Plymouth Minerals Limited
ABN 52 147 413 956

& Controlled Entities

Annual Financial Report
For the year ended 30 June 2013

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Web: www.plymouthminerals.com

DIRECTORS
Adrian Byass – Managing Director
Charles Schaus – Non-Executive Chairman
Nicholas McMahon – Non-Executive Director
Stephen Brockhurst – Non-Executive Director

SHARE REGISTRAR
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Tel: 08 9389 8033 Fax: 08 9389 7871
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STOCK EXCHANGE CODE – PLH

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations*.

The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at asx.com.au/about/corporate_governance/index.htm.

CORPORATE GOVERNANCE STATEMENT

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CORPORATE GOVERNANCE STATEMENT (CONT)

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board to carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chairman and other key executives in the performance of their roles.

1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Nicholas McMahon, Mr Charles Schaus and Mr Stephen Brockhurst are Non-Executive Directors and are independent directors as they meet the following criteria for independence adopted by the Company:

An Independent Director is a Non-Executive Director and:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

1.2.2 Role of the Chairman and CEO

Recommendation 2.3 has been complied with as the Company currently does not have a CEO in place and appointed management is separate from the Chairman's position.

CORPORATE GOVERNANCE STATEMENT (CONT)

1.3 Responsibilities of the Board
In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: the development of the Company's strategic plan.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office.

1.4 Board Policies
1.4.1 Conflicts of Interest
Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments
Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality
In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

CORPORATE GOVERNANCE STATEMENT (CONT)

1.4.4 Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules which is available on the Company's website. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- concerning the that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company;
- a copy of the Corporate Governance Statement, Charters, Policies, and Memos; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders, the Company website and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information.

The Company's policy for shareholder communication is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT (CONT)

1.4.9 Trading in Company Shares

On 2 March 2011 the Board adopted a Share Trading Policy to comply with ASX Listing Rule requirements. The Board periodically reminds directors, officers and employees of the prohibition in the Corporations Act 2001 concerning trading in the Company's securities when in possession of "inside information". The Board also periodically reminds directors of their obligations to notify the Company Secretary of any trade in securities to ensure that ASX Listing Rule requirements are met. The Company's policy for trading in Company securities is available on the Company's website.

1.4.10 Performance Review/Evaluation

It is the policy of the Board to conduct regular evaluation of its performance against appropriate measures. The evaluation process was introduced via the Board Charter adopted 2 March 2011, was implemented for the financial period ended 30 June 2012 and reviewed and approved at a board meeting held on 7 August 2013. The objective of this evaluation is to provide ongoing best practice corporate governance to the Company.

1.4.11 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Company does not have a designated CEO or CFO. Due to the size and scale of operations of the Company these roles are performed by the Board as a whole.

2. Board Committees

2.1 Audit Committee

Due to the size and scale of operations of the Company the full Board undertakes the role of the Audit Committee. In the absence of a formal audit committee the board considers the issues that would otherwise be considered by the audit committee. A copy of the Audit Committee Charter is available on the Company's website.

Below is a summary of the role and responsibilities of an Audit Committee.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of four (4) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

2.1.2 Audit Committee Charter

The Board has adopted an Audit Committee Charter which sets of the roles and responsibilities, composition, structure and membership requirements. The Board refers to the Audit Committee Charter to ensure they are meeting all the requirements otherwise delegated to an audit committee. A copy of the Audit Committee Charter is available on the Company's website.

2.1.3 Responsibilities

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which are published and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company each year reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

CORPORATE GOVERNANCE STATEMENT (CONT)

2.1.4 Risk Management Policies

The Board's Charter clearly establishes that it is responsible for ensuring there is a good sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole. On completion of the 30 June 2013 annual audit, Mr Adrian Byass (Managing Director) will provide the Board with written assurance that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

2.1.5 External Auditor

The Board's has adopted a policy setting out criteria for the selection and appointment of an external auditor. A copy of this policy is available on the Company's website.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of four (4) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.2.2 Responsibilities

The responsibilities of a Remuneration Committee, or the full Board, include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the executive officers, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors making recommendations on any proposed changes and undertaking reviews of the executive officers' performance.

2.2.3 Remuneration Policy

Directors' Remuneration was approved at the Board meeting held on 13 January 2011. The Board further resolved to address the current remuneration strategy as and when appropriate. The policy was reviewed at the Directors meeting held on 7 August 2013 and recommendation was made to approve.

2.2.3.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

A meeting was held on 7 August 2013, where the board resolved to each take a 15% pay cut to accommodate Stephen Brockhurst joining the board as a non-executive director.

The value of shares and options were they to be granted to senior executives would be calculated using the Black and Scholes method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

CORPORATE GOVERNANCE STATEMENT (CONT)

2.2.3.2 Non-Executive Director Remuneration Policy
Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

2.2.4 Current Director Remuneration
Full details regarding the remuneration of Directors, is included in the Directors' Report.

2.3 Nomination Committee
2.3.1 Role
The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of four (4) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2 Responsibilities
The responsibilities of a Nomination Committee, as performed by the full Board, include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee also oversees management succession plans and evaluates the Board's performance and make recommendations for the appointment and removal of Directors. Currently the Board as a whole performs this role.

2.3.3 Criteria for selection of Directors
Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

3. Risk Management
3.1 Risk Management Policies
The Company's risk management strategy policy states that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's risk management strategy are to:

- identify risks to the Company,
- balance risk to reward,
- ensure regulatory compliance is achieved; and
- ensure senior management, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Board requires that each major transaction proposed to the Board for decision is accompanied by a risk assessment.

A copy of the risk management strategy is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT (CONT)

4. Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation.

As at the date of this report, the Company has the following proportion of women appointed:

- to the Board –0%
- to senior management – 0%
- to the organisation as a whole – 17%

The Company's objective is to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising skills are not gender specific.

The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company as disclosed above. Due to the size of the company and its small number of employees, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.

5. Code of Conduct

The Board adheres to and is responsible for enforcing the Code of Conduct set out in this Corporate Governance Statement.

The Company is committed to:

- applying the Company's funds efficiently to provide above average and sustainable return to shareholders through capital appreciation; and
- adopting high standards of occupational health and safety, environmental management and ethics.

The Board through the Managing Director monitors the Company's compliance with the Code of Conduct periodically. The Code of Conduct applies to all the directors and employees of the Company who must comply with all legal obligations and the Company policies.

The Board and the executives are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Company. If a situation where a conflict of interest arises the Managing Director is to be notified; the matter will then be considered and the appropriate steps taken to avoid a repetition.

Any breach of Corporate Governance is to be reported directly to the Managing Director.

6. Corporate Responsibility

The Company complies with all legislative and common law requirements that affect its business, particularly environmental regulations, native title and cultural heritage laws.

A copy of the Company's Code of Conduct is available on the Company's website.

DIRECTORS' REPORT

Your directors present the following report on Plymouth Minerals Limited (referred to hereafter as "the Company") for the financial year ended 30 June 2013.

DIRECTORS

The names of directors in office at any time during or since the end of the period are:

- Adrian Byass (Appointed Managing Director 3 May 2012, previously Non-Executive Director)
- Charles Schaus (Non-Executive Chairman)
- Stephen Brockhurst (Non-Executive Director, appointed 8 August 2013)
- Nicholas McMahon (Appointed Non-Executive Director 3 May 2012, previously Managing Director)

Unless noted above, all directors have been in office since the start of the financial year to the date of this report.

COMPANY SECRETARY

The following persons held the position of company secretary during the financial period:

- Stephen Brockhurst

Details of Mr Brockhurst's experience are set out below under 'Information on Directors'

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the exploration for rare earth element ("REE") mineralisation in Greenland and to generally seek other opportunities.

OPERATING RESULTS

The loss of the Company after providing for income tax amounted to $518,768 (2012: $536,679).

REVIEW OF OPERATIONS

In light of the prevailing low prices for Rare Earth Minerals and the depressed exploration sector for this commodity, minimal work was undertaken in Greenland, with no field work taking place due to logistical costs. Work conducted over REE projects included data processing from remote sensing and target generation. The Company had a focus on obtaining other projects, in particular but not limited to copper-gold projects in the Zambia, Mozambique and Tanzania region of East Africa.

During the year, the Company acquired a $20,000 option to earn an 80% interest in several tenements which it deemed highly prospective for copper, cobalt and gold in Zambia and a 10% interest in a company undertaking small scale copper mining in Zambia. The transaction was conditional and subsequent to successful due diligence by Plymouth. The company later announced that its due diligence was not successful and the option was terminated.

A 1:3 loyalty option exercisable at $0.25 was made available to shareholders at $0.005 per option and closed on the 3rd June 2013. A total of 10,716,667 options were to be issued and the shortfall allocation was made after the end of the reporting period.

The Company maintained a strong cash balance of throughout the period and maintained a low administrative cash burn.

FINANCIAL POSITION

As at 30 June 2013, the Company had a cash balance of $2,658,047 (2012: $2,515,956) and a net asset position of $2,718,922 (2012: $2,622,884).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the nature of principal activities during the financial year.

DIRECTORS' REPORT (CONT)

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2013.

EVENTS AFTER THE REPORTING PERIOD

On 8 August 2013 Stephen Brockhurst was appointed a Non-executive director of the Company.

On 15 August 2013 the Company announced that it was not satisfied with the results of its due diligence and accordingly had terminated its Zambia Option.

On 18 August 2013 the company issued 5,630,091 options exercisable at $0.25 on or before 30 June 2015 in accordance with section 1.6 of the Entitlements Issue Prospectus.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information, other than as disclosed this report, about likely developments in the operations of the Company and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The Company's operations are subject to significant environmental regulation under the law of the Commonwealth and State in relation to discharge of hazardous waste and materials arising from any mining activities and development conducted by the Company on any of its tenements. To date the Company has only carried out exploration activities and there have been no known breaches of any environmental obligations.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial period. The directors will reassess this position as and when the need arises.

DIRECTORS' REPORT (CONT)

INFORMATION ON DIRECTORS

Charles Schaus **BSc Hons**	Non-executive Chairman Charles is a geologist with over 26 years of experience in the metals, mining and oil industry. He was born and raised in California and received his degree from University of California in 1983. Since moving to Western Australia in 1986, Charles has held key management positions in Australian public mining companies including Newmont, Newcrest, Eagle Mining and he spent 18 months in Ghana for Red Back Mining. In the early years he worked in remote areas of Western Australia including Cue, Marvel Loch and Wiluna where he undertook senior mining operation roles. In the late 1990s Charles worked as a consultant in Western Australia and overseas with a focus on project feasibility work. Charles is a 22 year member of both the Australian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists. After 17 years in Australia, Charles and a fellow geologist established Aurox Resources Limited. In October 2004 the company was listed on the Australian Stock Exchange and in April 2005 acquired the rights to purchase the Balla Balla Titanomagnetite Project. The Aurox team raised over A$110 million to develop Balla Balla completing a detailed feasibility study and commencing key equipment purchasing and detailed engineering studies. In March 2010, the Aurox Board of Directors negotiated a scheme of arrangement to merge with Atlas Iron. The merger was finalised in August 2010.
Interest in Shares and Options	440,000 Fully paid ordinary shares 500,000 $0.30 options exercisable on or before 31 March 2014 146,667 $0.25 options exercisable on or before 30 June 2015
Directorships held in other listed entities	Aurox Resources Limited (October 2004 – October 2010)
Adrian Byass **BSc Hons (Geol), B Econ, FSEG and MAIG**	Managing Director Mr Byass holds a Bachelors degree in Geology from the University of Western Australia, a Bachelors degree in Economics from Murdoch University and is a Member of the Australian Institute of Geoscientists, a Fellow of the Society of Economic Geology and has over 15 years experience in the mining and resources industry covering commodities such as gold, nickel, base metals, tin-tungsten and molybdenum.
Interest in Shares and Options	2,405,000 Fully paid ordinary shares 1,000,000 $0.30 options exercisable on or before 31 March 2014 753,334 $0.25 options exercisable on or before 30 June 2015
Directorships held in other listed entities	Ironbark Zinc Limited (April 2006 – present) Wolf Minerals Limited (September 2006 – present) Corazon Mining Limited (September 2009 – present)
Nicholas McMahon **GradDip (Met)**	Non-executive Director Nicholas has over 16 years experience in the minerals industry concentrating in production and mineral processing. Nicholas has experience in iron ore, nickel, alumina and also has extensive plant commissioning and start-up experience in bulk commodity and hydrometallurgical plants in Australia including Murrin Murrin (Anaconda) and Yandi (BHP Billiton). In addition to extensive production management and supervisory experience, he has also been consulting to the minerals industry in Australia through a management and environmental services company for the exploration and mining industry.

DIRECTORS' REPORT (CONT)

INFORMATION ON DIRECTORS (CONT'D)

Interest in Shares and Options	970,000 Fully paid ordinary shares 500,000 $0.30 options exercisable on or before 31 March 2014 323,334 $0.25 options exercisable on or before 30 June 2015
Directorships held in other listed entities	None
Stephen Brockhurst	Non-executive Director (Appointed 8 August 2013), Company Secretary
B.Com	Mr Brockhurst has 12 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the Due Diligence process and Prospectuses on a number of initial public offers with capital raising in excess of $150 million. Mr Brockhurst experience includes corporate and capital structuring, corporate advisory and Company secretarial services, capital raising, ASX and ASIC compliance requirements.
Interest in Shares and Options (at time of resignation)	Nil
Directorships held in other listed entities	Red Emperor Resources NL, Jacka Resources Limited, Krakatoa Resources Limited, Company Secretary of Terrace Resources Limited and Raptor Resources Limited.

MEETINGS OF DIRECTORS

The number of Directors' meetings (including committees) held during the financial year and the number of meetings attended by each Director are:

	Directors' Meetings	
Director	**Number eligible to attend**	**Number attended**
Nicholas McMahon	5	5
Charles Schaus	5	5
Adrian Byass	5	4

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Plymouth Minerals Limited and for the executives receiving the highest remuneration.

1. Employment Agreements
Mr Adrian Byass currently works for the Company in an executive capacity as Managing Director.

Mr Byass's contract is for a term of 12 months from the commencement date with the option to extend for a further 12 months. Under the terms of the agreement, Mr M Byass's annual salary is $180,000 plus superannuation.

The Company may terminate Mr Byass' contract by giving Mr Byass a minimum of 3 months written notice or by paying Mr Byass 3 months' salary in lieu of notice. Mr Byass may terminate the contract by giving 3 months written notice to the Company.

Appointments of non-executive directors Charles Schaus and Nicholas McMahon are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act. They are entitled to receive directors' fees of $50,000 and $25,000 per annum respectively.

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

DIRECTORS' REPORT (CONT)

REMUNERATION REPORT (AUDITED) (CONT'D)

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options.
- Incentive paid in the form of share options are intended to align the interests of directors and company with those of the shareholders.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

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

The executive director receives a superannuation guarantee contribution required by the government, which is currently 9.25%, and does not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed, or capitalised to exploration expenditure if appropriate. Options, if given to directors and executives in lieu of remuneration, are valued using the Black-Scholes methodology.

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

3. Performance-based remuneration
There is currently no performance-based remuneration policy in place.

4. Options issued as part of remuneration

No Options have been issued as part of remuneration during the year (2012: $Nil).

DIRECTORS' REPORT (CONT)

REMUNERATION REPORT (AUDITED) (CONT'D)

5. Details of remuneration for the year ended 30 June 2013:
The remuneration for each key management personnel of the Company during the financial year was as follows:

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remuneration Represented by Share based Payment	Performance Related
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	$	$	$	%	%
Directors											
Nicholas McMahon	24,996	-	-	-	-	-	-	-	24,996	-	-
Charles Schaus	-	-	-	-	59,041	-	-	-	59,041	-	-
Adrian Byass	114,000	-	-	-	10,260	-	-	-	124,260	-	-
	138,996	-	-	-	69,301	-	-	-	208,297	-	-

6. Details of remuneration for the year ended 30 June 2012:
The remuneration for each key management personnel of the Company during the financial year was as follows:

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remuneration Represented by Share based Payment	Performance Related
	Cash, salary & commissions	Cash profit share	Non-cash benefit	Other	Super-annuation	Other	Equity	Options			
	$	$	$	$	$	$	$	$	$	%	%
Directors											
Nicholas McMahon	64,167	-	-	-	5,775	-	-	-	69,942	-	-
Charles Schaus	45,833	-	-	-	4,125	-	-	-	49,958	-	-
Daniel Walsh	25,000	-	-	-	2,250	-	-	-	27,250	-	-
Adrian Byass	41,250	-	-	-	-	-	-	-	41,250	-	-
	176,250	-	-	-	12,150	-	-	-	188,400	-	-

DIRECTORS' REPORT (CONT)

INDEMNIFYING AND INSURANCE OF OFFICERS

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

OPTIONS

At the date of this report, the unissued ordinary shares of Plymouth Minerals Limited under option are as follows:

Date of Expiry	Exercise Price	Number under Option
31 March 2014	$0.30	6,000,000
30 June 2015	$0.25	10,716,667

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

NON-AUDIT SERVICES

There were no fees paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2013.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on the next page of the directors' report.

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

Adrian Byass
Managing Director

Dated:
24 September 2013

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF PLYMOUTH MINERALS LTD

In relation to our audit of the financial report of Plymouth Minerals Ltd for the year ended 30 June 2013, 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.

PKF Mack and Co.

PKF MACK & CO

SIMON FERMANIS
PARTNER

24 SEPTEMBER 2013
WEST PERTH,
WESTERN AUSTRALIA

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue	2	96,649	145,056
Administration expenses		17,684	20,364
Compliance and regulatory expense		193,157	135,955
Consultancy fees		58,134	9,046
Employee benefits expense	3	194,241	137,936
Travel and accommodation		67,581	13,461
Impairment of loan		50,000	-
Exploration expenditure written off		34,620	364,973
Loss before income tax expense		(518,768)	(536,679)
Income tax expense	4	-	-
Loss for the period		(518,768)	(536,679)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the parent entity		(518,768)	(536,679)
Loss Per Share			
Basic and diluted loss per share (cents per share)	5	(1.90)	(2.08)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,658,047	2,515,956
Trade and other receivables	9	59,707	130,219
Other current assets	10	37,653	37,404
TOTAL CURRENT ASSETS		**2,755,407**	**2,683,579**
NON-CURRENT ASSETS			
Exploration and evaluation	11	-	-
TOTAL NON-CURRENT ASSETS		**-**	**-**
TOTAL ASSETS		**2,755,407**	**2,683,579**
CURRENT LIABILITIES			
Trade and other payables	12	36,485	60,695
TOTAL CURRENT LIABILITIES		36,485	60,695
TOTAL LIABILITIES		**36,485**	**60,695**
NET ASSETS		**2,718,922**	**2,622,884**
EQUITY			
Issued capital	13	3,796,098	3,206,725
Reserves	14	25,433	-
Accumulated losses		(1,102,609)	(583,841)
TOTAL EQUITY		**2,718,922**	**2,622,884**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Issued Capital $	Reserve $	Accumulated losses $	Total $
Balance at 1 July 2011		**3,205,925**	**-**	**(47,162)**	**3,158,763**
Loss for the period		-	-	(536,679)	(536,679)
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	(536,679)	(536,679)
Transactions with owner directly recorded in equity					
Shares issued during the period	13	-	-	-	-
Less: transaction costs arising from issue of shares	13	800	-	-	800
Balance at 30 June 2012		**3,206,725**	**-**	**(583,841)**	**2,622,884**
Balance at 1 July 2012		**3,206,725**	**-**	**(583,841)**	**2,622,884**
Loss for the period		-	-	(518,768)	(518,768)
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	(518,768)	(518,768)
Transactions with owner directly recorded in equity					
Shares issued during the period	13	640,000	-	-	640,000
Options issued during the period	14	-	25,433	-	25,433
Less: transaction costs arising from issue of shares	13	(50,627)	-	-	(50,627)
Balance at 30 June 2013		**3,796,098**	**25,433**	**(1,102,609)**	**2,718,922**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(423,243)	(272,050)
Payments for exploration and evaluation		(141,149)	(283,022)
Interest received		111,677	153,401
Net cash used in operating activities	16	(452,715)	(401,671)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(20,000)	-
Loans to other entities		-	(100,000)
Payments of security deposit		-	(30,000)
Net cash used in investing activities		(20,000)	(130,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		640,000	-
Proceeds from issue of options		25,433	-
Payment of transaction costs associated with capital raising		(50,627)	(49,200)
Net cash provided by/(used in) financing activities		614,806	(49,200)
Net increase/ (decrease) in cash and cash equivalents held		142,091	(580,871)
Cash and cash equivalents at beginning of financial period		2,515,956	3,096,827
Cash and cash equivalents at end of financial period	8	**2,658,047**	**2,515,956**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*, as appropriate for profit oriented entities.

The financial report covers the Company of Plymouth Minerals Limited ("Plymouth," "Plymouth Minerals," "Company," or "the Company") and its controlled entities ("Group"). Plymouth Minerals is a listed public Company, incorporated and domiciled in Australia.

The financial report of Plymouth Minerals complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).
The financial report is presented in Australian dollars.

The financial statements were authorised for issue on 24 September 2013 by the Directors of the Company.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

Basis of Preparation
The accounting policies set out below have been consistently applied to all periods presented, unless otherwise stated.

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting Policies

a) Principles of consolidation
The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Plymouth Minerals Limited at the end of the reporting period. A controlled entity is any entity over which Plymouth Minerals Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased). A list of controlled entities is contained in Note 19 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Income Tax
The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated 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 enacted or substantively enacted at reporting date.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Exploration and Evaluation Expenditure

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases.

Financial leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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

Financial assets are classified ‘at fair value through profit or loss’ when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance valuation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in the carrying value being included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 and are subsequently measured at amortised cost.
Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).
If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available for sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges. The Company currently has no derivate instruments.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Impairment of Non-Financial Assets

At the end of each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Impairment testing is performed annually for intangible assets with indefinite lives.
Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12 month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

k) Borrowing Costs

All borrowing costs are recognised as expense in the period in which they are incurred.

l) Goods and Services Tax (GST)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Going Concern
These financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Company incurred a loss of $518,768 for the year ended 30 June 2013 (2012: $536,679). The cash reserves and net assets of the Company at 30 June 2013 were $2,658,047 (2012: $2,515,956). The Company's exploration expenditure commitments over the next 12 months amount to $100,000 (2012:$ 87,614) and over the next five years amount to a total of $700,000 (2012:$ 923,024), as disclosed in note 15.

The ability of the company to continue to pay its debts as and when they fall due is dependent on the company successfully raising additional share capital and ultimately developing its mineral properties.

The directors believe it is appropriate to prepare these financial statements on a going concern basis because:

- The directors have appropriate plans to raise additional funds as and when required. In light of the company's current exploration projects, the directors believe that the additional capital can be raised in the market; and
- The directors have an appropriate plan to contain certain operating and exploration expenditure if required funding is not available.

These financial statements have been prepared on the basis that the Company can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of its assets and settlement of its liabilities can occur in the ordinary course of business.

n) Trade and other receivables
All trade receivables are recognised when they are due for settlement in the short term. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment is raised when some doubt as to collection exists.

o) Trade and other payables
These amounts represent liabilities for goods and services provided to the Company before the end of the financial period and which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

p) Issued capital
Ordinary shares are classified as equity. Costs directly attributable to the issue of shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

q) Earnings per share

1. Basic earnings per share

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

2. Diluted earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(c).

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 14.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black and Scholes option pricing model.

s) Adoption of New and Revised Accounting Standards

During the current period the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has not impacted the recognition, measurement or disclosure elements of this financial report.

t) New accounting standards for application in future periods

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated group (or the company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Australian Accounting Standards

AASB No.	Title	Application date of standard*	Issue date
AASB 9	Financial Instruments	1 January 2015	December 2010
AASB 10	Consolidated Financial Statements	1 January 2013	August 2011
AASB 11	Joint Arrangements	1 January 2013	August 2011
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	August 2011
AASB 13	Fair Value Measurement	1 January 2013	September 2011
AASB 119	Employee Benefits	1 January 2013	September 2011
AASB 127	Separate Financial Statements (revised)	1 January 2013	August 2011
AASB 128	Investment in associates and joint venture (revised)	1 January 2013	August 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	1 January 2013	June 2010
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	July 2011
AASB 2012-2	Amendments to Australian Accounting Standards – disclosure offsetting financial assets and financial liabilities	1 January 2013	June 2012
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 2012-5	Amendments to Australian Accounting Standards arising from annual improvements 2009-2011 cycle	1 January 2013	June 2012
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	1 January 2013	December 2012
AASB 2013-3	Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets	1 January 2014	June 2013
AASB 2013-4	Amendments to Australian Accounting Standards – notation of derivatives and continuation of hedge accounting	1 January 2014	July 2013
AASB 2013-5	Amendments to Australian Accounting Standards – Investment entities	1 January 2014	August 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	November 2011
Interpretation 21	Levies	1 January 2014	May 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: REVENUE

	2013 $	2012 $
Interest revenue	96,649	145,056

NOTE 3: EMPLOYEE BENEFITS

Included within Employee benefits expense, is an amount of $69,301 (2012: $12,150), being the defined contribution superannuation expense.

NOTE 4: INCOME TAX EXPENSE

	2013	2012
a. Reconciliation of income tax expense to prima facie tax payable:		
Loss from ordinary activities before income tax expense	(518,768)	(536,679)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2012: 30%)	(155,630)	(161,004)
Increase in income tax due to:		
- Non-deductible expenses	56,672	113,913
- Current year tax losses not recognised	88,524	45,983
- Dereognition of previously recognised tax losses	313	-
Decrease in income tax due to:		
- Movement in unrecognised temporary differences	16,945	5,690
- Deductible equity raising costs	(6,824)	(4,582)
Income tax attributable to the Company	-	-

b. Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%:

Deferred tax assets have not been recognised in respect of the following:

	2013	2012
Deductible temporary differences	35,080	13,747
Tax revenue losses	158,164	68,828
	193,243	82,575

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2013 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5: EARNINGS PER SHARE	Cents per share	Cents per share
Basic/diluted loss per share	(1.90)	(2.08)

Basic and diluted loss per share is the same as the unissued shares under option are anti-dilutive in nature.

The loss and weighted average number of ordinary shares used in this calculation of basic/ diluted loss per share are as follows:

		$	$
a.	Loss used to calculate basic EPS	(518,768)	(536,679)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	27,257,945	25,750,000

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel.

Names and positions held of Company's key management personnel in office at any time during the year are :

Adrian Byass	Managing Director
Charles Schaus	Non-Executive Chairman
Nicholas McMahon	Non-Executive Director

a. **Remuneration of Key Management Personnel (KMP)**
The total remuneration paid to the KMP of the Company during the year is as follows:

	2013 $	2012 $
Short-term employee benefits	138,996	176,250
Post-employment benefits	69,301	12,150
	208,297	188,400

b. **Option holdings**
Number of Options $0.30 Expiring 31 March 2014 Held by Key Management Personnel

	Balance 1.07.2011 No.	Granted as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2012 No.	Total Vested and exercisable 30.6.2012 No.
Directors						
Nicholas McMahon	500,000	-	-	-	500,000	-
Charles Schaus	500,000	-	-	-	500,000	-
Daniel Walsh	-	-	-	-	-	-
Adrian Byass	1,000,000	-	-	-	1,000,000	-
Total	2,000,000	-	-	-	2,000,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

	Balance 1.07.2012 No.	Granted as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2013 No.	Total Vested and exercisable 30.6.2013 No.
Directors						
Nicholas McMahon	500,000	-	-	-	500,000	-
Charles Schaus	500,000	-	-	-	500,000	-
Adrian Byass	1,000,000	-	-	-	1,000,000	-
Total	2,000,000	-	-	-	2,000,000	-

Number of Options $0.25 Expiring 30 June 2015 Held by Key Management Personnel

	Balance 1.07.2012 No.	Granted as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2013 No.	Total Vested and exercisable 30.6.2013 No.
Directors						
Nicholas McMahon	-	-	-	323,334	323,334	-
Charles Schaus	-	-	-	146,667	146,667	-
Adrian Byass	-	-	-	753,334	753,334	-
Total	-	-	-	1,223,335	1,223,335	-

c. **Shareholdings**
Number of Shares held by Key Management Personnel

	Balance 1.7.11 No.	Received as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2012 No.	Total held in escrow 30.6.2012 No.
Directors						
Nicholas McMahon	670,000	-	-	-	670,000	350,000
Charles Schaus	440,000	-	-	-	440,000	250,000
Daniel Walsh	185,000	-	-	(185,000)*	-	-
Adrian Byass	2,075,000	-	-	10,000	2,085,000	2,000,000
Total	3,370,000	-	-	(175,000)	3,195,000	2,600,000

	Balance 1.7.12 No.	Received as Compen-sation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2013 No.	Total held in escrow 30.6.2013 No.
Directors						
Nicholas McMahon	670,000	-	-	300,000	970,000	-
Charles Schaus	440,000	-	-	-	440,000	-
Adrian Byass	2,085,000	-	-	320,000	2,405,000	-
Total	3,195,000	-	-	620,000	3,815,000	-

* Balance held at date of resignation on 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: AUDITORS' REMUNERATION	2013 $	2012 $
Remuneration of the auditor of the parent entity for:		
— PKF Mack & Co auditing or reviewing the financial report	21,500	19,000
	21,500	19,000

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank	572,392	190,173
Term deposits	2,085,655	2,325,783
	2,658,047	2,515,956

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT		
Loans receivable	100,000	100,061
Provision for impairment	(50,000)	-
	50,000	100,061
GST receivable	-	5,424
Interest receivable	9,707	24,734
	59,707	130,219

Impairment of receivables

The Company has recognised a loss of $50,000 (2012: NIL) in the statement of profit or loss and other comprehensive income in respect of impairment of receivables for the year ended 30 June 2013.

The ageing of the impaired receivables are as follows:

0 to 3 months overdue	-	-
3 to 6 months overdue	-	-
Over 6 months overdue	50,000	-
	50,000	-

Movements in the provision for impairment of receivables are as follows:

Opening balance	-	-
Additional provision recognised	50,000	-
Closing balance	50,000	-

NOTE 10: OTHER CURRENT ASSETS

Prepayments	7,653	7,404
Credit Card Deposit	30,000	30,000
	37,653	37,404

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure capitalised		
- Exploration and evaluation phase	-	-

A reconciliation of the carrying amount of exploration and evaluation expenditure is set out below:		
- Carrying amount at the beginning of the period	-	83,751
- Shares/options issued to acquire exploration rights	-	-
- Cash payments to acquire exploration rights	20,000	-
- Additional costs capitalised during period	14,620	281,222
- Amounts written off	(34,620)	(364,973)
Carrying amount at the end of the period	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Company's Timmiarmiut REE Project is located in Greenland which is considered to be a developing country and as such, is subject to emerging legal and political systems compared with the system in place in Australia. Possible sovereign risks include without limitation, changes in the terms of the Mineral Resources Act, the Application Procedures and Standard Terms, Mineral Rights, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

Greenland is located across from the Arctic Circle and the climate in winter months can be inhospitable and unsuitable for exploration activities. Exploration field seasons are generally limited to the Spring - Autumn months (April – October). The Timmiarmiut REE is located within the southern parts of the Achean North Atlantic Craton. Weather factors may restrict the ability of the Company to carry out its exploration activities and/or result in increased costs.

<u>Tenure Risks</u>
If the first year exploration commitment is not met, the Company shall pay 50% of the non-fulfilled part of the exploration commitment or provide a bank guarantee that the non-fulfilled part of the exploration commitment will be incurred in year 2 of the licence, and similarly for subsequent years. If the Company fails to comply with these requirements, the Licences will be revoked with immediate effect.

The Company has yet to lodge the application for transfer of ownership of licenses 2011/04 from Gold Member Pty Ltd (the vendor) to the Company's name with the Bureau of Minerals and Petroleum in Greenland. The directors have obtained legal advice on the process of transfer of ownership and based on the advice, the directors do not foresee any difficulties in the process and are not aware of any condition or circumstance which may hinder the process.

NOTE 12: TRADE AND OTHER PAYABLES

	2013 $	2012 $
CURRENT		
Related party payables and accrued expenses	-	14,850
Sundry payables and accrued expenses	36,485	45,845
	36,485	60,695

Trade creditors are expected to be paid on 30 day terms.

NOTE 13: ISSUED CAPITAL

	2013 No.	2013 $	2012 No.	2012 $
Fully paid ordinary shares with no par value	32,150,000	3,796,098	25,750,000	3,206,725
a) Ordinary shares				
At the beginning of reporting period	25,750,000	3,206,725	25,750,000	3,205,925
Shares issued during the period:				
- 5 April 2013	6,400,000	640,000	-	-
At reporting date	32,150,000	3,846,725	25,750,000	3,205,925
Less capital raising costs	-	(50,627)	-	800
Net share capital	32,150,000	3,796,098	25,750,000	3,206,725

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: ISSUED CAPITAL (CONTINUED)

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

b) Options

At 30 June 2013 the following options over unissued shares were outstanding:
- 6,000,000 options exercisable at $0.30 each by 31 March 2014.
- 5,086,576 options exercisable at $0.25 each by 30 June 2015.

c) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The Company is not subject to any externally imposed capital requirements.

	2013 $	2012 $
Cash and cash equivalents	2,658,047	2,515,956
Trade and other receivables	59,707	130,219
Trade and other payables	(36,485)	(60,695)
Working capital position	2,681,269	2,585,480

NOTE 14: RESERVES

	2013 $	2012 $
Options reserve	25,433	-
	25,433	-
Options reserve		
Reserve at the beginning of the year	-	-
Options issued under entitlement issue prospectus	25,433	-
Reserve at end of year	25,433	-

The options reserve arises on the grant of share options issued under entitlement issue prospectus.

NOTE 15: CAPITAL AND LEASING COMMITMENTS

	2013 $	2012 $
Exploration expenditure commitments		
Not longer than one period	100,000	87,614
Longer than one period, but no longer than five periods	600,000	835,410
	700,000	923,024

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant authorities. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report. The actual expenditures to date on tenements have exceeded the minimum expenditure requirements specified by the relevant authorities during the current tenement grant periods.

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16: CASH FLOW INFORMATION

a. **Reconciliation of Cash Flow from Operations with Loss after Income Tax**

	2013 $	2012 $
Loss after income tax	(518,768)	(536,679)
Non-cash flows in loss:		
Exploration expenditure written-off	20,000	364,973
Changes in assets and liabilities;		
(Increase)/decrease in trade and other receivables	70,512	11,538
(Increase)/decrease in prepayments	(249)	2,466
(Increase)/decrease in exploration expenditure	-	(283,022)
Increase/(decrease) in trade payables and accruals	(24,210)	39,053
Cashflow from operations	(452,715)	(401,671)

NOTE 17: OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of two geographical segments being Australia and Greenland, and two business segments being treasury and exploration.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Inter-segment transactions
Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities
Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated item*s
The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- administrative expenses

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: OPERATING SEGMENTS (CONTINUED)

(a) Segment performance

Year Ended 30 June 2013	Exploration $	Treasury $	Total Operations $
Revenue			
Interest revenue	-	96,649	96,649
Total segment revenue	**-**	**96,649**	**96,649**
Reconciliation of segment revenue to Company revenue			
Unallocated revenue	-	-	
Total Company revenue	**-**	**-**	**96,649**
Segment net profit / (loss) before tax	(34,620)	96,649	62,029
Reconciliation of segment result to net profit / (loss) before tax			
Unallocated items:			
- Administration expenses			(17,684)
- Compliance and regulatory expense			(193,157)
- Consultancy fees			(58,134)
- Directors fees			(194,241)
- Travel and accommodation			(67,581)
- Other write-off			(50,000)
Net loss before tax from continuing operations			**(518,768)**

Period Ended 30 June 2012	Exploration $	Treasury $	Total Operations $
Revenue			
Interest revenue	-	145,056	145,056
Total segment revenue	**-**	**145,056**	**145,056**
Reconciliation of segment revenue to Company revenue			
Unallocated revenue	-	-	
Total Company revenue	**-**	**-**	**145,056**
Segment net profit / (loss) before tax	(364,973)	145,056	(219,917)
Reconciliation of segment result to net profit / (loss) before tax			
Unallocated items:			
- Administration expenses			(20,364)
- Compliance and regulatory expense			(135,955)
- Consultancy fees			(9,046)
- Directors fees			(137,936)
- Travel and accommodation			(13,461)
Net loss before tax from continuing operations			**(536,679)**

(b) Segment assets

As at 30 June 2013	Exploration $	Treasury $	Total Operations $
Segment assets	**-**	**2,658,047**	**2,658,047**
Segment asset increases/(decreases) for the year:			
- capital expenditure	-	-	-
Reconciliation of segment assets to total assets			
Trade and other receivables			59,707
Other assets			37,653
Total Company assets			**2,755,407**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: OPERATING SEGMENTS (CONTINUED)

As at 30 June 2012	Exploration $	Treasury $	Total Operations $
Segment assets	**-**	**2,540,690**	**2,540,690**
Segment asset increases/(decreases) for the year:			
- capital expenditure	(83,751)	-	(83,751)
Reconciliation of segment assets to total assets			
Trade and other receivables			105,485
Other assets			37,404
Total Company assets			**2,683,579**

(c) Segment liabilities

As at 30 June 2013	Exploration $	Treasury $	Total Operations $
Segment liabilities	**-**	**-**	**-**
Reconciliation of segment liabilities to total liabilities			
Other liabilities			36,485
Total liabilities from continuing operations			**36,485**

As at 30 June 2012	Exploration $	Treasury $	Total Operations $
Segment liabilities	**-**	**-**	**-**
Reconciliation of segment liabilities to total liabilities			
Other liabilities			60,695
Total liabilities from continuing operations			**60,695**

(c) Revenue by geographical location

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	2013 $	2012 $
Australia	96,649	145,056
Greenland	-	-
Total revenue	96,649	145,056

(d) Assets by geographical location

The location of segment assets by geographical location of the assets is disclosed below:

	2013 $	2012 $
Australia	2,755,407	2,683,579
Greenland	-	-
Total assets	2,755,407	2,683,579

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

On 8 August 2013 Stephen Brockhurst was appointed a non-executive director of the Company.

On 15 August 2013 the Company announced that it was not satisfied with the results of its due diligence and accordingly had terminated its Zambia Option.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 18: EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

On 18 August 2013 the company issued 5,630,091 options exercisable at $0.25 on or before 30 June 2015 in accordance with section 1.6 of the Entitlements Issue Prospectus.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 19: CONTROLLED ENITITES

Subsidiaries of Plymouth Minerals Limited:	Country of Incorporation	Percentage Owned (%) 2013	2012
Oceanic Coal and Energy Resources (Indonesia) 1 Inc.	British Virgin Islands	100%	100%
Oceanic Coal and Energy Resources (Indonesia) 2 Inc.	British Virgin Islands	100%	100%

The subsidiaries were both incorporated on 19 March 2012 and to date there has been no activity.

NOTE 20: PARENT ENTITY DISCLOSURES

As the subsidiaries of the Company have had no activity since incorporation, parent entity disclosure is the same as the consolidated group.

NOTE 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the directors there were no contingent liabilities at 30 June 2013, and the interval between 30 June 2013 and the date of this report.

NOTE 22: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Company's exposure to a variety of financial risks (including credit risk, liquidity risk and market risk).

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Company's surplus funds are invested with AA Rated financial institutions.

The credit risk for counterparties included in cash and cash equivalents at 30 June 2012 is detailed below:

	2013 $	2012 $
Financial assets:		
Cash and cash equivalents		
- AA rated counterparties	2,658,047	2,515,956

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

Liquidity risk
The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Market Risk
i. Interest rate risk
The Company's exposure to market interest rates relates to cash deposits held at variable rates. The Board constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

Interest rate sensitivity analysis
The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The tables indicates the impact of how profit and equity values reports at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

At 30 June 2013, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

CHANGE IN LOSS	**2013**	**2012**
	$	**$**
Increase in interest rate by 200 basis points	53,161	50,319
Decrease in interest rate by 200 basis points	(53,161)	(50,319)

CHANGE IN EQUITY	**2013**	**2012**
	$	**$**
Increase in interest rate by 200 basis points	53,161	50,319
Decrease in interest rate by 200 basis points	(53,161)	(50,319)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

ii. Price Risk
The Company is not exposed to commodity price risk as the operations of the Company are not yet at the production stage.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes and the remuneration report in the Directors Report designated as audited, are in accordance with the *Corporations Act 2001* and:

    a) comply with Accounting Standards and the Corporations Regulations 2001; and
    b) give a true and fair view of the Company and consolidated entity's financial position as at 30 June 2013 and their performance for the year ended on that date; and
    c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and

2. the Chief Executive Officer and Chief Financial Officer have each declared that:

    a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b) the financial statements and notes for the financial year comply with the Accounting Standards; and
    c) the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Adrian Byass
Managing Director

Dated: 24 September 2013

PKF Mack & Co
Chartered Accountants & Business Advisers

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PLYMOUTH MINERALS LTD

Report on the Financial Report

We have audited the accompanying financial report of Plymouth Minerals Ltd, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity. The consolidated entity comprises 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co

Chartered Accountants & Business Advisers

Opinion

In our opinion:

(a) the financial report of Plymouth Minerals Ltd is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2013 and of their performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Plymouth Minerals Ltd for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

PKF Mack and Co.

PKF MACK & CO

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SIMON FERMANIS
PARTNER

24 SEPTEMBER 2013
WEST PERTH,
WESTERN AUSTRALIA

SHAREHOLDER INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 23 September 2013.

1. Shareholding

a. **Distribution of Shareholders**

Category (size of holding)	**Number (as at 23 September 2013) Ordinary Shares**
1 – 1,000	2
1,001 – 5,000	20
5,001 – 10,000	106
10,001 – 100,000	164
100,001 – and over	57
	349

b. The number of shareholdings held in less than marketable parcels is 27

c. The name of the substantial shareholder listed in the holding company's register as at 23 September 2013 is:

Shareholder	**Ordinary Shares**
Valiant Equity Management Pty Ltd <Byass Family A/C> (representing 6.45% of the issued share capital)	2,075,000
Kiandra Nominees Pty Ltd <JK Downes Family A/C> (representing 6.22% of the issued share capital)	2,000,000

d. Voting Rights

The voting rights attached to ordinary shares are as follows:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders as at 23 September 2013 — Ordinary Shares

	Name	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1.	A22 Pty Ltd	2,104,935	6.55
2.	Valiant Equity Management Pty Ltd <Byass Family A/C>	2,075,000	6.45
3.	Kiandra Nominees Pty Ltd <JK Downes Family A/C>	2,000,000	6.22
4.	UBS Wealth Management	1,111,611	3.46
5.	Mr Jason William Peterson	1,070,000	3.33
6.	Mr Nicholas McMahon <McMahon Family A/C>	970,000	3.02
7.	Newton2 Pty Ltd <Newton 2 Super Fund A/C>	885,359	2.75
8.	BJS Robb Pty Ltd	755,643	2.35
9.	Gandria Capital Pty Ltd <The Tedblanhnki Family A/C>	750,000	2.33
10.	522 Investments Pty Ltd	700,000	2.18
11.	Newton6 Pty Ltd <The Newton Super Fund A/C>	689,500	2.14
12.	Lake Springs Pty Ltd <The Lake Springs S/F A/C>	629,000	1.96
13.	Dog Rock Investments Pty Ltd	596,235	1.85
14.	Dr Alastair Rowland Brown <Hipiki Staff Fund A/C>	569,500	1.77
15.	Mrs Dianne Lynn Edgar	400,000	1.24
16.	Mr Nicholas Simon Draper + Ms Melinda Jane Draper <Draper Super Fund A/C>	400,000	1.24
17.	DGA Superannuation Fund Pty Ltd <DGA Superfund A/C>	395,500	1.23
18.	Mrs Andrew Murray <Murray Family Fund No 2 A/C>	385,000	1.20
19.	Invictus Capital Pty Ltd <Main Family A/C>	350,000	1.09
20.	Cangu Pty Ltd <Cangu Family A/C>	333,000	1.04
		17,170,283	**53.4**

SHAREHOLDER INFORMATION

a. 20 Largest Shareholders as at 23 September 2013 — $0.30 Options expiring on or before 31 March 2014

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	VALIANT EQUITY MANAGEMENT PTY LTD <BYASS FAMILY A/C>	1,000,000	16.67
2	KIANDRA NOMINEES PTY LTD <JK DOWNES FAMILY A/C>	1,000,000	16.67
3	MR NICHOLAS MCMAHON <MCMAHON FAMILY A/C>	500,000	8.33
4	HARDCORE GEOLOGICAL SERVICES PTY LTD	500,000	8.33
5	MR STEPHEN JAMES SMITHYMAN	300,000	5
6	ZIMBALI NOMINEES PTY LTD <ZIMBALI FAMILY A/C>	250,000	4.17
7	522 INVESTMENTS PTY LTD	250,000	4.17
8	MELSIM PTY LIMITED <MELSIM P/L S/F NO 2 A/C>	250,000	4.17
4	BJS ROBB PTY LTD	250,000	4.17
10	CANGU PTY LTD <CANGU FAMILY A/C>	250,000	4.17
11	MRS DIANNE LYNN EDGAR	150,000	2.5
12	M + M MEDIA + MARKETING CONSULTANTS PTY LTD	150,000	2.5
13	MIKJAM INVESTMENTS PTY LTD <MIKJAM A/C>	100,000	1.67
14	GEBA PTY LTD <GEBA FAMILY A/C>	75,000	1.25
15	MR JOSEPH ALEC DEARNLEY	75,000	1.25
16	GRASMERE NOMINEES PTY LTD	75,000	1.25
17	INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	50,000	0.83
18	BATAVIA CAPITAL PTY LTD <AUSTLEY A/C>	50,000	0.83
19	JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C>	50,000	0.83
20	DALE MAURICE RAYNES	50,000	0.83
		5,375,000	**89.59**

a. 20 Largest Shareholders as at 23 September 2013 — $0.25 Options expiring on or before 30 June 2015

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	A22 PTY LIMITED	2,401,645	22.41
2	MR MICHAEL CHARLES MANN + MR ROSS GREGORY <THE SAINTLY UNIT A/C>	1,100,000	10.26
3	JONATHAN DOWNES	956,924	8.93
4	DOG ROCK INVESTMENTS PTY LTD	698,745	6.52
5	VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>	691,667	6.45
6	MR MARK DAVIES	500,000	4.67
7	ENERGY CAPITAL PARTNERS PTY LTD	500,000	4.67
8	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	388,733	3.63
9	MR NICHOLAS MCMAHON <MCMAHON FAMILY A/C>	323,334	3.02
10	NEWTON2 PTY LIMITED <NEWTON 2 SUPER FUND A/C>	295,120	2.75
11	NEWTON6 PTY LIMITED <THE NEWTON SUPER FUND A/C>	229,834	2.14
12	LAKE SPRINGS PTY LTD <THE LAKE SPRINGS S/F A/C>	209,667	1.96
13	KORE CAPITAL PTY LTD	150,000	1.4
14	MRS DIANNE LYNN EDGAR	133,334	1.24
15	MR NICHOLAS SIMON DRAPER + MRS MELINDA JANE DRAPER <DRAPER SUPER FUND A/C>	133,334	1.24
16	DGA SUPERANNUATION FUND PTY LTD <DGA SUPERFUND A/C>	131,834	1.23
17	DR ALASTAIR ROWLAND BROWN <HIPIKI STAFF FUND A/C>	123,167	1.15
18	INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	116,667	1.09
19	MR SAMUEL JAMES HOLMES	100,334	0.94
20	MRS LAURA OLIVIA TRIGLAVCANIN <PALOR FUND A/C>	100,000	0.93
		9,284,339	**86.63**

SHAREHOLDER INFORMATION

2. The name of the company secretary is:
Stephen Brockhurst

3. The address of the principal registered office in Australia is:
Level 1, 350 Hay Street SUBIACO WA 6008
Tel: 08 6461 6350 Fax: 08 6210 1872

4. Registers of securities are held at the following address:
Advanced Share Registry, 150 Stirling Hwy, Nedlands, WA 6009

5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

6. Unquoted Securities
A total of 6,000,000, $0.30 options are on issue. Each option can be exercised upon the payment of $0.30 and will receive one ordinary share. The expiry date for the options is 31 March 2014.

7. Use of Cash and Assets
The Company used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives stated in the company's prospectus dated 9 March 2011.

SCHEDULE OF MINERAL TENEMENTS AS AT 23 SEPTEMBER 2013

Project	***Tenement***	***Interest held by Plymouth Minerals Limited Upon Completion of Transfer***
Timmiarmiut	EL 2011/04	100%

EL Exploration Licence