Data Motion Asia Pacific Limited

2011 Annual Report

ABN 44 009 148 529

27 September 2011

Letter from the Chairman

Dear Shareholder

On behalf of the Board of Directors of DataMotion Asia Pacific Limited ("DataMotion" or the "Company"), I am pleased to present the Annual Report of the Company.

DataMotion continued to focus on its core business over the past year and made three strategic investments in the Mt Barrett (rare earths), Moruya (gold) and Pambula (gold) Projects by entering into farm-in agreements in December 2010 through its wholly owned subsidiary Universal Rare Earths Pty Ltd. The Mt Barrett Project was prioritised and the Company completed drilling of the M12 target in June 2011. The rare earth elements which were targeted were found not to be the source of the magnetic anomaly and accordingly the Company gave 90 days notice of its withdrawal under the terms of the Mt Barrett Farm-in and Exploration Joint Venture. The Company continues to review the remaining gold project investments.

During the relevant period, the Board's restructure of the Company was highly successful. The sale of the datacentre and cost cutting of administrative overheads has contributed to a thirty six percent reduction in losses for the previous financial year which represents a significant saving to shareholders. The Company also restructured the Board of Directors during the last twelve months. I take this opportunity to thank former directors Mr Joshua Wellisch, Mr Ian Fisher and Mr Patrick Corr for their respective roles in advancing the Company's interests during their tenures.

The Company continues to focus on its primary business of information technology solutions and the review of potential synergistic investment and acquisition opportunities.

On behalf of the Board of DataMotion, I wish to take this opportunity to thank my fellow Directors, employees and shareholders for their contributions and ongoing support of the Company as the Company continues to seek to build shareholder value.

Yours sincerely

Michael Robson
NON-EXECUTIVE CHAIRMAN

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Glossary in brief

DataMotion Asia Pacific	is DataMotion Asia Pacific Limited
the Company	is DataMotion Asia Pacific Limited
SYNERGY Australia	is Synergy Business Solutions Australia Pty Ltd, DataMotion Asis Pacific's wholly owned subsidiary
Data-**inCrypt**®	is Data-**inCrypt**® Pty Ltd, DataMotion Asia Pacific's wholly owned subsidiary
URE	is Universal Rare Earths Pty Ltd, DataMotion Asia Pacific's wholly owned subsidiary
the Group	is **DataMotion Asia Pacific**, **SYNERGY Australia**, Data-**inCrypt**® and **URE**
ASX	is Australian Securities Exchange
DMN	is DataMotion Asia Pacific's ASX code
DMNOA	is DataMotion Asia Pacific's listed option ASX code
DMNOC	is DataMotion Asia Pacific's listed option ASX code

Corporate Directory

DIRECTORS	**Michael A Robson** LLB (1st Class Hons) BSc (Physics) MAICD Non-executive Chairman **Mathew Whyte** BCom CPA Executive Director & Company Secretary **Michal Safrata** Non-executive Director
COMPANY SECRETARY	**Mathew Whyte** BCom CPA Executive Director & Company Secretary
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	Suite 4, 72 Canning Highway Victoria Park WA 6100 AUSTRALIA Telephone (08) 9355 2565 Facsimile (08) 9355 2575 Email info@datamotion.asia Website www.datamotion.asia
AUDITORS	Grant Thornton Audit Pty Ltd Chartered Accountants Level 1, 10 Kings Park Road West Perth WA 6005
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St Georges Terrace Perth WA 6000
BANKERS	Australia & New Zealand Banking Group Limited Cnr Hay & Outram Streets West Perth WA 6005
SOLICITORS & CORPORATE ADVISERS	Bennett & Co Level 10 BGC Centre 28 The Esplanade Perth WA 6000
STOCK EXCHANGE	Listed on the Australian Securities Exchange The home Exchange is in Perth, Western Australia
ASX CODE	DMN – fully paid ordinary shares DMNOA – listed options exercisable at 1.0 cent expiring 06 May 13 DMNOC – listed options exercisable at 0.05 cent expiring 29 Mar 13

Directors' Report

The Directors present their report together with the financial report of DataMotion Asia Pacific Limited ("the Company") and of the Consolidated Entity, being the Company and its subsidiaries, for the financial year ended 30 June 2011 and the auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of financial year were in customer software development, provision of online data backup and recovery facilities, DataMotion SecureMail and holding diversified mineral exploration investments.

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

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated operating loss of DataMotion Asia Pacific Limited after providing for income tax and eliminating outside equity interests amounted to $953,370 (2010: $1,483,500). Included in the result are non-cash impairment charges of $625,273 (2010: $0).

Comparison with Previous Financial Year's Results (ended 30 June 2010)

1) total revenues from ordinary activities (net consolidated income including asset sales) increased by 55%;
2) net consolidated expenses (excluding impairment charges) decreased by 50%;
3) cash on hand increased by 177%; and
5) net assets increased by 98%.

Review of Operations

DataMotion Asia Pacific Limited is an Internet security, systems and services group based in Perth, Western Australia. The group is focussed on generating transaction, storage and licensing revenues through its DataCentre, DataMotion SecureMail and Data-**inCrypt**® online data backup & recovery. The Company also holds diversified mineral exploration investments.

(i) TECHNOLOGY

Overview

the DataMotion Intelligent Information Transport (IIT) platform

…..has three products at its core, being SecureMail, FileTransfer and eForms.

SecureMail

DataMotion's flagship encrypted email solution. SecureMail is a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners & customers. Messages can be chosen for encryption selectively by the sender and also by policy enforcement across the entire organisation. With SecureMail, an organisation can ensure that its messages and large files are protected, private, and are compliant with internal policies and external (i.e. Government) regulations.

FileTransfer

Organisations that need to exchange large files with their partners and customers often use File Transfer Protocol (FTP), which is inherently insecure and difficult to administer, especially for one-off ad hoc file transfer requests. These FTP management headaches result in delayed business processes, and create bottlenecks for critical data flow. DataMotion FileTransfer enables users to exchange files up to 2GB in size using either a web browser interface or a separate desktop client / service, with full delivery tracking provided. DataMotion FileTransfer is integrated with SecureMail, offering the end-user a seamless experience.

eForms

DataMotion eForms offers the ability to combine customised and personalised forms with the SecureMail system, allowing recipients to receive, complete and return a secure document without leaving their existing email client (eg Microsoft Outlook). Workflow automation is one of the most important components of the DataMotion eForms system, and enables data to be routed and processed in accordance with defined business procedures / imported into existing workflows for processing, approvals and response to the customer.

*Data-**inCrypt**® **online data backup & recovery***

….is a software solution that selects a file from an end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the Internet to the DataMotion Asia Pacific DataCentre from where that file can be easily recovered when required. It enables organisations to store critical data offsite, eliminating the capital cost, ongoing maintenance and human error in backing up to tape, CD & DVD, Zip drive, flash memory, removable hard disk etc.

SYNERGY Australia

….operates the DataMotion SecureMail hosted service, the Data-**inCrypt**® online data backup & recovery service and the suite of e-commerce software products branded the SYNERGY TradeCentre.

(ii) CORPORATE

Overview

DATAMOTION ASIA PACIFIC LIMITED

…focused on the transitioning of its business model to reflect the emphasis on and commitment to the DataMotion platform in the Asia Pacific region.

(iii) INVESTMENT

Overview

Universal Rare Earths

On the 15th December 2010 the Company completed the acquisition of Universal Rare Earths Pty Ltd ("URE"). This included the completion of the three farm-out agreements between URE and Oroya Mining Ltd ("Oroya").

Under the Terms of a Share Purchase Agreement, the Company acquired from Oroya all of the issued capital of URE by the payment of $1,000 and the issue of 150,000,000 fully paid DMN shares to satisfy URE's obligation to reimburse Oroya's previous project expenditure.

The three projects subject to the farm out agreements via URE are the Mt Barrett project in Western Australia (includes Mt Barrett Rare Earth's target), Pambula Gold project and Moruya Gold project which are both located in south eastern New South Wales.

Mt Barrett Project (WA:E38/2053)
URE has decided to withdraw from the Mt Barrett joint venture farm-in agreement and has provided Oroya Mining Limited the required 90 days notice effective from 31 August 2011 following the completion of a drilling program in June 2011 and a review of the project.

Moruya Project (NSW:E6746, E6747)
URE is earning 70% interest in this project. This project is located near the town of Moruya on the east coast of New South Wales. The project comprises two exploration licences on an historic goldfield. The main exploration target at Moruya is high-grade quartz veins/stockwork vein systems associated with granite intrusions (Cadia Hill-style mineralisation).

Pambula Project (NSW: E6716, E6731)
URE is earning 70% interest in this project. This project is located about 10 kilometres southeast of Bega in south eastern coastal New South Wales. The joint venture is exploring the project for large tonnage disseminated epithermal gold-pyrite mineralisation hosted by rhyolitic and basaltic volcanics and associated sediments of the Late Devonian Boyd Volcanic Complex. These rocks are part of the Eden-Comerang-Yalwal Volcanic Zone which extends over 300 kilometres and have yielded epithermal gold at Pambula, Moruya and Yalwal.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $1,059,942 in cash. The Directors believe that the consolidated entity currently has sufficient capital to effectively continue with its principal activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

…that occurred during the financial year were:

- the Company renegotiated the terms of its agreement with DataMotion, Inc. (formerly CertifiedMail.com, Inc.), on the basis that the Company's licence to offer hosted secure e-mail services and sell secure e-mail software licences for in-house enterprise use in Far East / Asia Pacific region has been replaced with a non-exclusive licence and as a consequence the Company is no longer bound to make annual minimum payments under the agreement. The term of the new agreement is 5 years with an automatic extension for a further 5 years subject to certain minimum revenue criteria being met in each years 3 to 5;
- the Company placed 200,000,000 fully paid ordinary shares at a price of 0.08 cents per share to sophisticated shareholders, raising a total of $160,000;
- the Company placed 1,362,500,000 fully paid ordinary shares and 2,316,250,000 free attaching new options (ASX code: DMNOC) in October 2010 at a price of 0.08 cents per share, raising a total of $1,090,000 before costs;
- the Company relocated its operational infrastructure to a new data centre in East Perth and its administrative offices to Victoria Park;
- the Company received a cash payment of $530,000 (ex GST) from a third party as cash consideration for the sale of the residual Data Centre fitout and the assignment of the Westcentre premises lease;
- the Company completed the acquisition of Oroya Mining Limited's ("Oroya") wholly owned subsidiary, Universal Rare Earths Pty Ltd ("URE") by issuing 150,000,000 fully paid ordinary shares in satisfaction of URE's obligation to reimburse Oroya's previous expenditure and a cash payment of $1,000;
- the Company commenced earning 70% of the Mt Barrett project by satisfying the initial $300,000 minimum spend condition of the Mt Barrett joint venture farm-in agreement;
- Messrs Ian Fisher was appointed as Non-executive Chairman and Patrick Corr resigned as Non-executive Director in December 2010;
- Mr Joshual Wellisch was appointed as Executive Director in January 2011; and
- Drilling program commenced on the M12 Rare Earth Target at Mt Barrett in May 2011 and was completed in June 2011.

AFTER REPORTING DATE EVENTS

Following the completion of a drilling program in June 2011 and a review of the Mt Barrett project the Company has decided to withdraw from the Mt Barrett join venture farm-in agreement and has provided Oroya Mining Limited the required 90 days notice effective from 31 August 2011. The Directors are also reviewing the Company's future involvement in the remaining Moruya and Pambula joint venture farm-in agreements.

In September 2011, Messrs Ian Fisher and Joshua Wellisch have resigned as Directors and Messrs Mathew Whyte and Michal Safrata were appointed as Directors. Mr Mathew Whyte was appointed as a Company Secretary in place of Mr Joshua Wellisch and Mr Michael Robson remains as Director and was appointed as Non-executive Chairman.

Except for the matters discussed above, there is at the date of this report no other matter or circumstance which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

a) DataMotion Asia Pacific Limited's operations in future financial years; or
b) the results of those operations in future financial years; or
c) DataMotion Asia Pacific Limited's state of affairs in future financial years.

DIVIDENDS OR DISTRIBUTIONS

a) no dividends or distributions were paid to members during the year ended 30 June 2011; and
b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2011.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

To further improve the consolidated entity's financial position and maximise shareholder wealth, the Company continues to focus on its primary business of information technology solutions and the review of potential synergistic investment and acquisition opportunities. The Directors are also reviewing the Company's future involvement in the remaining Moruya and Pambula joint venture farm-in agreements.

INFORMATION ON THE DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Mr Michael A Robson	Non-executive Chairman – appointed on 05 September 2011
Mr Mathew Whyte	Executive Director and Company Secretary – appointed on 05 September 2011
Mr Michal Safrata	Non-executive Director – appointed on 05 September 2011
Mr Ian Fisher	Non-executive Chairman – appointed on 17 December 2010 and resigned on 05 September 2011
Mr Joshua J Wellisch	Executive Director and Company Secretary – resigned on 05 September 2011
Mr Patrick J Corr	Non-executive Director – resigned on 17 December 2010

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Michael A Robson, Chairman

term of office:	Non-executive Chairman of DataMotion Asia Pacific Limited since September 2011.
independent:	Yes
skills and experience:	worked in senior executive management positions both in the financial services industry and in government since 1998 and also been a compliance and risk management consultant since 2001 to the financial services industry. Michael is a member of the Australian Institute of Company Directors, holds a Bachelor of Science (Physics) degree and Bachelor of Laws. He is also a Non-executive Chairman and director of NeuroDiscovery Limited since July 2010 and was formerly the Non-executive Chairman of US Nickel Limited from July 2008 to June 2010.

Mathew Whyte, Executive Director & Company Secretary

term of office:	Executive Director of DataMotion Asia Pacific Limited since September 2011.
independent:	No
skills and experience:	Mathew is a CPA and a Fellow of the Institute of Company Secretaries. He has over 18 years commercial experience in the financial management, direction and corporate governance of ASX listed companies. He has held senior executive roles on a number of Australian listed entities with operations in Australia and overseas in the biotech, power infrastructure and mining services industries.

Michal Safrata, Non-executive Director

term of office:	Non-executive Director of DataMotion Asia Pacific Limited since September 2011.
independent:	Yes
skills and experience:	Michal is a businessman who has over 10 years experience in managing business of his own and others and is a director of Oroya Mining Limited since December 2010.

Ian Fisher, Chairman (appointed on 17 December 2010 and resigned 05 September 2011)

term of office:	Non-executive Chairman of DataMotion Asia Pacific Limited since December 2010 and resigned on 05 September 2011.
independent:	Yes
skills and experience:	Ian has held directorships with Erin Resources Pty Ltd as an Executive Director since February 2007, Carnegie Corporation Limited as a Non-executive Director since February 2000 and previously with African Consolidated Resources from January 2003 to January 2007. He is also a Non-executive Director of Ratel Gold listed on the TSX Canada.

Joshua J Wellisch, Executive Director & Company Secretary (resigned 05 September 2011)

term of office:	Executive Director of DataMotion Asia Pacific Limited since January 2011 and resigned on 05 September 2011.
independent:	No
skills and experience:	Joshua has a Bachelor of Science degree from Murdoch University and a Post Graduate Diploma in Project Management from Curtin University. Joshua previously worked as project manager for a major telephone and internet company. He was formerly a director of Oroya Mining Limited from September 2009 to December 2010.

Patrick J Corr, Non-executive Director (resigned on 17 December 2010)

term of office:	Non-executive Director of DataMotion Asia Pacific Limited since March 2010 and resigned on 17 December 2010.
independent:	Yes
skills and experience:	Experience in laws relating to companies and the securities industry in Australia since his admission as a Barrister & Solicitor of the Supreme Court of Western Australia in 2006. Patrick also has experience working with both private and public companies in the resources sector with projects in both Australia and foreign jurisdictions, including in-country roles in Africa. He has not been a director of another ASX listed company in last three years.

COMPANY SECRETARY

Mathew Whyte is a CPA and a Fellow of the Institute of Company Secretaries. Mathew was appointed Company Secretary on 05 September 2011 and is also a Director of the Company.

DIRECTORS' INTEREST

As at the date of this report the interests of the Directors, held either directly or through entities they control, in the securities of DataMotion Asia Pacific Limited are as follows:

Director	Fully Paid Ordinary Shares (DMN)	Listed Options (DMNOA)	Listed Options (DMNOC)
Direct interest:			
Michal Safrata	nil	8,000,000	nil
Indirect interest:			
Michael A Robson - Satus Texo Pty Ltd <Robson Family A/C>	4,000,000	nil	25,000,000
Ian Fisher - Notezy Pty Ltd	125,000,000	nil	nil
Joshua J Wellisch - South West Investment Holdings Pty Ltd atf trustee for South West Family Trust	nil	nil	25,000,000
Patrick J Corr - Kingrose Capital Pty Ltd	nil	nil	25,000,000

There was no directors' interest for Mr Mathew Whyte as at the date of this report.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of DataMotion Asia Pacific Limited's Directors held during the year ended 30 June 2011 and the number of meetings attended by each Director. There were a total of 10 Directors' meetings for the financial year.

Director	Number Eligible to Attend	Number Attended
Michael A Robson	10	10
Ian Fisher	2	2
Joshua J Wellisch	10	10
Patrick J Corr	8	8

DIRECTORS AND AUDITORS INDEMNIFICATION

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

REMUNERATION REPORT (AUDITED)

Remuneration Policies

The Company's policy is to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's policy is to establish competitive remuneration including performance incentives consistent with long term development and success to ensure that remuneration is fair and reasonable, taking into account all relevant factors and within appropriate controls or limits, the performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments other than notice periods will not be provided or agreed other than in exceptional circumstances.

The Company's objective is that the remuneration policy aligns with achievement of strategic objectives and the creation of long term value for shareholders.

The Company does not use specific performance hurdles in determining remuneration or short term rewards.

Remuneration Committee

The Board has not established a remuneration committee, as due to the Company's and the Board's size and its operations the Board considers such a committee is not warranted, and its function and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board operates in accordance with the Company's remuneration policy and applicable regulatory mechanisms relating to remuneration. This is a departure from the ASX Corporate Governance Council's Best Practice Recommendations 8.1.

Executive Remuneration

The Company had an executive Director in its employ during the year ended 30 June 2011.

Executive remuneration comprises of three components:

a) base pay and benefits;

b) other remuneration such as statutory superannuation; and

c) if appropriate, options and equity based compensation.

The Company has entered into a corporate consultant agreement with a Director, Joshua Wellisch to act as the Executive Director of the Company via the consulting company Keystone Holdings Pty Ltd. The terms include the fee for the provision of the services as being $109,000 per annum plus GST, payable on such terms to be agreed for a period of twelve moths with the commencement effective from 1 January 2011. There are no termination benefits unless paid at the discretion of Directors.

Non-executive Directors' Fees

The total fees paid to non-executive Directors increased to $90,000 per financial year, as approved by shareholders at the Company's 30 November 2010 Annual General Meeting. Fees may also be paid to non-executive Directors for additional consulting services provided to the Company.

Executive Directors are not entitled to receive Directors' fees. Accordingly, the Executive Directors did not receive fees for the services they provided to the Company.

Remuneration Details for the Year Ended 30 June 2011

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of Benefits and Payments for the Year Ended 30 June 2011

	Short-term benefits	Post-employment benefits	Long-term benefits			
Director	**Salary, fees and leave**	**Superannuation**	**LSL**	**Termination benefits**	**Equity-settled share-based payments - options**	**Total**
Michael A Robson (Chairman) (appointed 18 Mar 2010)						
2011	36,154	-	-	-	24,750	60,904
2010	9,156	-	-	-	-	9,156
Ian Fisher (Non-executive Chairman) (appointed 17 Dec 2010 & resigned 05 Sep 2011)						
2011	14,926	1,343	-	-	-	16,269
2010	-	-	-	-	-	-
Joshua J Wellisch (Executive Director & Company Secretary) (resigned 05 Sep 2011)						
2011	64,439	894	-	-	24,750	90,083
2010	10,703	963	-	-	-	11,666
Patrick J Corr (Non-executive Director) (resigned 17 Dec 2010)						
2011	19,050	812	-	-	24,750	44,612
2010	5,293	476	-	-	-	5,769
Ronald G Moir (Managing Director) (resigned 18 Mar 2010)						
2011	-	-	-	-	-	-
2010	198,462	17,862	-	150,000	-	366,324
Mark H Popham (Executive Director & Chief Financial Officer) (resigned 18 Mar 2010)						
2011	-	-	-	-	-	-
2010	55,276	4,975	-	-	-	60,251
Martin JW Eade (Executive Director, Company Secretary & Chief Technical Officer) (resigned 18 Mar 2010)						
2011	-	-	-	-	-	-
2010	176,631	15,635	-	37,500	-	229,766
TOTAL						
2011	134,569	3,049	-	-	-	211,868
2010	455,521	39,911	-	187,500	-	682,932

No amounts above were performance related.

Options Granted to Directors

The issue of securities under the Company's Employee Option Incentive Scheme ("Scheme") was approved by shareholders initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

During the year ended 30 June 2011 the following options were issued and lapsed under the Scheme to Directors.

Director	Held at 1 July 2010	Issued	Lapsed	Held at 30 June 2011
Martin JW Eade	30,000,000	-	30,000,000	-

In this and previous financial years, unlisted options in the Company were issued to Directors and employees as an incentive and in recognition of the fact that the fixed cash component of remuneration is comparatively modest together with an acknowledgment of effort, dedication and loyalty to the Company. The ability to exercise the options is conditional on the holder remaining in the Company's employment. There are no other non-cash benefits payable to Directors or employees.

No options have been granted to Directors since the end of the financial year.

Each option entitles the holder to purchase one fully paid ordinary share in the Company. All options expire on the earlier of their expiry date or within 90 days of the termination of the individual's employment.

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Employee Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 10	Issued	Lapsed / Cancelled	Held at 28 Sep 11
09 Dec 05	08 Dec 10	2.5 cents	10,000,000	-	(10,000,000)	-
29 May 08	28 May 13	2.5 cents	5,000,000	-	(5,000,000)	-
08 Dec 08	07 Dec 13	2.5 cents	20,000,000	-	(20,000,000)	-
19 Aug 09	18 Aug 14	2.5 cents	2,500,000	-	-	2,500,000

Consultant Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 10	Issued	Lapsed / Cancelled	Held at 28 Sep 11
11 Dec 07	10 Dec 12	2.5 cents	5,000,000	-	-	5,000,000
04 Jul 08	03 Jul 13	2.5 cents	5,000,000	-	-	5,000,000

The issue of securities to employees pursuant to the Company's Employee Option Incentive Scheme was approved initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

A summary of the terms of the Scheme is as follows:

1) options issued pursuant to the Scheme will be issued free or for a nominal consideration. Nominal consideration is defined as the lesser of 1 cent per option or 1% of the exercise price of the option;
2) the options will be for a term not exceeding 5 years from the date of issue or such longer term as the members of the Company may approve;
3) an optionholder will be entitled to one fully paid ordinary share in the capital of the Company ("Share") for each option exercise;
4) the exercise price of the options will be determined by the Board at the date of each offer;
5) the Scheme is open to employees and directors of the Company, or any Associated Body Corporate of the Company;
6) the options may be exercised any time within the term except where:
   a) the optionholder has not been an employee or Director for at least one year;
   b) the optionholder has failed to comply with the terms and conditions upon which the options were issued;

c) the optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or Associated Body Corporate; and

d) the optionholder has ceased to be an employee or Director in which case if the cause was death, permanent disability or statutory retirement the employee or Director (or their personal representative) has a period of one year to exercise the option after so ceasing, and otherwise a period of 90 days after ceasing.

7) the options will not be listed for quotation on any stock exchange;

8) the options can not be sold, transferred, mortgaged, pledged or otherwise encumbered without the consent of the Board;

9) Shares issued pursuant to the exercise of the options shall rank pari passu in all respects with Shares currently on issue in the Company;

10) the Company will apply for quotation of the Shares issued upon the exercise of the options on the ASX within 10 business days of the option being exercised;

11) an optionholder may only participate in new issues of securities if the option has been exercised prior to the Record Date for determining entitlement to the issue;

12) if the Company makes a pro rata bonus issue of Shares then the option, when exercised, will entitle the holder to receive a bonus issue in respect of the Shares resulting from exercise of the option as if the option had been exercised and the Shares allotted before the Record Date;

13) if the Company makes a pro rata offer of Shares (except a bonus issue) the exercise price of the option may be reduced in accordance with ASX Listing Rule 6.22;

14) in the event of a reorganisation of the capital of the Company, the rights of an optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and

15) within 10 business days of the Company becoming aware of a takeover bid, the Company will give the optionholder an opportunity to exercise the option.

During the year ended 30 June 2011 and 30 June 2010 no ordinary shares in the Company were issued pursuant to the exercise of options. Apart from as described above, there have been no conversions to, calls of, or subscriptions for ordinary shares of issued or potential ordinary shares since the reporting date and before the completion of these financial statements.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

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 year.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

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

b) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year ended 30 June 2011, there were no non-audit services provided by Grant Thornton Audit Pty Ltd. In 2010 an amount of $1,120 was paid to related practice of Grant Thornton Audit Pty Ltd for the review of long service leave entitlements.

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on the following page.

Pursuant to section 298(2) Corporations Act, this Directors' Report:

a) is made in accordance with a resolution of the Directors; and

b) is dated 27 September 2011; and

c) is signed by Michael Robson and Mathew Whyte.

Michael A Robson
Non-executive Chairman
Perth, Western Australia
27 September 2011

Mathew Whyte
Executive Director & Company Secretary
Perth, Western Australia
27 September 2011

Grant Thornton

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Auditor's Independence Declaration
To the Directors of DataMotion Asia Pacific Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of DataMotion Asia Pacific Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 27 September 2011

Statement of Comprehensive Income

	Notes	Consolidated Group	
		2011	2010
		$	$
Sales revenue	2	110,680	141,030
Cost of sales		-	(4)
Gross profit		110,680	141,026
Other revenue	2	494,127	250,306
Administrative expenses		(438,261)	(759,682)
Consultant and legal fees		(206,907)	(182,072)
Depreciation and amortisation expenses	3	(24,754)	(62,611)
Director fees		(56,386)	(15,996)
Director options expense		(74,250)	-
Employee benefit expense	3	(130,996)	(847,618)
Impairment of capitalised exploration expenditure	3	(575,455)	-
Impairment of financial assets	3	(13)	-
Impairment of intangible assets	3	(49,805)	-
Other expenses	3	(1,350)	(6,853)
(Loss) before income tax expense		(953,370)	(1,483,500)
Income tax expense	4	-	-
(Loss) for the year		(953,370)	(1,483,500)
Other comprehensive income / (loss) – net of tax		-	-
Total comprehensive (loss) for the year		(953,370)	(1,483,500)
Basic loss per share (cents)	7	(0.030)	(0.095)
Diluted loss per share (cents)	7	(0.030)	(0.095)

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Notes	Consolidated Group	
		2011	2010
		$	$
Current assets			
Cash and cash equivalents	8	1,059,942	382,073
Trade and other receivables	9	30,380	9,209
Financial assets	10	-	13
Other current assets	14	3,609	6,310
Total current assets		1,093,931	397,605
Non-current assets			
Property, plant and equipment	12	42,061	154,645
Intangible assets	13	19,212	72,963
Capitalised exploration expenditure	24	372,984	-
Total non-current assets		434,257	227,608
Total assets		1,528,188	625,213
Current liabilities			
Trade and other payables	15	381,846	38,808
Provisions	16	1,565	7,777
Total current liabilities		383,411	46,585
Total liabilities		383,411	46,585
Net assets		1,144,777	578,628
Equity			
Issued capital	17	40,469,882	38,950,363
Accumulated losses		(39,425,897)	(38,902,471)
Reserves		100,792	530,736
Total equity		1,144,777	578,628

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

Consolidated Group

	Issued Capital Ordinary Shares $	Issued Capital Listed Options $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2009	**36,911,527**	**396,558**	**(37,418,971)**	**503,593**	**392,707**
Loss for the year	-	-	(1,483,500)	-	(1,483,500)
Total comprehensive loss for the year	36,911,527	396,558	(38,902,471)	503,593	(1,090,793)
Transactions with shareholders					
Issue of share capital	1,468,254	-	-	-	1,468,254
Capital raising costs	(120,358)	-	-	-	(120,358)
Issue of listed options	-	310,300	-	-	310,300
Capital raising costs	-	(15,918)	-	-	(15,918)
Share-based payments	-	-	-	27,143	27,143
Balance at 30 June 2010	**38,259,423**	**690,940**	**(38,902,471)**	**530,736**	**578,628**
Balance at 1 July 2010	**38,259,423**	**690,940**	**(38,902,471)**	**530,736**	**578,628**
Loss for the year	-	-	(953,370)	-	(953,370)
Total comprehensive loss for the year	38,259,423	690,940	(39,855,841)	530,736	(374,742)
Transactions with shareholders					
Issue of share capital	1,550,000	-	-	-	1,550,000
Capital raising costs	(132,809)	-	-	-	(132,809)
Issue of listed options	-	30,750	-	-	30,750
Capital raising costs	-	(2,672)	-	-	(2,672)
Directors options issued	-	74,250	-	-	74,250
Share-based payments lapsed	-	-	429,944	(429,944)	-
Balance at 30 June 2011	**39,676,614**	**793,268**	**(39,425,897)**	**100,792**	**1,144,777**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

	Notes	Consolidated Group	
		2011 $	2010 $
Cash flows from operating activities			
Receipts from customers		116,835	148,224
Interest received		55,857	17,930
Payments to suppliers and employees		(838,291)	(1,817,771)
Net cash (used in) operating activities	21	(665,599)	(1,651,617)
Cash flows from investing activities			
Proceeds from sale of equity investments		-	502,380
Proceeds from sale of property, plant and equipment		530,000	18,205
Payment for equity investments		-	(290,686)
Payment for intangibles		(999)	(9,989)
Payment for purchase of property, plant and equipment		(10,986)	(13,029)
Payment for exploration and evaluation		(309,475)	-
Net cash provided by investing activities		208,540	206,881
Cash flows from financing activities			
Proceeds from issue of shares and options		1,250,750	1,728,254
Capital raising costs		(115,822)	(126,549)
Net cash provided by financing activities		1,134,928	1,601,705
Net change in cash and cash equivalents held		677,869	156,969
Cash and cash equivalents at beginning of financial year		382,073	225,104
Cash and cash equivalents at end of financial year	8	**1,059,942**	**382,073**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

This financial report includes the consolidated financial statements and notes of DataMotion Asia Pacific Limited and controlled entities ('Consolidated Group' or 'Group').

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.

Statement of Compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of DataMotion Asia Pacific Limited and its controlled entities comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 27 September 2011.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Third Statement of Financial Position

Two comparative periods are presented for the statement of financial position when the Group:

- i Applies an accounting policy retrospectively;
- ii Makes a retrospectively restatement of items in its financial statements, or
- iii Reclassifies items in the financial statements.

We have determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

Significant Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity that DataMotion Asia Pacific Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. 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).

All inter-company 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 consistencies with those policies applied by the parent entity.

Minority interest, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the consolidated statement of financial position and in the consolidated statement of comprehensive income.

Business combination

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

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.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it s intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

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

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 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.

Tax consolidation

DataMotion Asia Pacific Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liability (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

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

Depreciation

The depreciable amount of all fixed assets is depreciated using the diminishing value method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Assets	Depreciation Rate
Plant and equipment	5-40%
Software	40%

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

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

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 no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit or loss in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group’s intention to hold these assets to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets that are either designated as such or that are not classified in any of the categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantee) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and 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.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

e) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. 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 to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life being 10 years.

Rights and licences

Rights and licences are recognised at cost of acquisition. Rights and licences have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Rights and licences are amortised over their useful life being 10 years.

g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Group operates a share-based compensation plan which includes a share option arrangement. The bonus element over the exercise price of the employee's services rendered in exchange for the grant of options is recognised as an expense in the statement of comprehensive income, with a corresponding increase to an equity account. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

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 twelve months or less.

j) Provisions

Provisions are recognised when the Group 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.

k) Revenue

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

l) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered 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 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 capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project 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 local laws and regulations and clauses of the 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.

m) Goods and Services Tax (GST)

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

n) Comparative Figures

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

o) Going Concern

The consolidated entity has incurred operating losses of $953,370 (2010: $1,483,500) and negative operating cash flows of $665,599 (2010: $1,651,617) for the year ended 30 June 2011.

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors consider this to be appropriate for the following reasons:

- the ability to vary the consolidated entity's cost structure and in turn the levels of cash burn dependent on the level of achievement of certain milestones within the business plan;
- the demonstrated ability to obtain funding through equity issues as required; and
- the expenditure commitments are at the discretion of the Company. The Company will assess its cash position at the time of the commitment.

The Directors recognise the above factors represent create some uncertainty as the Company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts state in the financial report. However, by taking into account the points noted above, the Directors are confident the Company has adequate resources to continue in operational existence for the foreseeable future.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 Group.

Key estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Share-based payment transactions

The Group 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 with the assistance of an external valuer using a binomial model. The related assumptions are detailed in Note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon the instruments were granted, refer Note 22.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and manufacturers' warranties (for plant and equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Exploration and evaluation of expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $372,984.

Carbon Tax Scheme

On July 2011, the Commonwealth Government accounted the "Securing a Clean Energy Future- the Australian Government's Climate Change Plan". Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation must be voted on and passed by both houses of parliament. In addition, as the Group will not fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. The board e4xpects that this will not have a significant impact upon the operational costs within the business, and therefore will not have an impact upon the valuation of assets and/ or going concern of the business.

		Consolidated Group	
		2011	2010
		$	$
2.	**REVENUE**		
	Sales revenue		
	Sales	110,680	141,030
	Other revenue		
	Interest from:		
	Other unrelated persons	63,362	13,706
	Total interest	63,362	13,706
	Gain on sale of non-current assets	426,746	931
	Gain on sale of financial assets	-	212,429
	Other	4,019	23,240
	Total other revenue	494,127	250,306
	Total revenue	604,807	391,336
3.	**RESULT FOR THE YEAR**		
(a)	**Depreciation and amortisation of non-current assets**		
	Depreciation of:		
	- plant and equipment	18,502	49,866
	- software	1,307	2,176
	Amortisation of:		
	- licences	2,938	2,937
	- software	851	5,272
	- trademarks	1,156	2,360
	Total depreciation and amortisation	24,754	62,611
(b)	**Impairment of capitalised exploration expenditure**		
	Impairment of Mt Barrett capitalised exploration expenditure	575,455	-
	Total impairment	575,455	-
(c)	**Impairment of financial assets**		
	Impairment of financial assets	13	-
	Total impairment	13	-
(d)	**Impairment of intangible assets**		
	Impairment of licences and software	45,494	-
	Impairment of trade marks	4,311	-
	Total impairment	49,805	-
(e)	**Employee benefit expense**		
	Wages and salaries	118,861	806,685
	Defined contribution superannuation expense	13,370	56,865
	Share-based payments expense	-	8,526
	Other employee benefits expense	(1,235)	(24,458)
	Total employee benefit expenses	130,996	847,618

	Consolidated Group 2011 $	Consolidated Group 2010 $
(f) Impairment of receivables		
Trade receivables	1,350	6,853
Total bad and doubtful debts	1,350	6,853

4. INCOME TAX

(a) Income tax recognised in profit and loss

The prima facie tax expense (benefit) on operating result is reconciled to the income tax provided in the statement of comprehensive income as follows:

	2011 $	2010 $
Accounting loss before income tax	(953,370)	(1,483,500)
Income tax expense (benefit) calculated at 30%	(286,011)	(445,050)
Non deductible expenses	2,068	13,488
Unused tax losses and temporary differences not recognised as deferred tax assets	283,943	431,562
Income tax expense (benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Unrecognised deferred tax assets comprise:

	2011 $	2010 $
Losses available for offset against future taxable	6,688,041	6,275,853
Accrued expenses and liabilities	1,128	7,059
Capital raising costs	61,094	41,206
Impairment	1,248,757	1,249,976
Legal fees	10,055	-
	8,009,075	7,574,094

Unrecognised deferred tax liabilities comprise:

	2011 $	2010 $
Mineral exploration	111,895	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefits.

Tax Consolidation

Effective 1 July, 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group; the head entity of the tax consolidated group is DataMotion Asia Pacific Limited.

5. INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Key management personnel compensation

Key management personnel (KMP) remuneration has been included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to KMP of the Group during the 2011 and 2010 reporting periods are as follows.

	Consolidated Group	
	2011 $	2010 $
Short-term employee benefits	134,569	455,521
Post-employment benefits	3,049	39,911
Other long-term benefits	-	-
Termination benefits	-	187,500
Share-based payments	74,250	-
Total	211,868	682,932

(b) Options holdings of key management personnel

The number of unlisted options over ordinary shares held by each KMP of the Group during the 2011 and 2010 reporting periods are as follows.

	Balance 01 Jul 10	Granted	Exercised	Other changes	Vested and exercisable at the end of the year	Vested and un-exercisable at the end of the year
2011						
Michael A Robson	-	-	-	-	-	-
Ian Fisher	-	-	-	-	-	-
Joshua J Wellisch	-	-	-	-	-	-
Patrick J Corr	-	-	-	-	-	-
Total	-	-	-	-	-	-

	Balance 01 Jul 09	Granted	Exercised	Other changes	Vested and exercisable at the end of the year	Vested and un-exercisable at the end of the year
2010						
Michael A Robson	-	-	-	-	-	-
Joshual J Wellisch	-	-	-	-	-	-
Patrick J Corr	-	-	-	-	-	-
Ronald G Moir	30,000,000	-	-	(30,000,000)	-	-
Mark H Popham	20,000,000	-	-	(20,000,000)	-	-
Martin JW Eade	30,000,000	-	-	-	30,000,000	-
Total	80,000,000	-	-	(50,000,000)	30,000,000	-

(c) Rights holdings of key management personnel

The number of listed options over ordinary shares held by each KMP of the Group during the 2011 and 2010 reporting periods are as follows.

	Balance 01 Jul 10	Granted	Exercised	Other changes	Vested and exercisable at the end of the year	Vested and un-exercisable at the end of the year
2011						
Michael A Robson	-	25,000,000	-	-	25,000,000	-
Ian Fisher	-	-	-	-	-	-
Joshua J Wellisch	-	25,000,000	-	-	25,000,000	-
Patrick J Corr	-	25,000,000	-	-	25,000,000	-
Total	-	75,000,000	-	-	75,000,000	-

	Balance 01 Jul 09	Granted	Exercised	Other changes	Vested and exercisable at the end of the year	Vested and un-exercisable at the end of the year
2010						
Michael A Robson	-	-	-	-	-	-
Joshual J Wellisch	-	-	-	-	-	-
Patrick J Corr	-	-	-	-	-	-
Ronald G Moir	22,400,000	-	-	(22,400,000)	-	-
Mark H Popham	8,000,000	-	-	-	8,000,000	-
Martin JW Eade	3,273,196	-	-	-	3,273,196	-
Total	33,673,196	-	-	(22,400,000)	11,273,196	-

(d) Share holdings of key management personnel

The number of ordinary shares in the Company held by each KMP of the Group during the 2011 and 2010 reporting periods are as follows.

	Balance 01 Jul 10	Granted	Received on exercise	Other changes	Held at the end of the reporting period
2011					
Michael A Robson	4,000,000	-	-	-	4,000,000
Ian Fisher	-	-	-	125,000,000	125,000,000
Joshua J Wellisch	-	-	-	-	-
Patrick J Corr	-	-	-	-	-
Total	4,000,000	-	-	125,000,000	129,000,000

	Balance 01 Jul 09	Granted	Received on exercise	Other changes	Held at the end of the reporting period
2010					
Michael A Robson	-	-	-	4,000,000	4,000,000
Joshua J Wellisch	-	-	-	-	-
Patrick J Corr	-	-	-	-	-
Ronald G Moir	33,000,000	-	-	(32,950,000)	50,000
Mark H Popham	10,000,000	-	-	-	10,000,000
Martin JW Eade	4,091,494	-	-	(4,091,494)	-
Total	47,091,494	-	-	(33,041,494)	14,050,000

(e) Other KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 23 Related Party Transactions.

	Consolidated Group	
	2011	2010
	$	$
6. AUDITOR REMUNERATION		
Grant Thornton Audit Pty Ltd		
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial statements	19,545	14,176
- non-audit services	-	1,120
Total	19,545	15,296

		Consolidated Group	
		2011	2010
		$	$

7. LOSS PER SHARE

(a)	Basic loss per share (cents per share)	(0.030)	(0.095)
(b)	Diluted loss per share (cents per share)	(0.030)	(0.095)
(c)	Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	3,222,139,086	1,560,901,845
(d)	Loss used in calculation of basic loss per share	$953,370	$1,483,500

There are no dilutive potential ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

8. CASH & CASH EQUIVALENTS

Cash at bank and in hand	280,574	382,073
Short-term deposits	779,368	-
Total	1,059,942	382,073

Cash at bank earns interest at floating rates based on daily deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate at 5.60% per annum.

9. TRADE AND OTHER RECEIVABLES

Current		
Trade receivables	8,379	13,228
Other receivables	22,001	3,263
Provision for impairment of receivables	-	(7,282)
Total current trade and other receivables	30,380	9,209

Provision for Impairment of Receivables

Current trade and other receivables are non-interest bearing loans and generally on 30 days terms. A provision for impairment is recognised when there is an objective evidence that an individual trade or other receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows:

At 1 July	(7,282)	(3,263)
Provision for impairment recognised in the year	-	(4,019)
Receivables written off as uncollectible	3,263	-
Unused amount reversed	4,019	-
Balance at 30 June	-	(7,282)

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for as mentioned within this note. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered to be "past due" when the debt has not been settled within the terms and conditions agreed.

			Past due but not impaired (days overdue)				
	Gross amount	Past due and impaired	<30	31 - 60	61 - 90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
Consolidated Group 2011							
Trade receivables	8,379	-	-	885	885	119	6,490
Other receivables	22,001	-	-	-	-	-	22,001
Total	30,380	-	-	885	885	119	28,491
2010							
Trade receivables	13,228	(4,019)	-	1,552	510	2,734	8,432
Other receivables	3,263	(3,263)	-	-	-	-	3,263
Total	16,491	(7,282)	-	1,552	510	2,734	11,695

	Consolidated Group	
	2011	2010
	$	$
10. FINANCIAL ASSETS		
Available for sale financial assets at fair value:		
Current		
Shares in listed entities	-	13
	-	13

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity or coupon rate.

(i) Listed shares

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

There are no individually material investments.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. An impairment loss of $13 has been recognised during the year.

11. CONTROLLED ENTITIES

Name	Country of Incorporation	Beneficial Percentage Interest Held By Economic Entity	
		2011 %	2010 %
School of the Net Pty Ltd	Australia	100	100
Synergy Business Solutions Australia Pty Ltd	Australia	100	100
Data-**inCrypt**® Pty Ltd	Australia	100	100
Universal Rare Earths Pty Ltd	Australia	100	-

In December 2010, the Company acquired Oroya Mining Limited's ("Oroya") wholly owned subsidiary, Universal Rare Earths Pty Ltd ("URE") by issuing 150,000,000 fully paid ordinary shares in satisfaction of URE's obligation to reimburse Oroya's previous expenditure and a cash payment of $1,000. Refer to Note 24 Business Combination for further details.

	Consolidated Group	
	2011	2010
	$	$
12. PROPERTY, PLANT AND EQUIPMENT		
Computing plant and equipment – at cost	1,739,640	1,741,322
Additions	10,868	935
Disposals	(914,346)	(2,617)
Closing balance	836,162	1,739,640
Accumulated depreciation		
Opening balance	1,617,107	1,576,211
Depreciation for the year	16,413	42,288
Disposals	(829,086)	(1,392)
Closing balance – accumulated depreciation	804,434	1,617,107
Net book value – computing plant and equipment	31,728	122,533
Office, furniture and equipment – at cost	366,023	372,080
Additions	-	12,000
Disposals	(345,812)	(18,057)
Closing balance	20,211	366,023
Accumulated depreciation		
Opening balance	337,177	331,787
Depreciation for the year	2,089	7,578
Disposals	(327,311)	(2,188)
Closing balance – accumulated depreciation	11,955	337,177
Net book value – office, furniture and equipment	8,256	28,846
Software – at cost	377,745	377,745
Additions	118	-
Disposals	-	-
Closing balance	377,863	377,745
Accumulated depreciation		
Opening balance	374,479	372,303
Depreciation for the year	1,307	2,176
Disposals	-	-
Closing balance – accumulated depreciation	375,786	374,479
Net book value – software	2,077	3,266
Total property, plant and equipment, net	42,061	154,645

	Computing, plant and equipment $	Office, furniture and equipment $	Software $	Total $
(a) Movements in carrying amounts				
Balance at 1 Jul 10	122,533	28,846	3,266	154,645
Additions	10,868	-	118	10,986
Disposals	(85,260)	(18,501)	-	(103,761)
Depreciation expense	(16,413)	(2,089)	(1,307)	(19,809)
Balance at 30 Jun 11	31,728	8,256	2,077	42,061
Balance at 1 Jul 09	165,111	40,293	5,442	210,846
Additions	935	12,000	-	12,935
Disposals	(1,225)	(15,869)	-	(17,094)
Depreciation expense	(42,288)	(7,578)	(2,176)	(52,042)
Balance at 30 Jun 10	122,533	28,846	3,266	154,645

	Consolidated Group	
	2011 $	2010 $
13. INTANGIBLE ASSETS		
Formation costs		
Opening balance	995	6,965
Disposals	-	(5,970)
Closing balance	995	995
Goodwill on acquisition		
Opening balance	-	-
Acquired through business combination	999	-
Closing balance	999	-
Licences & Software		
Opening balance	62,418	70,627
Amortisation	(3,789)	(8,209)
Impairment losses	(45,494)	-
Closing balance	13,135	62,418
Trade marks		
Opening balance	9,550	11,194
Additions	-	9,989
Disposals	-	(9,273)
Amortisation	(1,156)	(2,360)
Impairment losses	(4,311)	-
Closing balance	4,083	9,550
Total intangible assets	19,212	72,963

Licences & software have been acquired and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have 10 years useful life. The licences and software have been granted for a minimum of ten years by the relevant agency with the option of renewal without significant cost at the end of this period provided that the entity meets certain predetermined targets. Licences and software are subject to impairment testing on an annual testing or whenever there is an indication of impairment. An impairment loss of $49,805 has been recognised in 2011 (2010: $0).

	Consolidated Group 2011 $	Consolidated Group 2010 $
14. OTHER CURRENT ASSETS		
Prepayments	3,609	6,310
15. TRADE AND OTHER PAYABLES		
Trade payables – unsecured (i)	377,832	14,306
Other payables and accruals	4,014	22,835
Amounts payable to:		
- key management personnel related entities	-	1,667
Total	381,846	38,808

Given the short term nature of these amounts, their carrying value approximates their fair value.

(i) An amount of $319,660 was relating to Oroya Mining Limited and has been included in Trade payables. Refer to Note 28 Subsequent Events for further details.

	Consolidated Group 2011 $	Consolidated Group 2010 $
16. PROVISIONS		
Employee Benefits		
Current	1,565	7,777
Non-current	-	-
Total	1,565	7,777

	Short-term Employee Benefits $	Long-term Employee Benefits $	Total $
Movement of provision			
Consolidated Group			
Opening balance at 1 Jul 10	7,777	-	7,777
Additional provisions	8,273	-	8,273
Amounts used	(7,642)	-	(7,642)
Unused amount reversed	(6,843)	-	(6,843)
Balance at 30 Jun 11	1,565	-	1,565

	Consolidated Group 2011 $	Consolidated Group 2010 $
17. ISSUED CAPITAL		
(a) Ordinary shares		
3,690,022,710 fully paid ordinary shares (2010: 1,977,522,710)	39,676,614	38,259,423
Movements in contributed equity for the year		
Balance at the beginning of the year	38,259,423	36,911,527
Shares issued during the current financial year:		
- 200,000,000 on 05 August 2010	160,000	-
- 1,362,500,000 on 08 October 2010	1,090,000	-
- 150,000,000 on 16 December 2010	300,000	
Shares issued during the previous financial year:		
- 139,803,019 on 21 October 2009	-	209,705
- 758,993,210 on 04 December 2009	-	1,138,489
- 80,039,686 on 19 January 2010	-	120,060
Less capital raising costs	(132,809)	(120,358)
Total contributed equity	39,676,614	38,259,423

The company has authorised share capital amounting to 3,690,222,710 fully paid ordinary shares of no par value. At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Consolidated Group 2011 $	Consolidated Group 2010 $
(b) Listed Options		
1,130,394,439 listed options (ASX code: DMNOA) (2010: 1,130,394,439)	690,940	690,940
2,421,250,000 listed options (ASX code: DMNOC) (2010: nil)	102,328	-
Total listed options	793,268	690,940
Movements in listed options for the year		
Listed options (ASX code: DMNOA)		
Balance at the beginning of the year	690,940	396,558
Listed options issued during the current financial year	-	-
Listed options issued during the previous financial year:		
- 290,300,000 on 07 September 2009	-	290,300
- 379,496,605 on 04 December 2009	-	-
- 20,000,000 on 11 December 2009	-	20,000
- 40,019,843 on 19 January 2009	-	-
Less capital raising costs	-	(15,918)
Total listed options	690,940	690,940

	Consolidated Group	
	2011	2010
	$	$
Listed options (ASX code: DMNOC)		
Balance at the beginning of the year	-	-
Listed options issued during the current financial year		
- 2,316,250,000 on 08 October 2010	-	-
- 30,000,000 on 20 October 2010	30,000	-
- 75,000,000 on 01 December 2010	75,000	-
Less capital raising costs	(2,672)	-
Total listed options	102,328	-

Option holders do not have any right, by virtue of the option, to vote, to participate in dividends or to the proceeds on winding up of the Company.

During the financial year no fully paid ordinary share were issued as a result of the exercise of options. No ordinary shares have been issued since the end of the financial year as a result of the exercise of options.

(c) Options

(i) For information relating to the Company's employee and consultant option scheme, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 22 Share-based Payments.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to the Directors' Report.

(d) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management debts levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

	Consolidated Group	
	2011	2010
	$	$
Total borrowings	381,846	38,808
Less cash and cash equivalents	(1,059,942)	(382,073)
Net debt	(678,096)	(343,265)
Total equity	1,144,777	578,628
Total capital	454,444	235,363
Gearing ratio (Net debt / Total equity)	(59.23%)	(59.32%)

18. RESERVES

(a) Share-based Payment Reserve

The share-based payment reserve records items recognised as expenses on valuation of unlisted employee and consultant option incentive scheme options. Refer to Note 22 Share-based Payments for further details.

19. COMMITMENTS

(a) Operating Lease Commitments

The operating lease relating to the Company's office premises at Level 1 Westcentre, 1260 Hay Street, West Perth, WA (for 10 years expires in 2016) was assigned to a third party in October 2010. Therefore, there are no operating lease commitments for the Company as at 30 June 2011.

(d) Other Commitments

The Company and its wholly owned subsidiary, Universal Rare Earths Pty Ltd have entered into three joint venture agreements with Oroya Mining Limited to farm-in to the Mt Barrett, Moruya and Pambula projects on 15 December 2010. The table below shows the estimated expenditure for the next twelve months in order for URE to earn interest in these projects.

Expenditure commitments arising from the farm-in agreements for the next twelve months:

Project	**Amount $**
Moruya Project (NSW: E6746, E6747)	170,000
Pambula Project (NSW: E6716, E6731)	130,000
Total	**300,000**

Prior to 30 days before the first and sixth months of each year during the life of the of the joint venture, a bi-annual programme together with a budget showing the estimated minimum expenditure obligations in details in respect of each project will be prepared and reviewed by the Manager.

There was no expenditure commitments provided for Mt Barrett joint venture farm-in agreement as the Company has decided to withdraw from the agreement effective from 31 August 2011 following the completion of a drilling program in June 2011 and a review of the project. The Company is also reviewing its future investment in Moruya and Pambula projects.

The expenditure above is at the Company's discretion. Should the Company not meet its minimum expenditure obligation, the Company's interest in the asset will lapse.

20. SEGMENT REPORTING

Identification of reportable segments

The Group 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 Group is managed primarily on the basis of functions within the Group, since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

The Group comprise of the following segments:

- DataMotion SecureMail & IIT platform – a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners and customers.
- Hosted services – including co-location of customer equipment in the DataMotion Asia Pacific DataCentre and the hosting of Internet services such as web sites and extranets.
- Data-**inCrypt**® online backup & recovery – selects a file from an end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the internet to the DataMotion Asia Pacific server, from where that file can be easily recovered when required.
- Mineral Exploration – three farm-in projects include Mt Barrett project in Western Australia (includes M12 rare earths target), Pambula gold project and Moruya gold project which are both located in south-eastern New South Wales.

Basis of accounting for purposes of reporting by operating segments

Accounting policies and inter-segment transactions

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 Group. There are no inter-segment transactions.

Segment assets and segment liabilities

Segment assets and segment liabilities are reviewed by the chief operating decision maker on a consolidated basis except for assets and liabilities that related to the Mineral Exploration segment are reviewed separately as the Company and its wholly owned subsidiary, Universal Rare Earths Pty Ltd has entered into three joint venture agreements with Oroya Mining Limited to farm-in to the Mt Barrett, Moruya and Pambula projects in December 2010.

Unallocated items

Unless indicated otherwise the following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- cash and cash equivalents;
- trade and other receivables;
- available for sale financial assets;
- other current assets;
- property, plant and equipment;
- intangible assets;
- interest revenue;

- net gain on disposal of available-for-sale of financial assets;
- net gain on disposal of plant and equipment;
- administration costs; and
- employee benefit expenses (including share-based payments).

	DataMotion SecureMail & IIT platform	Hosted services	Online backup & recovery	Mineral exploration	Consolidated
	$	$	$	$	$
As at 30 June 2011					
Revenue					
External sales	5,892	60,000	44,788	-	110,680
Other revenue	-	-	-	-	-
Inter-segment sales	-	-	-	-	-
Total segment revenue	5,892	60,000	44,788	-	110,680
Interest revenue					63,362
Net gain on disposal of plant and equipment					426,746
Other – reversal of impairment of debtor					4,019
Total group revenue					604,807
Result					
Segment net loss before tax	5,892	(31,593)	44,208	(575,455)	(556,948)
Amounts not included in segment result but reviewed by the Board:					
Unallocated revenue as above					494,127
Depreciation and amortisation					(24,754)
Unallocated items:					
Administration costs					(734,799)
Employee benefit expenses					(130,996)
Net loss before tax					(953,370)
As at 30 June 2010					
Revenue					
External sales	11,767	60,310	68,953	-	141,030
Other revenue	20,250	2,727	263	-	23,240
Inter-segment sales	-	-	-	-	-
Total segment revenue	32,017	63,037	69,216	-	164,270
Interest revenue					13,706
Net gain on disposal of available-for-sale of financial assets					212,429
Net gain on disposal of plant and equipment					931
Total group revenue					391,336

	DataMotion SecureMail & IIT platform	Hosted services	Online backup & recovery	Mineral Exploration	Consolidated
	$	$	$	$	$
Result					
Segment net loss before tax	(278,339)	40,154	67,780	-	(170,405)
Amounts not included in segment result but reviewed by the Board:					
Unallocated revenue as above					227,066
Depreciation and amortisation					(62,611)
Unallocated items:					
Administration costs					(629,932)
Employee benefit expenses					(847,618)
Net loss before tax					(1,483,500)
As at 30 June 2011					
Assets					
Capitalised exploration expenditure	-	-	-	372,984	372,984
Total segment assets	-	-	-	372,984	372,984
Amounts not included in segment assets but reviewed by the Board:					
Cash and cash equivalent					1,059,942
Trade and other receivables					30,380
Other current assets					3,609
Property, plant and equipment					42,061
Intangible assets					19,212
Total assets as per the statement of financial position					1,528,188
As at 30 Jun 2010					
Assets					
Capitalised exploration expenditure	-	-	-	-	-
Total segment assets	-	-	-	-	-
Amounts not included in segment asset but reviewed by the Board:					
Cash and cash equivalent					382,073
Trade and other receivables					9,209
Available for sale financial assets					13
Other current assets					6,310
Property, plant and equipment					154,645
Intangible assets					72,963
Total assets as per the statement of financial position					625,213

21. CASH FLOW INFORMATION

(a) Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as reported above.

	Consolidated Group	
	2011	2010
	$	$
Reconciliation of Loss from Ordinary Activities to Net Cash Flows from Operating Activities		
Loss for the year	(953,370)	(1,483,500)
Non-cash flows in loss		
Amortisation	4,945	10,569
Bad debts	1,350	2,834
Consultant option	-	18,617
Depreciation	19,809	52,042
Director option	74,250	-
Discount given	450	490
Disposal of intangible assets	-	9,273
Employee option	-	8,526
Impairment losses – capitalised exploration expenditure	575,455	-
Impairment losses – intangible assets	49,805	-
Impairment losses – subsidiary loan	-	5,970
Impairment – provision of debtors	(4,019)	4,019
Profit on sale of non-current assets	(426,746)	(931)
Profit on sale of shares	-	(212,429)
Provision for diminution - shares	13	-
Changes in assets and liabilities		
(Increase) / decrease in trade & other receivables	(8,934)	14,248
(Increase) / decrease in prepayments	2,701	2,557
Increase / (decrease) in trade payables	35,958	(17,970)
Increase / (decrease) in other payables & accruals	(23,979)	(26,824)
Increase / (decrease) in prepaid revenue	(7,075)	(1,667)
Increase / (decrease) in provisions	(6,212)	(37,441)
Net cash flows from operating activities	(665,599)	(1,651,617)

(b) Non-cash Financing and Investing Activities

(i) Share issue

During the year, the Company issued 150,000,000 DMN fully paid ordinary shares to Oroya Mining Limited ("Oroya") in satisfaction of URE's obligation to reimburse Oroya's previous exploration expenditure.

(ii) Listed option issue

During the year, a total of 75,000,000 listed options (ASX code – DMNOC) are issued to the directors (or their nominees). The listed options issue was to provide an incentive to enable the Company to retain directors of high calibre. Refer to Note 23 Related Party Transactions for further details.

A total of 30,000,000 listed options (ASX code – DMNOC) were issued to CPS Securities as part of the placement fee for the Company's completed capital raising on 08 October 2010.

22. SHARE-BASED PAYMENTS

Share options are granted to employees and directors of the Company, or any Associated Body Corporate of the Company. A summary of the terms of the Scheme is contained in the Director's Report.

The following share-based payment arrangements existed at 30 June 2011.

During the year ended 30 June 2011, 35 million share options have lapsed due to a director and two employees ceasing their employment with the Company.

The number and weighted average exercise prices of share options is as follows:

	2011		2010	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of	47,500,000	$0.025	105,000,000	$0.025
Granted	-	$0.025	2,500,000	$0.025
Forfeited during the period	(35,000,000)		(60,000,000)	
Expired during the period	-		-	
Exercised during the period	-		-	
Outstanding at year-end	12,500,000		47,500,000	
Exercisable at year-end	12,500,000		47,500,000	

There were no options exercised during the year ended 30 June 2011 (2010: nil). These options had a weighted average exercise price of $0.025 at exercise date.

23. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Key management personnel compensation and transactions have been included in the Remuneration Report section of the Directors' Report and Note 5 Key Management Personnel.

(b) Directors' Interest

As at the date of this report the interests of the Directors, held either directly or through the entities they control, in the securities of DataMotion Asia Pacific Limited are as follows.

Director	**Number of Ordinary Shares (DMN)**	**Number of Listed Options (DMNOC)**
Ian Fisher	125,000,000	-
Joshua Wellisch	-	25,000,000
Michael Robson	4,000,000	25,000,000
Patrick Corr	-	25,000,000

A total of 75,000,000 listed options (ASX code: DMNOC) were issued to the directors (or their nominees) following approval by shareholders at the Company's Annual General Meeting in November 2010. The purpose of the grant of the listed options is for the Company to provide an incentive to enable the Company to retain directors of high calibre. Each listed options was granted for $0.00001 and entitled the directors to subscribe for one fully paid ordinary share at an exercise price of $0.005, exercisable on or before 29 March 2013.

The total value of listed options issued to the directors was $75,000 and the funds received from the directors for the issue of, listed options was $750. The difference between these two amounts of $74,250 has been recognised as directors options expense in the period.

(c) Other transactions with key management personnel

During the period, an amount of $33,000 (inc. GST) was paid to Patrick Corr for conducting the due diligence for the three projects (Mt Barrett, Moruya and Pambula).

24. BUSINESS COMBINATION

On 15 December 2010, the Company acquired 100% of the issued capital of Universal Rare Earths Pty Ltd ("URE") wholly owned subsidiary of Oroya Mining Limited ("Oroya"), by issuing 150,000,000 DMN fully paid ordinary shares in satisfaction of URE's obligation to reimburse Oroya's previous exploration expenditure and a cash payment of $1,000. The acquisition is part of the Group's ongoing restructure.

Consideration transferred	**Fair value $**
- cash	1,000
- equity issued: 150m DMN fully paid ordinary shares @ $0.002 per share*	300,000
Total	**301,000**

Assets acquired and liabilities assumed at the date of acquisition	**Fair value $**
Current assets	
Cash & cash equivalent	1
Non-current assets	
Capitalised exploration expenditure	300,000
Non-current liabilities	
Trade & other payables	(300,000)
	1

Goodwill arising on acquisition	**Fair value $**
Consideration transferred	301,000
Less: intercompany elimination on equity issued*	(300,000)
Less: fair value of identifiable net assets acquired	(1)
Goodwill arising on acquisition	999

Net cash outflows arising on acquisition	**Fair value $**
Consideration paid in cash	1,000
Less: cash and cash equivalent balances acquired	(1)
	(999)

As part of the arrangement for the business combination, URE has entered into three unincorporated joint venture / farm-in agreements with Oroya Mining Limited to farm-in to the Mt Barrett, Moruya and Pambula projects.

Mt Barrett Project (M12 Rare Earth Elements target, WA: E38/2053)

As announced on the 14 June 2011 the joint venture partners undertook a drilling program at the M12 target. Two holes, M12A (depth 370.3m) and M12B (depth 306m), were completed during 22 May to 14 June 2011.

Based on a review of the exploration results, the Company has withdrawn from the Mt Barrett joint venture farm-in agreement subsequent to 30 June 2011 and has provided Oroya Mining Limited the required 90 days notice effective 31 August 2011. Accordingly, the Company has raised an impairment charge of $575,455 against capitalised exploration expenditure previously incurred on the Mt Barrett project. The amount has been included within the relevant line item in the Statement of Comprehensive Income.

Moruya Project (Gold, NSW: E6746, E6747)

The Moruya gold project is situated near the town of Moruya on the east coast of New South Wales. The project comprises two exploration licences on an historic goldfield. The main exploration target at Moruya is on high-grade quartz veins and stockwork vein systems associated with granite intrusions (Cadia Hill-style mineralisation). Previous regional work by Oroya has identified strong regional gold anomalies and follow-up work is also expected to identify drill targets in 2011.

The Company is earning 70% in the project by sole funding all expenditure for a bankable feasibility study and all the Mining Act expenditure requirements until a decision to mine.

Pambula Project (Gold, NSW: E6716, E6731)

The Pambula gold project is situated about 10 kilometres southeast of Bega in south eastern coastal of New South Wales. The joint venture is exploring the project for large tonnage disseminated epithermal gold-pyrite mineralisation hosted by rhyolitic and basaltic volcanics and associated sediments of the Late Devonian Boyd Volcanic Complex. These rocks are part of the Eden-Comerang-Yalwal Volcanic Zone which extends over 300 kilometres and have yielded epithermal gold at Pambula, Moruya and Yalwal.

The Company is earning 70% in the project by sole funding all expenditure for a bankable feasibility study and all the Mining Act expenditure requirements until a decision to mine.

	Consolidated Group	
	2011 $	2010 $
Exploration expenditure capitalised:		
Opening balance	-	-
Exploration and evaluation phases	948,439	-
Impairment	(575,455)	-
Total exploration expenditure capitalised	372,984	-

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

25. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise receivables, payables, available for sale investments, cash and short-tern deposits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These included monitoring levels of exposure to interest rate and market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks are summarised below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, trade and other receivables and available-for-sale-financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount net of any provisions for these assets as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluations including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regulatory monitored. The Group does not require collateral in respect of financial assets.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At the reporting date there were no significant concentrations of credit risk. Refer to Note 9 for further information on impairment of financial assets that are past due.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management. The Group manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The table below lists the financial liability and financial asset maturity analysis.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$
Consolidated Group								
Financial liabilities due for payment								
Trade & other payables	381,846	38,808	-	-	-	-	381,846	38,808
Total expected outflows	381,846	38,808	-	-	-	-	381,846	38,808
Financial assets — cash flows realisable								
Cash and cash equivalents	1,059,942	382,073	-	-	-	-	1,059,942	382,073
Trade and other receivables	33,989	15,519	-	-	-	-	33,389	15,519
Available for sale financial assets	-	13	-	-	-	-	-	13
Total anticipated inflows	1,093,931	397,605	-	-	-	-	1,093,931	397,605
Net (outflow)/inflow on financial instruments	712,085	358,797	-	-	-	-	712,085	358,797

(c) Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates. The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit / (loss) and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates.

	Consolidated Group	
	2011 $	2010 $
Financial assets		
Cash and cash equivalents	1,059,942	382,073
Financial liabilities		
Interest bearing liabilities	-	-
	1,059,942	382,073
Impact on post tax profit / (loss) and equity		
+ 2% in interest rate	21,199	7,641
- 2% in interest rate	(21,199)	(7,641)

(d) Foreign currency risk

The Group is not exposed to significant financial risks from movements in foreign exchange rates.

There are no financial assets and no liabilities denominated in foreign currencies. The Group does not participate in any type of hedging transactions or derivatives. Therefore, no sensitivity analysis is required.

(e) Price risk

The Group's exposure to commodity and equity securities price risk is minimal. Equity securities price risk arises from investments in equity securities. In order to limit this risk the Group diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on the ASX.

The price risk for both listed an unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

(f) Net fair value

For the financial assets and liabilities disclosed in this note, the fair net value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

		2011		2010	
	Footnote	**Net Carrying Value $**	**Net Fair Value $**	**Net Carrying Value $**	**Net Fair Value $**
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	1,059,942	1,059,942	382,073	382,073
Trade and other receivables	(i)	30,380	30,380	9,209	9,209
Available-for-sale financial assets:					
- at fair value					
– listed investments		-	-	13	13
Total available-for-sale financial assets	(ii)	-	-	13	13
Total financial assets		1,090,322	1,090,322	391,295	391,295

		2011		2010	
	Footnote	Net Carrying Value $	Net Fair Value $	Net Carrying Value $	Net Fair Value $
Financial liabilities					
Trade and other payables	(i)	381,846	381,846	38,808	38,808
Total financial liabilities		381,846	381,846	38,808	38,808

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) For listed available-for-sale financial assets, closing quoted bid prices at the end of the reporting period used. These listed investments are included within level 1 of the hierarchy of financial assets. The directors have determined that the fair values of the available-for-sale financial assets carried at cost and at recoverable amount cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. Consequently, such assets are recognised at cost and their fair values have also been stated at cost in the above table.

26. PARENT COMPANY INFORMATION

	Parent Entity	
	2011 $	2010 $
Assets		
Current assets	902,391	372,641
Non-current assets	38,377	207,150
Total assets	940,768	579,791
Liabilities		
Current liabilities	35,385	33,145
Non-current liabilities	-	-
Total liabilities	35,385	33,145
Equity		
Issued capital	40,469,883	38,950,363
Accumulated losses	(39,665,291)	(38,934,453)
Reserves		
Share-based payments	100,792	530,736
Total reserves	100,792	530,736
Financial performance		
Loss for the year	(1,160,782)	(1,515,482)
Other comprehensive income / (loss)	-	-
Total comprehensive (loss)	(1,160,782)	(1,515,482)

Contingent liabilities

There is no contingent liabilities for the parent entity during the financial year.

Contractual commitments

There is no contractual commitments for the parent entity during the financial year.

27. VARIANCES FROM THE PRELIMINARY REPORT

The financial information presented in the preliminary final report lodged on 31 August 2011 was in the process of being reviewed by management and audited by the Group's independent auditor. The following adjustments have been made to the information presented in the preliminary report:

	Consolidated	
	2011 $	2010 $
Consolidated Statement of Financial Position		
Current Assets		
Current Assets reported in the preliminary final report	1,081,694	397,605
Reclassification of GST Liabilities (debit amount)	12,237	-
Current Assets reported in the financial statements	1,093,931	397,605
Current Liabilities		
Current Liabilities reported in the preliminary final report	371,174	46,585
Reclassification of GST Liabilities (debit amount)	12,237	-
Current Liabilities reported in the financial statements	383,411	46,585
Consolidated Statement of Changes in Equity		
Accumulated Losses		
Accumulated Losses reported in the preliminary final report	(39,325,105)	(38,902,471)
Reversal of Share-based Payments Lapsed	(100,792)	-
Accumulated Losses reported in the financial statements	(39,425,897)	(38,902,471)
Reserves		
Reserves reported in the preliminary final report	-	530,736
Reversal of Share-based Payments Lapsed	100,792	-
Reserve reported in the financial statements	100,792	530,736

28. SUBSEQUENT EVENTS

- In July 2011, an amount of $300,000 was paid to Oroya Mining Limited relating to Mt Barrett project expenditure. Of this amount, $319,660 was accrued and has been included in Trade and other payables as at 30 June 2011;

- Universal Rare Earths has given 90 days notice in accordance with the term of The Mt Barrett Farm-in and Exploration Joint Venture that it has decided to withdraw from the Joint Venture effective from 31 August 2011. The Company is reviewing its future investment in Moruya and Pambula projects;

- the Company announced that Messrs Ian Fisher and Joshua Wellisch have resigned as Directors and Messrs Mathew Whyte and Michal Safrata were appointed as Directors in September 2011. Mr Mathew Whyte was appointed as a Company Secretary in place of Mr Joshua Wellisch and Mr Michael Robson will remain as Director and was appointed as Non-executive Chairman; and

- the Company and Mr Joshua Wellisch via the consulting company Keystone Holdings Pty Ltd have mutually agreed to an early termination of the Corporate Consulting Agreement. In consideration of the early termination of the agreement, which was otherwise due to expire 1 January 2012, the Company paid one-off reduced final payment of three months consulting fee in the amount of $27,250 plus GST to Keystone Holdings Pty Ltd in September 2011. Mr Joshua Wellisch will provide reasonable assistance to the Company as requested for the period from September 2011 to 1 January 2012.

29. CHANGES IN ACCOUNTING POLICY

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A list of those standards and interpretations that have been released and are applicable to the Company follows:

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 9 Financial Instruments AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 139 Financial Instruments: Recognition and Measurement (part)	AASB 9 introduces requirements for the ification and surement of financial ts and liabilities. 3 9 uses a single bach to determine her a financial asset easured at amortised or fair value, cing the many ent rules in AASB and removes the irment requirement nancial assets held at alue. In addition, the rity of requirements AASB 139 for the ification and surement of financial ties has been carried rd unchanged, pt in relation to own t risk where an entity s the option to sure financial ties at fair value. 3 9 requires the int of the change in alue due to changes e entity's own credit o be presented in comprehensive ne (OCI), unless is an accounting atch in the profit or in which case all s or losses are to be ented in the profit or The requirements AASB 139 related to erecognition of cial assets and ties have been porated unchanged AASB 9.	31 December 2013	AASB 9 amends the classification and measurement of financial assets; the effect on the entity will be that more assets are held at fair value and the need for impairment testing has been limited to assets held at amortised cost only. Minimal changes have been made in relation to the classification and measurement of financial liabilities, except 'own credit risk' instruments. The effect on the entity will be that the volatility in the profit or loss will be moved to the OCI, unless there is an accounting mismatch.	AASB 2009-11 AASB 2010-7	Depending on assets held, there may be significant movement of assets between fair value and cost categories and ceasing of impairment testing on available for sale assets. If the entity holds any 'own credit risk' financial liabilities, the fair value gain or loss will be incorporated in the OCI, rather than profit or loss, unless accounting mismatch.
AASB 124 Related Party Disclosures AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124.	AASB 124 Related Party Disclosures	This revision amends the disclosure requirements for government related entities and the definition of a related party.	31 December 2011	Since the entity is not a government related entity; there is not expected to be any changes arising from this standard.	AASB 2009-12	Unlikely to have significant impact in Australia.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 2009-14 Prepayments of a Minimum Funding Requirement (Amendments to Interpretation 14)	Interpretation 14	This amendment to Interpretation 14 addresses the unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan.	31 December 2011	As the entity does not have a defined benefit pension plan this amendment to Interpretation 14 is not expected to have any impact on the entity's financial report.	None	Possibly significant if the entity has a defined benefit
AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements	None	This Standard gives effect to Australian Accounting Standards - Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	30 June 2014	AASB 2010-2 sets out the relevant disclosures that will not be required to be made if it is a Tier 2 entity that nominates to comply.	AASB 1053	Reduced note disclosures in the following main areas: AASB 7 Financial Instruments; Disclosures AASB 101 Presentation of Financial Statements AASB 108 Accounting Policies AASB 123 Borrowing Costs AASB 124 Related Party Disclosures AASB 128 Accounting for Associates

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	None	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken in account.	31 December 2011	Given the number of standards amended by AASB 2010-4, an example disclosure is not included. Entities assess the impact of each of the amendments on their organisation.	None	Varies depending on relevance; however impact is unlikely to be significant.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 1053 Application of Tiers of Australian Accounting Standards	None	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: 1. Tier 1: Australian Accounting Standards; and 2. Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. 3. The following entities apply Tier 1 requirements in preparing general purpose financial statements: a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and b) the Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: a) for-profit private sector entities that	30 June 2014	This depends on the classification of the entity as a Tier 1 or 2. For Tier 1 entities or Tier 2 that prepare special purpose financial reports, there will be no impact on the financial statements as the reduced disclosure will not be available to apply. Tier 2 entities that prepare general purpose financial reports will be able to apply the reduced disclosures within the financial instruments, related parties, accounting policies, borrowing costs, and financial statement disclosures	AASB 1053	Reduced disclosures. Refer to comments in AASB 2010-2 above.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 1054 Australian Additional Disclosures	None	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: a) Compliance with Australian Accounting Standards b) The statutory basis or reporting framework for financial statements c) Whether the financial statements are general purpose or special purpose d) Audit fees e) Imputation credits f) reconciliation of net operating cash flow to profit (loss)	30 June 2012	This Standard sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are additional to IFRSs.	AASB 2011-01	Not expected to have significant impact, as only relocating Australian specific disclosures from existing standards to this new standard.
AASB 2010-05 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	None	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.	31 December 2011	These amendments have no major impact on the requirements of the amended pronouncements	AASB 2010-5	No major impact

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets (AASB 1 & AASB 7)	None	The Standard amends the disclosures required, to help users of financial statements evaluate the risk exposures relating to more complex transfers of financial assets (e.g. securitisations) and the effect of those risks on an entity's financial position.	30 June 2012	The Amendments will introduce more extensive and onerous quantitative and qualitative disclosure requirements for de-recognition of financial assets.	AASB 7	More extensive and onerous quantitative and qualitative disclosure requirements for de-recognition of financial assets.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	None	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: a) The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b) The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	31 December 2013	This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.	AASB 9 AASB 2009-11	Unlikely to have significant impact in Australia.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112]	None	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes - Recovery of Revalued Non-Depreciable Assets into AASB 112.	31 December 2012	The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property. Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.	None	Unlikely to have significant impact in Australia
AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	None	This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	30 June 2012	This Standard makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards.	AASB 1054	Refer to comments above under

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project - Reduced disclosure regime [AASB 101, AASB 1054]	None	This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053.	30 June 2014	This Standard makes amendments to the following Australian Accounting Standards: 1. AASB 101 Presentation of Financial Statements 2. AASB 1054 Australian Additional Disclosures, to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.	AASB 1053 AASB 1054 AASB 2011-1	Not expected to have significant impact, as only relocating Australian specific disclosures from existing standards to this new standard

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
Consolidated Financial Statements	IAS 27	IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.	31 December 2013	It introduces a new, principle-based definition of control which will apply to all investees to determine the scope of consolidation. Traditional control assessments based on majority ownership of voting rights will very rarely be affected. However, 'borderline' consolidation decisions will need to be reviewed and some will need to be changed taking into consideration potential voting rights and substantive rights.	IFRS 11 IFRS 12 IAS 27 IAS 28 IAS 31	Entities most likely to be impacted are those that: - have significant, but not a majority equity interests in other entities; - hold potential voting rights over investments , such as options

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
Joint Arrangements1	IAS 31 SIC 13	IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Ventures. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.	31 December 2013	Entities with existing joint arrangements or that plan to enter into new joint arrangements will be affected by the new standard. These entities will need to assess their arrangements to determine whether they have invested in a joint operation or a joint venture upon adoption of the new standard or upon entering into the arrangement. Entities that have been accounting for their interest in a joint venture using proportionate consolidation will no longer be allowed to use this method; instead they will account for the joint venture using the equity method. In addition, there may be some entities that previously equity-accounted for investments that may need to account for their share of assets and liabilities now that there is less focus on the structure of the arrangement.	IFRS 10 IFRS 12 IAS 27 IAS 28 IAS 31	For entities, that have joint ventures that have been previously accounted using proportionate consolidation, they will need to change to equity accounting.

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure of impact of new standard on the financial report (if standard is not adopted early)	Related pronouncement which must be early adopted if this standard is early adopted	Likely impact
Disclosure of Interests in Other Entities1	IAS 27 IAS 28 IAS 31	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	31 December 2013	IFRS 12 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. It aims to provide more transparency on 'borderline' consolidation decisions and enhance disclosures about unconsolidated structured entities in which an investor or sponsor has involvement.	None	There are some additional enhanced disclosures centred around significant judgements and assumptions made around determining control, joint control and significant
Fair Value Measurement	None	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	31 December 2013	IFRS 13 has been created to: - establish a single source of guidance for all fair value measurements ; - clarify the definition of fair value and related guidance; and - enhance disclosures about fair value measurements (new disclosures increase transparency about fair value measurements , including the valuation techniques and inputs used to measure fair value)	None	For financial assets, IFRS 13's guidance is broadly consistent with existing practice. It will however also apply to the measurement of fair value for non-financial assets and will make a significant change to existing guidance in the applicable

Directors’ Declaration

The Directors of the Company declare that:

1. In the opinion of the Directors of the Company:

   (a) the financial statements and notes set out on page 14 to 61, and the Remuneration disclosures that are contained in page 8 to 10 of the Remuneration Report in the Directors’ Report, are in accordance with the Corporations Act 2001, including:

      (i) giving true and fair view of the Group’s financial position as at 30 June 2011 and of its performance, for the financial year ended on that date;

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

      (iii) complying with International Financial Reporting Standards as disclosed in Note 1.

   (b) the remuneration disclosures that are contained in page 8 to 10 of the Remuneration Report in the Directors’ Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

MICHAEL A ROBSON
Non-Executive Chairman
Perth, Western Australia
27 September 2011

MATHEW WHYTE
Executive Director & Company Secretary
Perth, Western Australia
27 September 2011

Grant Thornton

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Independent Auditor's Report
To the Members of DataMotion Asia Pacific Limited

Report on the financial report

We have audited the accompanying financial report of DataMotion Asia Pacific Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of DataMotion Asia Pacific Limited and controlled entities for the year ended 30 June 2011 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of its web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of DataMotion Asia Pacific Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its 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 the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 8 to 10 of the directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of DataMotion Asia Pacific Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 27 September 2011

The following additional information is provided in compliance with the requirements of ASX Limited.

1. SHAREHOLDER INFORMATION

1.1 Distribution of Ordinary Shares and Listed Options at 21 September 2011

Distribution	No. of Shareholders	No. of Listed Option Holders (ASX code - DMNOA)	No. of Listed Option Holders (ASX code - DMNOC)
1-1,000	439	9	0
1,001-5,000	639	50	0
5,001-10,000	397	43	0
10,001-100,000	1,397	205	0
100,001 – and over	1,744	347	346
Total	**4,616**	**654**	**346**

1.2 Holders Holding Less Than a Marketable Parcel of the Quoted Equity Securities at 21 September 2011

As at 21 September 2011, 3,560 shareholders held less than a marketable parcel of the Company’s fully paid ordinary shares.

As at 21 September 2011, 422 option holders held less than a marketable parcel of the Company’s listed options (ASX code - DMNOA) and 2 option holders held less than a marketable parcel of the Company’s listed options (ASX code - DMNOC).

1.3 The Names of the 20 Largest Holders of the Quoted Equity Securities at 21 September 2011

Contributed Equity (ASX code – DMN)

	Name	Holding	%
1.	Intercorp Pty Ltd	346,743.773	9.40
2.	Oroya Mining Ltd	166,666,667	4.52
3.	Notezy Pty Ltd	125,000,000	3.39
4.	Mr Robert Roget & Mrs Marina Roget	83,333,333	2.26
5.	HSBC Custody Nominees (Australia) Limited	44,381,650	1.20
6.	Mr Deuk Sung Bae & Mrs In Soon Bae <Bae Family A/c>	37,058,226	1.00
7.	Lotus Engineering Pty Ltd	34,672,499	0.94
8.	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/c>	33,001,445	0.89
9.	National Nominees Limited	32,718,883	0.89
10.	Mandevilla Pty Ltd	30,000,000	0.81
11.	Canterbury Trustees (2006) Limited <Heazlewood Family A/c>	25,000,000	0.68
12.	SA Capital Funds Management Limited <SACFM No 1 Fund A/c>	25,000,000	0.68
13.	Mr Adam Geoffrey Wellisch <The Welson Family A/c>	25,000,000	0.68
14.	JP Morgan Nominees Australia Limited <Cash Income A/c>	23,335,356	0.63
15.	Dr Hui Foong Mah	21,012,000	0.57
16.	Mr Mario Correia & Mrs Maria Dorothy Correia <M & D Correia Family A/c>	20,000,000	0.54
17.	Mr Valentine Daniel Dantel & Mrs Christina Dantel	20,000,000	0.54
18.	Hanny Properties Pty Ltd	20,000,000	0.54
19.	Mr Aaron Orya	20,000,000	0.54
20.	Mr Peter John Tatlow	20,000,000	0.54
	Total	**1,152,923,832**	**31.24**

1.4 The Names of the 20 Largest Listed Options Holders at 21 September 2011

Listed Options (ASX code – DMNOA)

	Name	Holding	%
1.	Intercorp Pty Ltd	230,997,267	20.44
2.	Mammoth Resources Ltd	48,665,656	4.31
3.	Ms Sihol Marito Gultom	45,000,000	3.98
4.	Mr Barry William Green & Mrs Adriana Antonia Jacoba Maria Green <B Green Superannuation A/c>	40,000,000	3.54
5.	Alimold Pty Ltd	30,000,000	2.65
6.	Laridlea Pty Ltd <Laridlea Pty Ltd A/c>	21,862,170	1.93
7.	Istana Securities Limited	20,000,000	1.77
8.	Mr Alexander Campbell Mcpherson & Mrs Dorothy Roslyn Mcpherson	20,000,000	1.77
9.	Mr Robert Trevarrow & Mrs Helen Trevarrow	16,150,000	1.43
10.	Mr Bradley John Pettersson	13,000,000	1.15
11.	Melcove Pty Ltd <Chris Fyson Super Fund A/c>	12,750,000	1.13
12.	Goldwave Pty Ltd	12,083,334	1.07
13.	Samaro Pty Ltd	11,952,000	1.06
14.	Mr Edward Richard Henry	11,666,666	1.03
15.	Mr Simon Melville <S & R Melville S/Fund A/c>	11,383,334	1.01
16.	Ms Tanya Rererakis	10,320,000	0.91
17.	Academic Growth Institute Fund Pty Ltd	10,000,000	0.88
18.	Mr Brian Peter Byass	10,000,000	0.88
19.	Mr Bruce Allan Sarson	10,000,000	0.88
20.	Mr Peter Firmstone	10,000,000	0.88
	Total	**595,830,427**	**52.70**

1.5 The Names of the 20 Largest Listed Options Holders at 21 September 2011

Listed Options (ASX code – DMNOC)

	Name	Holding	%
1.	Skymist Enterprises Pty Ltd	208,930,000	8.63
2.	Corridor Nominees Pty Ltd	200,000,000	8.26
3.	Ms Sihol Marito Gultom	119,250,000	4.93
4.	Intercorp Pty Ltd	100,000,000	4.13
5.	Ms Nicole Gallin & Mr Kyle Haynes <GH Super Fund A/c>	72,725,000	3.00
6.	Mr Robert Roget & Mrs Marina Roget	51,000,000	2.11
7.	Distinct Racing & Breeding Pty Ltd	50,000,000	2.07
8.	Ms Guang Chen	48,000,000	1.98
9.	Mr Matthew Burford	33,662,992	1.39
10.	Mr Alistair James McKenzie	30,000,000	1.24
11.	Melcove Pty Ltd	29,325,000	1.21
12.	Mr David Chadd	26,000,000	1.07
13.	Tyler Enterprises Pty Ltd <Tyler Super Fund A/c>	25,500,000	1.05
14.	Satus Texo Pty Ltd <Robson Family A/c>	25,000,000	1.03
15.	South West Investment Holdings Pty Ltd <South West Family A/c>	25,000,000	1.03
16.	Andrew Bruce McKenzie & Diana McKenzie	23,400,000	0.97
17.	Jat Services Pty Ltd	23,000,000	0.95
18.	Richsham Nominees Pty Ltd	21,000,000	0.87
19.	Broken Ridge Pty Ltd <The Mining Monthly S/F A/c>	20,000,000	0.83
20.	Drill Investments Pty Ltd	20,000,000	0.83
	Total	**1,151.792,992**	**47.58**

1.6 Substantial Shareholders at 21 September 2011

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

Intercorp Pty Ltd – 346,743,773 fully paid ordinary shares

1.7 Number of Holders of Each Class of Securities at 21 September 2011

As at 21 September 2011, the Company had 3,690,022,710 fully paid ordinary shares held by 4,616 individual shareholders, 1,130,394,439 listed options (ASX code – DMNOA) held by 654 individual option holders and 2,421,250,000 listed options (ASX code – DMNOC) held by 346 individual option holders.

1.8 Voting Rights

The company's share capital is of one class with the following voting rights:

Ordinary shares

a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he / she is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

Listed options

The company's options have no voting rights.

2. COMPANY SECRETARY

Mathew Whyte BCom CPA

3. REGISTERED OFFICE

The address of DataMotion Asia Pacific Limited's registered office and principal administrative office is Suite 4 72 Canning Highway, Victoria Park WA 6100, Australia. The Company's telephone number is (+61 8) 9355 2565.

4. SHARE REGISTRY

The address of DataMotion Asia Pacific Limited's share registry, Computershare Investor Services Pty Ltd is Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth WA 6000, Australia. Computershare Investor Services Pty Ltd's telephone number is (+61 8) 9323 2000.

5. STOCK EXCHANGE LISTING

The Company's shares and options are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth).

The Company's shares are also quoted on the Berlin Bremen Stock Exchange.

6. RESTRICTED SECURITIES

There are no restricted securities.

7. UNQUOTED SECURITIES

The Company has on issue the following unquoted securities as at 21 September 2011.

Description	Code	Expiry Date	Number on Issue	Number of Holders
Employee Option Incentive Scheme options	DMNAK	18 August 2014	2,500,000	1
Consultant Option Incentive Scheme options	DMNAB	10 December 2012	5,000,000	1
Consultant Option Incentive Scheme options	DMNAO	03 July 2013	5,000,000	1

8. A REVIEW OF OPERATIONS AND ACTIVITIES

A review of operations and activities for the reporting period is located in the Directors' Report.

9. ON MARKET BUY BACK

The Company does not currently have an on market buy back in operation.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of DataMotion Asia Pacific Limited ("**DataMotion Asia Pacific**" or "the **Company**") have adhered to the principles of corporate governance. A description of the main corporate governance practices is set out below.

The Company's Corporate Governance Statement can be viewed on its website (www.datamotion.asia).

ASX core principles

The ASX has published 8 core principles of corporate governance in the second edition of 'Corporate Governance Principles and Recommendations' in August 2007 (the **Principles**), which it believes underlie good corporate governance, together with guidelines to satisfy those core principles (**Recommendations**). Under ASX listing rules, listed companies are required to provide a statement in their annual reports outlining the extent to which they have followed these best practice guidelines.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

Principle 1 – Lay Solid Foundations for Management and Oversight

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The primary responsibility of the Board includes:

1) formulation and approval of the strategic direction, objectives and goals of the Company;
2) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
3) approving and monitoring financial and other reporting;
4) approving key executives appointments, performance and remunerations, and monitoring and reviewing executives succession planning;
5) ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
6) the identification of significant business risks and ensuring that such risks are adequately managed; and
7) the establishment and maintenance of appropriate ethical standards.

The Board has delegated responsibility for operation and administration of the Company to the Chairman, who operates in a non-executive capacity, supported by Directors and professional staffs.

The Chairman reviews the performance of all Directors and senior executives annually. The Company is continuing to develop its Board and executive evaluation processes. At this stage, there is no formal policy or charter in place.

The Company has not yet issued formal letters of appointment to its Directors. This is a departure form Recommendation 1.1, but is being addressed.

The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

Principle 2 – Structure of the Board to Add Value

There are two non-executive Directors and one Executive Director on the Board at this time.

The composition of the Board is determined using the following principles:

1) the Board will be of a size to assist in efficient decision making;
2) the Board should comprise at least three Directors. This number may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
3) the Board should comprise Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds including sufficient skills and experience appropriate to the Company's business.

The Company is satisfied that the Board's current composition and the policies that it has in place ensures that the Directors bring independent judgments to bear on Board decisions, including the Directors' ability to access independent professional advice at the Company's expense.

The Chairman is a non-executive Director and is deemed to be independent.

The process for appointing a Director is that, when a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, a panel of candidates is selected with the appropriate expertise and experience. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, and the ability to undertake and contribute to the Board's duties and responsibilities. External advisers may be used to assist in assessing a candidate. The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

The fact that the Company does not have a nomination committee is a departure from Recommendation 2.4. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to the process and that the Board itself is the appropriate forum to deal with this function. The procedures for appointing Board members and assessing their performance and remuneration are described above.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. As the Company does not have any committees, there is no process for evaluating the performance of its committees. This is a departure from Recommendation 2.5, which requires companies to disclose the process for evaluating the performance of the Board, its committees and individual Directors.

The skills, experience, expertise and commencement dates of the Directors are set out in the Directors' Report.

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Managing Director is required, which will not be unreasonably withheld.

Due to the small size of the Board and staff members and current operations of the Company, the Board has considered that establishing formally constituted nomination committee would contribute little to its effective management. Accordingly, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

The Company has an informal process to educate new Directors and senior executives about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

Directors and senior executives are encouraged to undertake continuing professional education to update and enhance their skills and knowledge.

Board members have complete and open access to management.

The Company Secretary provides advice and support to the Board and is responsible for the Company's day-to-day governance framework.

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

Principle 3 – Promote Ethical and Responsible Decision-Making

The Company has a written Code of Conduct which sets out minimum standards necessary to guide executives, management and employees in carrying out their duties and responsibilities.

The Company's Code of Conduct can be viewed on its website (www.datamotion.asia).

Directors and employees are subject to the *Corporations Act 2001* restrictions on applying for, acquiring and disposing of securities in, or other relevant financial products of, the Company if they are in possession of inside information. Inside information is that information which is not generally available and which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities in, or other relevant financial products of, the Company.

The Company has an established policy relating to trading in the Company's securities by Directors and employees. The policy provides that Directors and employees are not to deal in the securities of the Company during the period of 24 hours prior to the release of annual or half-yearly results announcements and within the period of 24 hours prior to the issue of a prospectus. Directors and employees are further required to notify their intention to trade in the Company's securities prior to trading.

The Company's Share Trading Policy can be viewed on its website (www.datamotion.asia).

Principle 4 – Safeguard Integrity in Financial Reporting

The fact that the Company does not have an audit committee is a departure from Recommendations 4.1, 4.2 and 4.3. Due to the Company's size, nature and extent of operations, the Company has departed from these recommendations. The Board believes that, within the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

In late 2006, the Board reviewed the appointment of the external auditor and conducted a tender process for the appointment of the external auditor. As a result, the Company sought and obtained shareholder approval and appointed its external auditor as Grant Thornton Chartered Accountants. The external auditor attends the annual general meeting and has regular contact with management and Directors in accounting and regulatory issues.

The external auditor is rotated in accordance with the *Corporations Act 2001* and the new appointment is subject to tender at that time.

Principle 5 – Make Timely and Balanced Disclosure

The Board is acutely aware of the continuous disclosure regime and there are robust systems in place to ensure compliance, underpinned by experience. The Company's policy is that shareholders are informed of all major developments that impact the Company. There is a detailed disclosure policy in place to ensure that it is in compliance with its ASX Listing Rule disclosure requirements. This policy includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and posting them on the Company's website (www.datamotion.asia).

The Company's Continuous Disclosure Policy is available on its website (www.datamotion.asia).

Principle 6 – Respect the Rights of Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company and the Directors and to encourage their attendance at general meetings. The Company's policy is to ensure that information is communicated to shareholders and the market through:

1) the Annual Report which is distributed to all shareholders;
2) other periodic reports which are lodged with ASX and available for shareholder scrutiny;
3) other announcements made in accordance with ASX Listing Rules;

4) special purpose information memoranda issued to shareholders as appropriate; and
5) the annual general meeting and other meetings called to obtain approval for Board action as appropriate.

All announcements are made available on the Company's website as soon as the announcements have been released to the market by ASX. In addition, shareholders who lodge their email contact details with the Company can also receive an emailed copy of all ASX announcements.

The Company's Communications Policy can be viewed on its website (www.datamotion.asia).

Principle 7 – Recognise and Manage Risk

The Board is responsible for assessing, monitoring and managing operational, financial reporting and compliance risks for the Company. Financial reporting risk management and associated compliance and controls are monitored and found to be operating efficiently and effectively.

The Company does not have formalised policies for the oversight and management of material business risks as required under Recommendation 7.1

The Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing theses risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees.

The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations.

The Company requires that the Chairman and Company Secretary (or equivalent) state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

The Board has received assurance from the Chairman and the non-executive Director that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received a report from management on the effectiveness of the Company's management of its material business risks and receives weekly financial and operational reports.

The Directors regard the confidentiality of customer information as highly important. All Directors and employees have entered into Confidentiality & Non Disclosure Agreements with the Company.

Principle 8 – Remunerate Fairly and Responsibly

The fact that the Company does not have a remuneration committee is a departure from Recommendation 8.1. The Company does not consider it appropriate to have a sub-committee of the Board to consider remuneration matters. The procedures for determining the remuneration of the Company's Directors are described in the Directors' Report. Acting in its ordinary capacity, the Board from time to time carries out the process of considering and determining performance issues, including the identification of matters that may have a material effect on the price of the Company's securities. Whenever relevant, any such matters are reported to the ASX.

Remuneration and other terms of employment of executives, including executive Directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. Where the remuneration of a particular executive Director is to be considered, the Director concerned does not participate in the discussion or decision-making.

The remuneration policy for the Board and the remuneration of each Director is set out in the remuneration report which forms part of the Directors' Report.

A summary of the Company's policy on prohibiting transactions in associated products which limit risk of participating in unvested entitlements under any equity-based remuneration schemes can be viewed in the Company's Share Trading Policy on its website (www.datamotion.asia).

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