,800	-	4,568	-	36,368	12.6
R Wolanski Executive Director & Company Secretary	141,395	4,500	4,568	-	150,463	3.0
Sub Total[1]	**209,605**	**4,500**	**18,272**	**-**	**232,377**	**7.9**
Executives						
A Eves Exploration Manager	39,333	3,900	12,850	-	56,083	22.9
Sub Total	**39,333**	**3,900**	**12,850**	**-**	**56,083**	**22.9**
Total	**248,938**	**8,400**	**31,122**	**-**	**288,460**	**10.8**

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

With the exception of Mr Eves, apart from remuneration in the form of options, none of the remuneration for directors or executives was performance related. The performance requirement, which has been fulfilled, linked to these options was the lodgement of the prospectus dated 3 July 2007. In respect of Mr Eves, none of the remuneration was performance related.

Other than the appointment of Mr Derek Carew-Hopkins as non executive director of the Company on 1 August 2008, 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 2008.

5.1 Equity Based Compensation - 2009

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

On 28 November 2008, During the financial year 3 tranches of 100,000 options were ratified for issue by shareholders on 28 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 1 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 16.

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 ($)	Total Value of Options ($)	% of Remuneration based on Options
Directors					
D Carew-Hopkins	**5,640**	**-**	-	**5,640**	15.8
Executives					
-	-	-	-	-	-
Total	**5,640**	**-**	**-**	**5,640**	**15.8**

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

5.2 Equity Based Compensation - 2008

During the year ended 30 June 2008, the following options were issued to directors and executives of the Company.

On 1 May 2008, Mr Eves, Exploration Manager was issued 200,000 unlisted options exercisable at $0.45 on or before 31 March 2013, initially 50% exercisable 4 March 2009, 50% exercisable 4 March 2010. These options became fully exercisable upon Mr Eves redundancy in March 2009.

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 2008, there were 5,200,000 unissued ordinary shares under option granted to directors and executives.

Table 3: compensation Options Granted during the year ended 30 June 2008

30 June 2008	Granted No.	Grant Date	Fair Value Grant Date ($)	Exercise Price ($)	Expiry Date	First Exercise Date	Last Exercise Date	Vested No.	Vested %
Executives									
A Eves	200,000	1-May-08	0.257	$0.45	31-Mar-13	4-Jul-09	31-Mar-13	nil	nil
Total	200,000							-	-

There were no alterations to options terms since grant date and no options were forfeited. Further details of the options are contained in Note 16.

There were no shares issued on exercise of compensation options for the year ended 30 June 2008.

Other than as detailed above, no Directors or executives were granted, issued or had options outstanding as at 30 June 2008.

30 June 2008	Value of Options Granted ($)	Value of Options Exercised ($)	Value of Options Lapsed ($)	Total Value of Options ($)	% of Remuneration based on Options
Directors					
-	**-**	**-**	-	**-**	-
Executives					
A Eves	51,400	-	-	51,400	22.9
Total	**51,400**	**-**	**-**	**51,400**	**22.9**

1. the value disclosed in the table reflects the value of the options that vested during the year ended 30 June 2008 of options that were originally granted in the year ended 30 June 2007.

Other than as detailed above, no Directors or executives were issued options or had options outstanding in the financial year ended 30 June 2008.

End of Remuneration Report

NiPlats

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	4	1	1	1
Number of Meetings Attended				
Anthony Barton	4	1	1	1
Keith Liddell (resigned 14 February 2009)	2	-	-	-
Derek Carew-Hopkins (appointed 1 August 2008)	4	1	1	1
Richard Wolanski	4	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 2009.

NON AUDIT SERVICES

The Company's auditors, Ernst & Young, provided no non audit services during the year ended 30 June 2009.

TAX CONSOLIDATION

The Company and its' subsidiary form a tax consolidated group.

Signed in accordance with a resolution of the directors.

Richard Wolanski
Director

29 September 2009

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 Audit, Remuneration and Nomination Committees and there not being a majority of independent Directors on the Board. 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 Board's primary role is the optimisation of Company performance and protection and enhancement of shareholder value. Its functions and responsibilities includes 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 and enhancing and protecting the Company's reputation.

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.

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 crating 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.

Issues relating to remuneration are dealt with in more detail in the Remuneration Report which forms part of the Director's Report.

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

Recommendation 1.3: *Performance Evaluation.*

In March 2009, each member of the senior executive team, including executive directors was subject to a performance review as described in Recommendation 1.2 above.

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 set out 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 Managing Director.

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

The role of the nomination committee is carried out by 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 nomination committee. The Board assesses the experience, knowledge and expertise of potential directors before any appointment is made.

Present membership of the Nomination Committee:

Name	Position
Anthony Barton	Chairman, Non-Executive Director
Richard Wolanski	Executive Director
Derek Carew-Hopkins	Non-Executive Director

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

Each year the Company evaluates the performance of its Board, its committees and directors. One of the existing Board members as at 1 July 2008 resigned during the Financial Year and Mr Derek Carew-Hopkins was elected to the Board in August 2008. The Board utilised the principles contained in the Company's Board Performance Evaluation Policy and Board Charter in selecting and appointing the aforementioned replacement Board member to ensure its Board possesses the skills and experience to achieve the Company's objectives.

As referred to previously, an evaluation of the performance of the Executive director, Mr Richard Wolanski was undertaken by the Board in March 2009.

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

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

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

The Company's non executive directors have the right, at the Company's cost, to seek independent professional advice in carrying out of their duties as directors. The period of office held by each Director is disclosed in the Directors' Report which forms part of this Annual Report.

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 and demonstrate 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 or 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.

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.

Recommendation 3.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its trading policy are contained on the Company's website at www.niplats.com.au.

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 role of the audit committee is carried out by 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.

Present membership of the Audit Committee:

Name	Position
Derek Carew-Hopkins	Chairman, Non-Executive Director
Richard Wolanski	Executive Director
Anthony Barton	Non-Executive Director

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 role of the audit committee is carried out by the full Board. The chairman of the Audit Committee, Mr Derek carew-Hopkins, is not the Chairman of the Board and is a non-executive director. However, 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, which include 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, 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 Audit Committee's Charter is included on the Company's website. The Company has also included on its website information on procedures for the selection and appointment of the external auditor, or rotation of external engagement partners. The Board reviews these matters on an ongoing basis and implements changes when it considers changes are required

Recommendation 4.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 4.*

The Audit Committee met once during the Financial Year. This was considered sufficient to review audit appointment, annual and half year accounts. Attendance at Audit Committee meetings is disclosed in the Director's Report contained in the Annual Report.

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", 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.

In addition, a list of recent announcements is presented to each Board meeting for discussion, minuting and action, if required. The continuous disclosure policy aims:

- to assess information and coordinate the timely disclosure to the ASX;
- provide an audit trail of decisions regarding disclosure; and
- ensure employees, consultants and agents of the Company understand the obligation to bring relevant information to the attention of the chairperson.

The Company's continuous disclosure policy was adopted before the current year and is reviewed at least annually. The Company's continuous disclosure obligations are brought to the attention of all officers, employees and agents at least once a year.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 5.*

A summary of the continuous disclosure policy is contained on the Company's website under the heading "Compliance Procedures", at www.niplats.com.au.

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 policy reflects the Company's commitment to dealing fairly, transparently and promptly with shareholders, encouraging and facilitating participation at meetings and dealing promptly with enquiries. 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.

Recommendation 6.2: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 6.*

A copy of the Company's Communication's Policy is contained on the Company's website at www.niplats.com.au.

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. 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.

The Executive Director reports regularly to the Board on the areas of risk he is responsible for and provide 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 chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state to the board in writing that:*

7.2.1 – the statement given in accordance with section 259A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

7.2.2 –the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

"The Executive Director and the Chief Financial Officer have confirmed in writing to the Board, at the time the financial statements are being considered for approval by the Board that in all material respects:

- The financial statements present a true and fair view;
- That this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- That the Company's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 7.*

A summary of the Company's Risk Management Policy is included on the Company's website at www.niplats.com.au.

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.

Present membership of the Remuneration Committee:

Name	
Derek Carew-Hopkins -	Chairman, Non – Executive Director

Richard Wolanski	Executive Director
Anthony Barton	Non- Executive Director

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.*

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

Details of the Company's remuneration policy and remuneration of all Directors (executive and non-executive) and senior management for the Financial Year are set out in the Director's Report contained in the Annual Report.

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 9.*

The Remuneration Committee's Charter is included on the Company's website. The names and qualifications of the members of the Committee, and their attendance at Committee meetings, are set out in the Director's Report contained in the Company's annual report.

Principal No	Recommendation	Compliance	Reason for Non-compliance
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions	Comply	Not applicable
1.2	Disclose the process for evaluating the performance of senior executives.	Comply	Not applicable
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Comply	Not applicable
2.1	A majority of the Board should be independent of Directors.	Currently the Company has one independent Director and two non independent Directors.	Given the size and nature of the Company the Board believes the composition of the Board is appropriate at this stage.
2.2	The chair should be an independent Director.	The Chairman is not considered to be independent.	Given the size and nature of the Company the Board believes the composition of the Board is appropriate at this stage.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Comply	Not applicable
2.4	The Board should establish a nomination committee.	Comply	Not applicable.
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual directors.	Comply	Not applicable
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Comply	Not applicable
3.1	Establish a code of conduct and disclose the code for a summary of the code as to: • The practice necessary to maintain confidence in the Company's integrity; • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • The responsibility and accountability of individuals for reporting and investigating	Comply	Not applicable

Principal No	Recommendation	Compliance	Reason for Non-compliance
	reports of unethical practices.		
3.2	Establish a policy concerning trading in Company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.	Comply	Not applicable
3.3	Provide the information indicated in the Guide to reporting on Principle 3.	Comply	Not applicable
4.1	The Board should establish an audit committee.	Comply	Not applicable.
4.2	The audit committee should be structured so that it: • Consists only of Non-Executive Directors; • Consists of a majority of independent Directors; • Is chaired by an independent chair, who is not chair of the Board; • Has at least three members.	The Audit Committee consists of all the Board members and is chaired by a non-executive Director who is not the Chairman of the Company. The Chairman of the Audit Committee is not considered independent in pursuant to the ASX Corporate Governance Principles>	Due to the size of the Board the Audit Committee does not comprise primarily of Independent Directors and is not chaired y an independent Director. The Board considers that given the size of the Company and that two members of the Board hold non-executive positions, no efficiencies or other benefits would be gained by establishing a separate audit committee or appointing a further independent, non-executive director to the Board.
4.3	The audit committee should have a formal charter	Comply	Not applicable
4.4	Provide the information in the Guide to reporting on Principle 4.	Comply	Not applicable
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 and disclose those policies or a summary of those policies.	Comply	Not applicable
5.2	Provide information indicated in the Guide to reporting on Principle 5.	Comply	Not applicable
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	Comply	Not applicable
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Comply	Not applicable
7.1	Establish policies for the oversight and management of material business risk and disclose a summary of those policies.	Comply	Not applicable
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.	Comply	Not applicable

Principal No	Recommendation	Compliance	Reason for Non-compliance
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control that the system is operating effectively in all material respects in relation to financial reporting risks.	Comply	Not applicable
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Comply	Not applicable
8.1	The Board should establish a remuneration committee.	Comply	Not applicable
8.2	Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.	Comply	Not applicable
8.3	Companies should provide the information indicated in the guide to reporting on Principle 8.	Comply	Not applicable

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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 2009, 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
29 September 2009

GHM:NR:NiPlats:025

Directors' Declaration

NiPlats

1. In the opinion of the directors:

   (a) the consolidated financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Company and Group are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Company's and the Group's consolidated financial position as at 30 June 2009 and of their performance for the year then ended; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001.

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

2. 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 ended 30 June 2009.

The declaration is signed in accordance with a resolution of the Board of Directors.

Richard Wolanski
Director

29 September 2009

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2009

NiPlats

		Consolidated		Parent	
		2009	2008	**2009**	2008
	Notes	**$**	**$**	$	**$**
Revenue	4(a)	**145,653**	180,491	**134,896**	169,208
Directors' and Employees benefit expenses	4(b)				
- Share based payment		**(34,940)**	(35,691)	**(34,940)**	(35,691)
- Wages & Salary		**(111,903)**	(126,131)	**(111,903)**	(126,131)
- Superannuation		**(4,500)**	(13,125)	**(4,500)**	(11,895)
Consultants expenses		**(135,248)**	(167,987)	**(135,248)**	(167,986)
Compliance costs		**(142,794)**	(80,548)	**(142,312)**	(80,335)
Depreciation expense	4(b)	**(2,273)**	(837)	**(509)**	(197)
Insurance		**(19,014)**	(17,217)	**(19,014)**	(17,217)
Other administration expenses		**(150,084)**	(153,800)	**(146,437)**	(150,255)
Profit/(Loss) before income tax expense		**(455,103)**	(414,845)	**(459,967)**	(420,499)
Income tax benefit/(expense)	5	**(3,075)**	(19,055)	**63,997**	(84,494)
Net profit/(loss) for the year		**(458,178)**	(433,900)	**(395,970)**	(504,993)
Earnings/(Loss) per share					
Basic loss per share (cents per share)	7	**(0.61)**	(0.65)		
Diluted loss per share (cents per share)	7	**(0.61)**	(0.65)		

The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet

AS AT 30 JUNE 2009

NiPlats

		Consolidated		Parent	
		2009	2008	**2009**	2008
	Notes	**$**	$	**$**	$
Assets					
Current Assets					
Cash and cash equivalents	8	**1,422,431**	5,177,466	**1,329,591**	5,063,658
Trade and other receivables	9	**75,130**	73,074	**19,637**	29,397
Loan to subsidiary	18	**-**	-	**4,045,720**	1,692,882
Total Current Assets		**1,497,561**	5,250,540	**5,394,948**	6,785,937
Non Current Assets					
Deferred exploration expenditure	12	**6,871,922**	3,866,561	**42,686**	17,441
Plant & Equipment	11	**13,061**	16,573	**-**	1,712
Other financial assets	10	**40,000**	40,000	**-**	-
Investment in subsidiary	18	**-**	-	**198,185**	198,185
Deferred tax asset	5	**-**	-	**2,044,206**	1,161,016
Total Non Current Assets		**6,924,983**	3,923,134	**2,285,077**	1,378,354
Total Assets		**8,422,544**	9,173,674	**7,680,025**	8,164,291
Liabilities					
Current Liabilities					
Trade and other payables	13	**194,710**	512,591	**73,721**	186,944
Provisions		**-**	2,500	**-**	2,500
Total Current Liabilities		**194,710**	515,091	**73,721**	189,444
Non Current Liabilities					
Provisions		**1,738**	1,625	**1,736**	1,625
Total Non Current Liabilities		**1,738**	1,625	**1,736**	1,625
Total Liabilities		**196,448**	516,716	**75,457**	191,069
Net Assets		**8,226,096**	8,656,958	**7,604,568**	7,973,222
Equity					
Issued capital	14	**8,452,049**	8,459,673	**8,452,049**	8,459,673
Reserves	14	**382,791**	347,851	**382,791**	347,851
Retained profits/(accumulated losses)		**(608,744)**	(150,566)	**(1,230,272)**	(834,302)
Total Equity		**8,226,096**	8,656,958	**7,604,568**	7,973,222

The accompanying notes form part of these consolidated financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2009

NiPlats

		Consolidated		Parent	
		2009	2008	**2009**	2008
	Notes	**$**	$	**$**	$
Cash Flows from Operating Activities					
Interest received		**146,697**	195,296	**135,940**	184,013
Payments to suppliers and employees		**(1,004,953)**	(301,571)	**(664,720)**	(506,475)
Net cash provided by/(used in) operating activities	8	**(858,256)**	(106,275)	**(528,780)**	(322,462)
Cash Flows from Investing Activities					
Payment for exploration and evaluation		**(2,887,319)**	(2,252,910)	**(25,245)**	(17,441)
Proceeds from sale of plant and equipment		**1,239**	-	**1,239**	-
Payment for plant and equipment		**-**	(17,410)	**-**	(1,909)
Advances to subsidiary		**-**	-	**(3,170,582)**	(2,071,139)
Net cash provided by/(used in) investing activities		**(2,886,080)**	(2,270,320)	**(3,194,588)**	(2,090,489)
Cash Flows from Financing Activities					
Proceeds from issue of shares		**-**	5,720,000	**-**	5,720,000
Payment of share issue costs		**(10,699)**	(469,497)	**(10,699)**	(469,496)
(Repayment of)/proceeds from borrowings		**-**	(17,096)	**-**	-
Net cash provided by/(used in) financing activities		**(10,699)**	5,233,407	**(10,699)**	5,250,504
Net increase/(decrease) in cash and cash equivalents		**(3,755,035)**	2,856,812	**(3,734,067)**	2,837,553
Cash and cash equivalents at beginning of year		**5,177,466**	2,320,654	**5,063,658**	2,226,105
Cash and Cash Equivalents at end of year	8	**1,422,431**	5,177,466	**1,329,591**	5,063,658

The accompanying notes form part of these consolidated financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009

NiPlats

Consolidated	Issued Capital $	Reserves $	Retained Profits / (Accumulated Losses) $	Total Equity $
At 1 July 2007	**3,070,321**	**312,160**	**283,334**	**3,665,815**
Total income and expense for the period recognised directly in equity	-	-	-	-
Loss for the year	-	-	(433,900)	(433,900)
Total income and expense for the year	-	-	(433,900)	(433,900)
Issue of share capital	5,720,000	-	-	5,720,000
Capital raising fees	(330,648)	-	-	(330,648)
Share based payment	-	35,691	-	35,691
Balance at 30 June 2008	**8,459,673**	**347,851**	**(150,566)**	**8,656,958**
At 1 July 2008	**8,459,673**	**347,851**	**(150,566)**	**8,656,958**
Total income and expense for the period recognised directly in equity	-	-	-	-
Loss for the year	-	-	(458,178)	(458,178)
Total income and expense for the year	-	-	(458,178)	(458,178)
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**
Parent				
At 1 July 2007	**3,070,321**	**312,160**	**(329,309)**	**3,053,172**
Total income and expense for the period recognised directly in equity	-	-	-	-
Loss for the year	-	-	**(504,993)**	**(504,993)**
Total income and expense for the year	-	-	**(504,993)**	**(504,993)**
Issue of share capital	5,720,000	-	-	5,720,000
Capital raising fees	(330,648)	-	-	(330,648)
Share based payment	-	35,691	-	35,691
Balance at 30 June 2008	**8,459,673**	**347,851**	**(834,302)**	**7,973,222**
At 1 July 2008	**8,459,673**	**347,851**	**(834,302)**	**7,973,222**
Total income and expense for the period recognised directly in equity	-	-	-	-
Loss for the year	-	-	**(395,970)**	**(395,970)**
Total income and expense for the year	-	-	**(395,970)**	**(395,970)**
Capital raising fees	(7,624)			(7,624)
Share based payment	-	34,940	-	34,940
Balance at 30 June 2009	**8,452,049**	**382,791**	**(1,230,272)**	**7,604,568**

The accompanying notes form part of these consolidated financial statements.

1. CORPORATE INFORMATION

NiPlats Australia Limited ("NiPlats" or "the Company") is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

These consolidated financial statements are presented in Australian dollars. The consolidated financial report was authorised for issue by the directors on 29 September 2009 in accordance with a resolution of the directors. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of Australian Accounting Standards Board.

The consolidated financial report has been prepared on a historical cost basis. The consolidated financial report is presented in Australian dollars. The accounts have been prepared on a going concern basis.

(b) New Accounting Standards and Interpretations

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2009. These are outlined below:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009
AASB 1039 (revised)	Concise Reporting	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 January 2009	AASB 1039 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of "vesting conditions", introducing the term "non-vesting conditions" for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	These amendments have no impact on the financial statements in respect of the share-based payments made by the Group.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations. The changes apply prospectively.	1 July 2009	The Group may enter into some business combinations during the next financial year. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or loss in the Group's income statement.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2008-5	Amendments to Australia Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part 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 [refer below AASB 2008-6].	1 January 2009	The Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-6	Further Amendments to Australia Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	The Group has not yet determined the extent of the impact, if any.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2008-7	Amendments to Australia Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australia 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 recognised 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 requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to affectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	The Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The Group has Financial Instruments that may be affected by these amendments. However the Group has not yet determined the extent of the impact, if any.	1 July 2009

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-4	Amendments to Australia Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	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 that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, 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 amendment. These amendments arise from the issuance of the AASB's Improvements to IFRSs. The amendments pertaining to IFRS 5,8, IAS 1, 7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	The amendments are expected to have no direct impact on the amounts included in the Group's financial statements.	1 July 2009
AASB 2009-5	Amendments to Australia Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	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 that made to AASB 117 by removing specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1 January 2010	The amendments are expected to have no direct impact on the amounts included in the Group's financial statements.	1 January 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-7	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	These amendments are not expected to have a direct impact on the measurement and recognition of amounts disclosed in the financial report.	1 July 2009
Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: ► the scope of AASB 2; and ► the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	These amendments are not expected to have a direct impact on the measurement and recognition of amounts disclosed in the financial report.	1 July 2010
AASB Int. 15	Amendments to AASB 118	Agreements for the construction of real estate	1 January 2009	These amendments are not expected to have a direct impact on the financial statement as the Group has no agreements for the construction of real estate.	1 July 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Compliance with IFRS

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

(d) 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.

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.

(e) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 1 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.

(f) 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.

(g) 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) 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.

(i) 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.

(j) 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) 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.

(l) 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 balance sheet.

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

(m) 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.

(n) 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.

(o) 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.

(p) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) 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 16. 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.

(r) 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.

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.

(s) 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.

(t) 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);

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- 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.

(u) 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.

3. 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.

(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. 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 based 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 16.

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.

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
4. REVENUES				
(a) Revenue				
Interest	**145,653**	180,491	**134,896**	169,208
(b) Expenses				
Depreciation – plant and equipment	**(2,273)**	(837)	**(509)**	(197)
Directors' and employee benefits expenses:				
- wages and fees	**(111,903)**	(126,131)	**(111,903)**	(126,131)
- superannuation contribution expense	**(4,500)**	(13,125)	**(4,500)**	(11,895)
- share base payments	**(34,940)**	(35,691)	**(34,940)**	(35,691)

5. INCOME TAX

The major components of income tax are:

Income Statement

Current income tax				
Current year	**(1,053,120)**	(804,868)	**(169,942)**	(139,721)
Current tax attributable to prior years	**115,251**	(82,487)	**6,536**	(13,541)
Deferred income tax				
Relating to origination and reversal of temporary differences	**919,088**	707,019	**77,553**	38,365
Deferred tax assets related to current year temporary differences not brought to account as realisation is not regarded probable	**21,856**	199,391	**21,856**	199,391
Income tax expense/(benefit) reported in the income statement	**3,075**	19,055	**(63,997)**	84,494

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	**3,075**	**138,849**	**3,075**	**138,849**

Reconciliation to Income Tax Expense on Accounting Profit/ (Loss)

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:

Accounting profit/(loss) before income tax	**(455,103)**	(414,845)	**(459,967)**	(420,499)
Tax payable/(refundable) at the statutory income tax rate 30%	**(136,531)**	(124,454)	**(137,990)**	(126,149)
Non Deductible Expenses				
Tax Uplift on Exploration Expenditure	**-**	-	**-**	-
Employee share expenses	**10,482**	10,707	**10,482**	10,707
Prior year adjustments impacting non-temporary differences	**-**	545	**-**	545
Prior year adjustments impacting temporary differences	**107,268**	(67,134)	**41,655**	-
Deferred tax assets not brought to account as realisation is not considered probable	**21,856**	199,391	**21,856**	199,391
Income Tax Expense/(Benefit)	**3,075**	19,055	**(63,997)**	84,494

5. INCOME TAX (Cont'd)

Consolidated	Balance Sheet		Income Statement	
	30 June 2009	30 June 2008	Year ended 30 June 2009	Year ended 30 June 2008
	$	$	$	$
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Exploration	**(2,076,093)**	(1,166,248)	**(909,845)**	(672,336)
Accruals	**(710)**	(1,440)	**730**	(1,440)
Fixed Assets	**(3,419)**	2,196	**(5,615)**	2,196
Deferred tax assets				
Capital raising costs	**83,024**	143,379	**(21,775)**	(41,416)
Tax losses	**1,968,177**	1,010,509	**-**	-
Provisions	**521**	11,604	**(11,083)**	5,977
Accrued Expenses	**28,500**	-	**28,500**	-
	-	-		
Deferred tax (income)/expense			**(919,088)**	(707,019)

Parent	Balance Sheet		Income Statement	
	30 June 2009	30 June 2008	Year ended 30 June 2009	Year ended 30 June 2008
	$	$	$	$
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
Deferred tax liabilities				
Exploration	**(12,806)**	(5,232)	**(7,574)**	(3,682)
Accruals	**(710)**	(1,440)	**730**	(1,440)
Fixed Assets	**-**	2,196	**(2,196)**	2,196
Deferred tax assets				
Capital raising costs	**83,024**	143,379	**(63,430)**	(41,416)
Tax losses	**1,968,177**	1,010,509	**-**	-
Provisions	**521**	11,604	**(11,083)**	5,977
Accrued Expenses	**6,000**	-	**6,000**	-
	2,044,206	1,161,016		
Deferred tax (income)/expense			**(77,553)**	(38,365)

The Group has tax losses for which no deferred tax asset is recognised on the balance sheet that arose in Australia of $72,853 (2008: $669,637) 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.

6. SEGMENT REPORTING

During the financial year, the Group operated predominantly in the mineral exploration sector in Australia.

	2009	2008
	$	$
7. EARNINGS/(LOSS) PER SHARE		
Profit/(Loss) used in calculation of basic and diluted earnings per share	**(458,178)**	(433,900)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	**74,800,000**	66,434,973
Effect of dilution:		
- share options	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**74,800,000**	66,434,973

As at 30 June 2009 the Company has 5,500,000 Directors' and Employees Options (2008: 5,200,000) on issue exercisable before 31 March 2012 and 30 June 2012 respectively. These options are not considered to be dilutive as the conversion of the options to ordinary shares will decrease loss per share.

On 20 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 14 September 2009.

Other than the placement 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 between the reporting date and the date of completion of these financial statements.

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
8. CASH AND CASH EQUIVALENTS				
(i) Cash and cash equivalents balance				
Cash at bank and on hand	**1,422,431**	1,177,466	**1,329,591**	1,063,658
Short term deposits	**-**	4,000,000	**-**	4,000,000
	1,422,431	5,177,466	**1,329,591**	5,063,658

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	**(458,178)**	(433,900)	**(395,970)**	(504,993)
Share-based payments	**34,940**	35,691	**34,940**	35,691
Depreciation	**2,273**	837	**509**	197
Taxation	**3,075**	-	**(63,997)**	-
(Increase)/decrease in assets:				
– current receivables	**1,042**	14,805	**1,044**	14,805
Increase/(decrease) in liabilities:				
– current payables	**(441,408)**	222,815	**(105,306)**	12,920
– deferred tax	**-**	49,352	**-**	114,793
– provision	**-**	4,125	**-**	4,125
Net Cash flow from/ (used in) Operating Activities	**(858,256)**	(106,275)	**(528,780)**	(322,462)

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
9. TRADE AND OTHER RECEIVABLES				
Accrued interest	**2,368**	3,412	**2,368**	3,412
GST recoverable	**72,762**	69,662	**10,843**	21,185
Intercompany receivables	**-**	-	**6,426**	4,800
	75,130	73,074	**19,637**	29,397

(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 2009.

(b) Fair value

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

10. 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 has been taken out as 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.

11. PLANT AND EQUIPMENT

Cost	**15,501**	17,410	**-**	1,909
Accumulated depreciation	**(2,440)**	(837)	**-**	(197)
Net carrying amount	**13,061**	16,573	**-**	1,712
Plant and Equipment				
At beginning of year, net of accumulated depreciation	**16,537**	-	**1,712**	-
Additions	**-**	17,410	**-**	1,909
Disposals	**(1,203)**	-	**(1,203)**	-
Depreciation charge for the year	**(2,273)**	(837)	**(509)**	(197)
At end of year, net of accumulated depreciation	**13,061**	16,573	**-**	1,712

The useful life of the assets was estimated as follows for 2009:
Plant and equipment 2 to 10 years

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

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
12. DEFERRED EXPLORATION EXPENDITURE					
Costs carried forward in respect of:					
Explorations and Evaluations Phase – At Cost					
Balance at beginning of the year		**3,866,561**	1,646,373	**17,441**	-
Expenditure incurred		**3,005,361**	2,220,188	**25,245**	17,441
Total Exploration Expenditure		**6,871,922**	3,866,561	**42,686**	17,441

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.

13. TRADE AND OTHER PAYABLES

Trade payables	1	**194,710**	512,589	**73,721**	186,943
		194,710	512,589	**73,721**	186,943

1. 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.

14. CONTRIBUTED EQUITY AND RESERVES

Consolidated and Parent	2009 $	2008 $
Issued capital	**8,452,049**	**8,459,673**

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

	Number	$
Movement in ordinary shares on issue		
At 1 July 2007	**53,000,000**	3,070,321
Issued 9 August 2007 for cash	15,000,000	3,000,000
Transaction costs on share issue (net of deferred tax credit recognised in equity)	-	(231,155)
Issued 26 June 2008 for cash	6,800,000	2,720,000
Transaction costs on share issue (net of deferred tax credit recognised in equity)	-	(99,493)
At 30 June 2008	**74,800,000**	**8,459,673**
Transaction costs on share issue	-	(7,624)
At 30 June 2009	**74,800,000**	**8,452,049**

Options	**Number**	**Exercise Price**
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 E executive options issued	100,000	80 cents
At 30 June 2009	**5,500,000**	

14. CONTRIBUTED EQUITY AND RESERVES (continued)

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.

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 vested on 28 November 2008 upon shareholder approval at the Annual general meeting of Shareholders.

	Equity Benefits Reserve
	$
Reserves	
At 1 July 2007	312,160
Share-based payments - employee benefits	35,691
At 30 June 2008	347,851
Share-based payments - employee benefits related to issue of options	34,940
At 30 June 2009	382,791

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		Parent	
		2009	**2008**	2009	**2008**
	Notes	$	**$**	$	**$**
15. 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		**470,525**	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		**606**	25,000	**606**	25,000

16. 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 4 to the income statement.

(b) General terms of share-based payment plans

The options issued during the year ended 30 June 2009 have been issued to provide long term incentives for Derek Carew-Hopkins as an incoming non-Executive Director of the Company. The terms of the options are that the options vest after shareholder approval was granted at the Annual General Meeting of Shareholders held in November 2008.

(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.

	2009		2008	
	Number	WAEP	Number	WAEP
Options outstanding at the beginning of the year	**5,200,000**	**0.21**	5,000,000	0.20
Granted during the year	**300,000**	**0.65**	200,000	0.45
Forfeited during the year	**-**	**-**	-	-
Outstanding at the end of the year	**5,500,000**	**0.23**	5,200,000	0.21
Exercisable at the end of the year	**5,500,000**	**0.23**	5,000,000	0.20

There were 5,500,000 options issued or exercisable as at 30 June 2009 (2008: 5,200,000).

On 21 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 3 July 2007. These options were expensed on a straight line basis from the date of grant (21 May 2007) to the date of vesting (3 July 2007) in the financial statements of the year ended 30 June 2007 and 30 June 2008.

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

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 28 November 2008, and were subsequently issued, upon shareholder approval at the Annual General Meeting of shareholders.

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2009 is 3.03 years (2008: 4.03 years).

(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	2009	2008
5,000,000	0.20	0.20
200,000	0.45	0.45
100,000	0.50	-
100,000	0.65	-
100,000	0.80	-

There were no share options exercised during the year (2008: nil).

(f) Weighted average fair value

The weighted average fair value of options at the year ended 30 June 2009 was 6.7 cents (2008: 7.4 cents). No options were forfeited, exercised or expired during the year ended 30 June 2009.

16. SHARE BASED PAYMENTS (cont)

(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 2009 and 30 June 2008 and 30 June 2007:

	2009	2008	2007
Options Issued	**300,000**	**200,000**	**5,000,000**
Volatility (%)	**70**	**70**	**70**
Risk free interest rate (%)	**4.21**	**6.26**	**6.41**
Historic share price previous to grant date (cents)	**41**	**32**	**12.5**
Expected life of options (years)	**3**	**5**	**5**
Options exercise price (cents)	**50,65 and 80**	**45**	**20**

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.

17. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprises 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 2, 8, 9 and 13 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.

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 and Parent as at 30 June 2009. 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.

17. FINANCIAL RISK MANAGEMENT (cont)

The Group's exposure to interest rate risk on post-tax loss arises from higher or lower interest income from cash and cash equivalents. The Parent's main interest rate risk arises from cash and cash equivalents with variable interest rates. Please see Note 8 for information on cash balance held with variable and fixed interest rates.

	Consolidated		Parent	
	2009	2008	2009	2008
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,422,431	5,177,466	1,329,591	5,063,658
Loan to subsidiary	-	-	4,045,720	1,692,882
Other Financial Assets	40,000	40,000	-	-
Financial Liabilities	-	-	-	-
	1,462,431	5,217,466	5,375,311	6,756,540
Impact on post tax profit and equity				
Post-tax gain/(loss) and equity				
80 bp increase	8,190	29,218	30,102	28,356
80 bp decrease	(8,190)	(29,218)	(30,102)	(28,356)

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 2009 than in 2008 because of a decrease in cash balances that has occurred due to exploration expenditure that has occurred during the year. The Loan to subsidiary is non-interest bearing so interest rate variability does not impact profit and equity.

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 Balance sheet.

17. FINANCIAL RISK MANAGEMENT (cont)

Credit Quality of Financial Assets

	S&P Credit rating				
	AAA	A1+	A1	A2	Unrated
	$	$	$	$	$
Consolidated as at 30 June 2009					
Cash at bank	-	1,421,931	-	-	500
Other Financial Assets	-	40,000	-	-	-
Consolidated as at 30 June 2008					
Cash at bank	-	5,176,966	-	-	500
Other Financial Assets	-	40,000	-	-	-
Parent as at 30 June 2009					
Cash at bank	-	1,329,091	-	-	500
Other Financial Assets	-	-	-	-	-
Parent as at 30 June 2008					
Cash at bank	-	5,063,158	-	-	500
Other Financial Assets	-	-	-	-	-

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 2009				
Trade and other payables	194,710	-	-	-
Consolidated at 30 June 2008				
Trade and other payables	512,589	-	-	-
Parent at 30 June 2009				
Trade and other payables	73,721	-	-	-
Parent at 30 June 2008				
Trade and other payables	186,943	-	-	-

17. FINANCIAL RISK MANAGEMENT (cont)

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.

18. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of NiPlats and the subsidiary listed in the following table:

	Country of Incorporation	% Equity Interest		Investment ($)	
		2009	2008	**2009**	2008
Speewah Mining Pty Ltd	Australia	**100**	100	**198,185**	198,185

The outstanding loan balance to the subsidiary as at 30 June 2009 is $4,045,720 (2008: $1,692,882). The loan is non-interest bearing and is repayable on demand.

Details relating to key management personnel including remuneration are included in Note 21.

Details relating to Mineral Securities Limited, which has significant influence over the Group are included in Note 21. Mineral Securities Limited was a holder of 30,000,000 shares in NiPlats during the financial year. An Administrator and then a Receiver & Manager was appointed to Mineral Securities Limited in November 2008.

19. EVENTS AFTER THE BALANCE SHEET DATE

On 20 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 14 September 2009. Other than the placement 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.

20. AUDITORS' REMUNERATION

The auditors of NiPlats are Ernst & Young.

	Consolidated		Parent	
	2009	2008	**2009**	2008
	$	$	**$**	$
Amounts received or due and receivable by Ernst & Young for:				
An audit or review of the financial report of the entity	**46,453**	43,600	**46,453**	43,600
	46,453	43,600	**46,453**	43,600

21. 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	**438,082**	248,938	**252,790**	248,938
Post-employment superannuation	**22,275**	8,400	**4,500**	8,400
Value of Share based payments	**34,940**	31,122	**34,940**	31,122
	495,297	288,460	**292,230**	288,460

21. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES (Cont'd)

(b) Option Holdings of Key Management Personnel

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

30 June 2008	Balance at Beginning of Period 1 July 2007	Granted as Remuner-ation	Options Exercised	Net Change Other	Balance at End of Period 30 June 2009	Vested at 30 June 2008 Total	Not Exercisable	Exercisable
Directors								
A Barton	2,000,000	–	–	–	**2,000,000**	**2,000,000**	–	2,000,000
K Liddell	1,000,000	–	–	–	**1,000,000**	**1,000,000**	–	1,000,000
R Wolanski	1,000,000	–	–	–	**1,000,000**	**1,000,000**	–	1,000,000
Executives								
A Eves (Appt 3 Mar 2008)	–	200,000			**200,000**	**200,000**	200,000	–
Total	4,000,000	200,000	–	–	**4,200,000**	**4,200,000**	200,000	4,000,000

(c) Shareholdings of Key Management Personnel

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.

21. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES (Cont'd)

30 June 2008	Balance 1 July 2007 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other[3] Ord	Balance 30 June 2008 Ord
Directors					
A Barton	2,920,000[2]	–	–	5,729,387	8,649,387[1]
K Liddell	–	–	–	–	–
R Wolanski	100,000	–	–	250,000	350,000
Executives					
A Eves (Appointed 4 Mar 2008)	–	–	–	–	–
Total	3,020,000	-	–	5,979,387	8,999,387

[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. 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 New Capital Fund of which Mr Barton is a director and a beneficiary.

(d) Other Transactions with Key Management Personnel and associated entities

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.

Administration, occupancy and technical services were provided during the year by Mineral Securities Limited ("Minsec"), a company of which Mr Liddell is a director and has a beneficial interest at a cost of $10,000 per month. Minsec was placed into Voluntary Administration and Receivership in November 2008. In February 2009 NiPlats discontinued this agreement. Also pursuant to this agreement Mr Ken Rogers and Dr Rob Ramsay, both employees of Minsec, consulted to NiPlats as the contract Chief Geologist and Exploration Manager respectively. Minsec charged NiPlats the cost of Mr Rogers and Dr Ramsay's base salary plus a markup of 50%. In February NiPlats renegotiated this markup down to the lower rate of 25%. Mr Liddell's fees for his services as a non executive director are also charged through Minsec up until the date of his resignation. The total value of the administration, occupancy and technical services provided by Minsec during the year was $347,046 (2008: $304,523). There was $8,132 owed to Minsec as at 30 June 2009 (2008: $9,048) in respect of these services.

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 $45,345 (2008: $216,678). There was $6,780 owed to AHG as at 30 June 2009 in respect of these services.

All services provided by companies associated with directors were provided on commercial terms.

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 15 September 2009.

(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	51	34,853
1,001	–	5,000	164	522,542
5,001	–	10,000	216	1,984,551
10,001	–	100,000	286	11,216,608
100,001	–	and over	94	66,041,446
			811	79,800,000
The number of shareholders holding less than a marketable parcel of shares are:			52	35,953

(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	30,000,000	37.59
2	Mr A P & Mrs C H Barton (AP Barton PSF Account)	2,400,000	3.01
3	Australian Heritage Group Pty Ltd (New Capital Account)	2,203,750	2.76
4	HSBC Custody No Aust Ltd	2,155,000	2.70
5	First Island Trustees Ltd	1,500,000	1.88
6	Australian Heritage Group Pty Ltd(Australian Heritage Account)	1,422,270	1.78
7	Mr AP & Mrs C H Barton (Barton Super Fund Account)	1,350,000	1.69
8	Australian Heritage Group Pty Ltd (Australian Heritage Group Account)	1,273,367	1.60
9	L & E Fisher Nominees Pty Ltd	1,000,000	1.25
10	Bell Potter Nom Ltd	900,000	1.13
11	Mulato Nominess Pty Ltd	850,000	1.07
12	Mainview Hldgs Pty Ltd	751,311	0.94
13	Mr J Hondris	631,219	0.79
14	Celtic Cap Pty Ltd	600,000	0.75
15	Leonid Charuckyj	550,000	0.69
16	S & S Lauder Holdings Pty Ltd	545,000	0.68
17	Romanna Pty Ltd	525,000	0.66
18	RBC Dexia Investor Services	521,901	0.65
19	Clough Nominees Pty Ltd	505,598	0.63
20	GDM Services Pty Ltd	500,000	0.63
		50,184,416	**62.88**

(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	30,000,000	37.59

(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	5,000,000	6	n/a
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

(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.
East Kimberley	M80/268	
East Kimberley	M80/269	
East Kimberley	E80/2863	
East Kimberley	E80/3657	
East Kimberley	L80/43	
East Kimberley	L80/47	

Note:

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

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

Independent audit 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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with 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.

ERNST & YOUNG

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 financial position of NiPlats Australia Limited and the consolidated entity at 30 June 2009 and of their performance for the year ended on that date; and

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

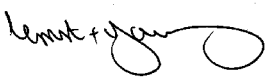
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

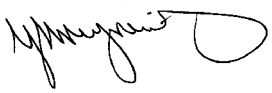
We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

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



Ernst & Young



G H Meyerowitz
Partner
Perth
29 September 2009