Phillips River Mining NL
(formerly Tectonic Resources NL)
and its Controlled Entities

ABN 61 004 287 790

Annual Report
for the financial year ended
30 June 2011

Corporate Directory

Directors
Hamish Bohannan (Chairman)
Jason Stirbinskis (Managing Director)
Anthony Martin
Andrew Blair Ellison

Company Secretary
Graham Anderson

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Stock Exchange Listing
Phillips River Mining NL shares are listed on the Australian Securities Exchange (ASX) Limited
ASX Code: PRH

ACN & ABN Numbers
ACN: 004 287 790
ABN: 61 004 287 790

Auditors
Deloitte Touche Tohmatsu
Level 14, Woodside Plaza
240 St Georges Terrace
Perth WA 6000

Solicitors
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West Perth WA 6005

Share Registry
Advanced Share Registry Services Ltd
150 Stirling Highway
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Message from the Chairman

The past twelve months have been very important in numerous ways for the Company and has seen many changes and developments. The Board is extremely confident that the reporting year's activities have positioned the Company for launching into development in 2012. The year saw the conclusion of the Definitive Feasibility Study for the Phillips River Project in February 2011 and the subsequent change in focus to securing debt and off-take agreements. The period also saw changes at executive level with Mr Jason Stirbinskis appointed as Managing Director and the arrival of Mr Andrew Ellison as Non-Executive Director to the Board. The Company is extremely confident that the leadership will continue to deliver major milestones towards achieving production at Phillips River in 2013.

Philips River Mining NL is on the verge of being a significant copper/gold producer

Hamish Bohannan
Chairman/Director

With a resurgent economy after the global financial crisis, demand for precious and base metals appears to be as strong as ever. There is a wealth of comment about future demand and views ranging from conservative to extremely bullish, with gold in particular, showing considerable variation amongst respected forecasters. The Phillips River Project generates around $1 billion in revenue from gold, copper, silver, lead and zinc metals, with 80% of revenue coming from gold and copper, two metals showing strongest future demand. It is also worth noting that the Project generates over $100 million in silver sales, a metal which has in recent years gained significant momentum.

Our discussions with potential debt providers is showing great promise and early feedback from metal traders and the smelting industry is suggesting our copper concentrates to be of wide appeal although modest comparative volumes. Our lead/zinc concentrate boasts particularly high metal content and low concentrations of particular deleterious elements and has strong appeal albeit within a much smaller smelting community than that of copper.

With very encouraging progress with potential debt, off-take and permitting streams we are confident of achieving production in 2013. We believe the Philips River Project will redefine Philips River Mining NL as an important gold and copper producer and will be one of the most significant projects in Western Australia's southern region.

Hamish Bohannan
Chairman/Director
Phillips River Mining NL

Message from the Managing Director

The Phillips River Project's robust DFS provides the launch pad for a new era in the Company's strategy

Jason Stirbinskis
Managing Director

Firstly I would like to thank Phillips River Mining NL's employees, past and present, and the dedication of our shareholders, consultants and suppliers in advancing the Company and its Phillips River Project (PRP) to the cusp of development. Phillips River Mining NL has pushed through substantial external threats such as the global financial crisis legacy and considerable internal challenges such as cracking the metallurgical and process flow to produce a Definitive Feasibility Study (DFS) demonstrating an appealing business case for the $1 billion PRP. The Company is now in a strong position to launch into development of the PRP in 2012 and achieving production of copper concentrate, base metal concentrates and gold dore in 2013.

The PRP is destined to become a substantial contributor to the economy of Western Australia's south and will remain a technological hub for many years to come through the processing of our established 7.4Mt Reserve and further potential growth through our significant, highly prospective 2,475km^2 of tenements, additional potential of other targets in the region, and toll processing possibilities.

The PRP comprises 2 mining sites: Trilogy is hosted in the Proterozoic Mt Barren Group, which partly overlay the Archaean Ravensthorpe Greenstone Belt which hosts Kundip. Despite this area experiencing considerable mining activities in the early 1900's, it remained a relatively underexplored region of Western Australia until recently. Through strategic acquisitions, the Company has acquired what we believe to be the majority of potentially mineralised areas within this emerging mineral province.

The Company's previous logo

The Company's previous logo symbolised a transition from one shape to another as we moved from being a nickel producer at Rav 8 to tapping the enormous gold/copper potential of the Phillips River area. Over the last 5 years the Group has held to the message 'New focus New future' as the enormous potential of PRP began to crystallise. The Company will realise that 'new focus' and 'new future' imminently and has embarked on re-branding the Company to reflect the emergence of the Phillips River Project and new mineral province. A shareholders' meeting held on 29 August 2011 approved the change of Company name from Tectonic Resources NL to Phillips River Mining NL. The following Operations Report highlights the achievements of the reporting year leading to PRP development and the launch of Phillips River Mining NL.

Jason Stirbinskis
Managing Director
Phillips River Mining NL

Operations Report

Activities during the reporting year primarily focused on progression of the Phillips River Project (PRP). The release of the PRP Definitive Feasibility Study (DFS) in February 2011 marked a critical milestone and change in the activities of the Company. Prior to February 2011 the Company concentrated on the essential resolution of technical design, process flow and reliable costings for the PRP. With the release of the DFS, attention was directed to debt and off-take conversations, community consultations and the approvals process so as to commence development in 2012. Whilst these conversations were progressing, the Company directed the attention of the exploration team to other mineralised targets within the Company's portfolio with early results near the end of the financial year proving very encouraging.

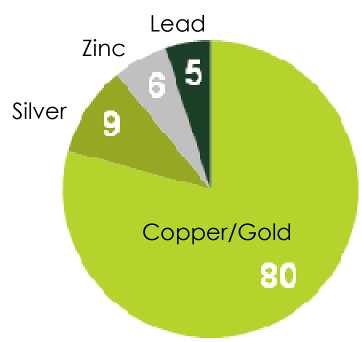
The Phillips River Project is midway between Ravensthorpe and Hopetoun

The Phillips River Project

Located on the south coast of Western Australia, the Phillips River Project (PRP) is between Hopetoun and Ravensthorpe, 180km's due west of the sea port of Esperance. PRP includes two areas of mineralisation, the polymetallic Trilogy deposit and the gold/copper deposits of Kundip comprising Flag, Kaolin and Harbour View.

On 11 February 2011 the Company announced the completion of the DFS for the PRP. The headline numbers for the DFS are:

- $1 billion in revenue over 10 years through the sale of gold, copper concentrates and lead/zinc concentrates
- NPV of $72 million, pre-tax IRR 26%, payback in year 5
- 80% of revenue from copper and gold production



% revenue: The Project is essentially a copper/gold project but also contains ≈ $100 million in silver and a similar amount of lead/zinc

The Project commences with the mining of the polymetallic Trilogy ore via open pit then transitioning to underground for the last year of Trilogy production. Subsequently, mining commences at the gold/copper Kundip deposits in the later half of the Project. Kundip is located ≈ 11km north of Trilogy.

Mine	Units	PP	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Trilogy Pit	Mt	0.13	1.50	1.09	0.40	1.23						
Trilogy UG	Mt						0.22	0.06				
Kundip Pits	Mt					0.08	0.28	0.28	0.46	0.30	0.28	
Kundip UG	Mt							0.15	0.29	0.24	0.31	0.14
Total Ore	**Mt**	**0.13**	**1.50**	**1.09**	**0.40**	**1.31**	**0.50**	**0.48**	**0.76**	**0.54**	**0.59**	**0.14**

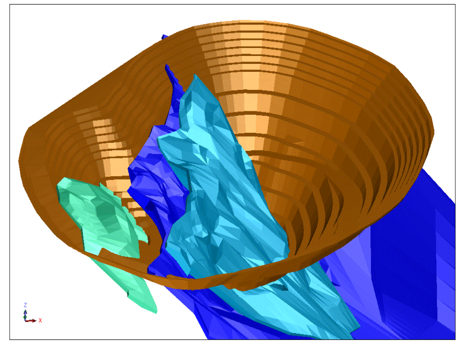
Mine production profile

The life of the Project is expected to extend beyond the current Reserve of 10 years. The leases held by Phillips River Mining NL have demonstrated to be highly prospective and strategic exploration programs proposed over the life of the Project are expected to yield significant additions to the current Reserve.

The Phillips River Project (continued)

Both the Trilogy and Kundip open pits and Trilogy underground will be mined under conventional contract arrangement with experienced Australian contractors. The underground mines at Kundip will be managed and operated by the Company.

No major earthmoving plant will need to be purchased for the initial stages of the Project. The ore at Trilogy is close to surface. As such, no significant pre-strip will be required to enable the Project to move into production. A pre-production phase will however be required for the earthworks to construct various installations such as the integrated waste landform and the water storage facility.



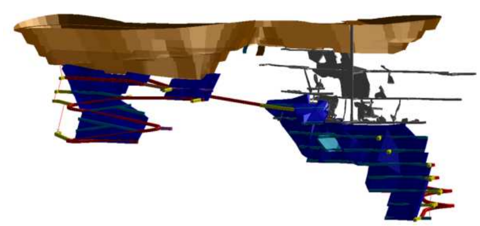
The Trilogy mine is mostly open pit with a small underground component to capture the deeper limits of known Reserve

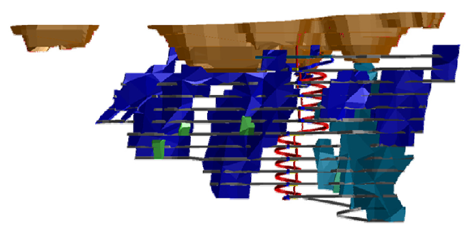
The mineralisation at both Trilogy and Kundip displays oxide, transitional and sulphide components, each requiring a similar process route but with slight modifications to optimise recovery. The level of base metal endowment in each category determines whether treatment is by flotation and leaching or leaching only.

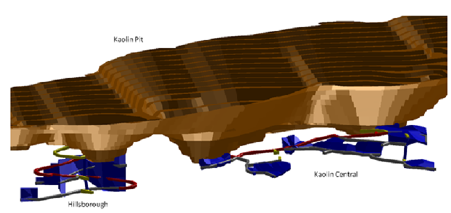
The Trilogy process plant will use gravity, floatation and leach processes to create a variety of saleable products. Gold/silver dore generated from the gravity and leach processes will be sold on the domestic market whereas the concentrates produced by floatation will be containerised and transported by road to the Esperance port where they will be shipped to Asia markets.

Mine	Class'n	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
Trilogy pit	Proved	0.3	2.2	45	0.4	0.2	0.0
Trilogy Pit	Probable	4.04	0.8	57	1.1	2.7	1.6
Trilogy U/G	Probable	0.28	1.0	26	1.3	1.9	1.8
Subtoal Trilogy Ore Reserve		**4.63**	**0.9**	**55**	**1.1**	**2.5**	**1.5**
Flag Pit	Probable	0.21	4.0	3.5	0.50		
Harbour View Pit	Probable	0.20	3.2	1.5	0.38		
Kaolin Pit	Probable	1.27	2.8	1.7	0.18		
Flag U/G	Probable	0.24	5.0	3.5	0.45		
Harbourview U/G	Probable	0.75	3.5	4.0	0.68		
Kaolin U/G	Probable	0.14	4.4	3.2	0.28		
Subtotal Kundip Ore Reserve		**2.81**	**3.4**	**2.7**	**0.38**	**0.00**	**0.00**
Subtotal Proved	**Proved**	**0.30**	**2.2**	**45**	**0.35**	**0.15**	**0.01**
Subtotal Probable	**Probable**	**7.13**	**1.8**	**35**	**0.82**	**1.62**	**0.97**
Total PRP Ore Reserve		**7.44**	**1.8**	**35**	**0.80**	**1.56**	**0.93**

Phillips River Reserve announced on 11 February 2011







Flag, Harbour View and Kaolin combine to form Kundip. Each pit has an underground component and all 3 sites remain open at depth.

The Phillips River Project (continued)

The estimated capital required is $145 million with a large portion directed to establish the Trilogy based processing facility. Trilogy plant design is the corner stone of the Company's regional strategy and has a capacity of between 800ktpa and 1.1mtpa depending on ore type. The plant is capable of accepting gold ores, copper ores and polymetallic copper/gold/silver/lead/zinc ores. The flexibility of the plant means that it is highly likely that any ore discovered in other areas of the Company's substantial and prospective portfolio of tenements will be compatible feed for the Trilogy plant.

Phillips River Project - debt funding and off-take

A group of debt finance providers were approached during the June 2011 Quarter to ascertain interest in providing the debt component of the funding required for the PRP. The providers, mostly tier one banks, were given Project briefings and the financial model for the Project. The Company is very encouraged by the initial response from this group.

The Company commissioned SRK to complete a full due diligence review of the PRP addressing the numerous aspects a debt provider would require as part of debt finance due diligence. The SRK report is expected to be completed in Quarter 4, 2011 at which point the Company will progress dialogue with the debt providers with the aim of establishing firm offer terms. The Company is targeting to select a senior debt provider in Quarter 4, 2011.

Based on current Reserves, the PRP generates approximately 300kt of concentrates over the life of mine with around 60% being copper concentrates and the remainder being combined lead/zinc concentrates. Whilst high level dialogue had been ongoing during the previous year, the release of the DFS in Quarter 1, 2011 provided the catalyst to accelerate discussions with a number of potential off-take partners and metal traders. The Company is on track to have off-take arrangements finalised by Quarter 4, 2011.

Phillips River Mining NL is a supporter of The Western Shield Project, an initiative focussed on the protection of native species such as the numbat

Phillips River Mining NL and the environment

The Company has conducted extensive environmental investigations and baseline surveys over the last 7 years and has developed comprehensive environmental management plans in consultation with the Department of Environment and Conservation, the Ravensthorpe Shire and FESA. The Trilogy site is on cleared pastoral land and the Kundip site has been disturbed by mining activities since early 1900's. The Company's aim is that rehabilitation, post-mining, will return both sites to native vegetation.

The Company has also undertaken significant actions to increase scientific knowledge of the area and improve environmental outcomes including:

- contribution to the Millennium Seed Bank
- 5 year funding to Western Shield Fox Baiting Project
- funds to survey outside project area
- town-greening roundabout project
- funds towards weed eradication along roadsides

The Trilogy mine and process facility is on freehold farm land owned by Phillips River Mining NL. The rehabilitation plan includes returning the facility to native vegetation.

Phillips River Mining NL and the environment (continued)

The PRP is required to obtain a number of State Government approvals before construction can commence. The most immediate and substantial is the EPA (Environmental Protection Authority) approval which culminates in endorsement by the State Minister for the Environment. The Company has dedicated substantial resources to progressing the approvals process both in terms of finalising documentation and data required and the critical community consultation process. The Company embarked on a significant community consultation process in the later part of the financial year including the following:

- Ministerial and local government briefings
- Departmental briefings
- Stakeholder consultation
- Media - local paper, radio, posters, flyers and mail drops

A major milestone was achieved in July 2011 with the completion of a successful round of community forums within the towns surrounding PRP. The Company was encouraged by the response it received from the local community.

The approvals process remains the critical path to progressing the PRP and will therefore continue to receive priority attention in the following quarter.

The Company's community consultation has included considerable newspaper and radio coverage and a mail drop to all residence of Hopetoun, Ravensthorpe and Esperance

Phillips River Mining NL and the community

For a relatively small company, Phillips River Mining NL already has a strong track record of supporting local communities, including funding and regular sponsorship of local events and programs.

Going forward, the Phillips River Project will provide significant benefits to the community, including:

- Construction workforce: 80
- Permanent workforce at Trilogy: 80
- Permanent workforce at Kundip: 170
- Royalties & taxes: Over $50 million
- Community investment: $30,000/year

The Company has native title agreements in place with the Southern Noongar and Wagyl Kaip People and look forward to their ongoing support and invovlement in the Phillips River Project.

Phillips River Project - next steps

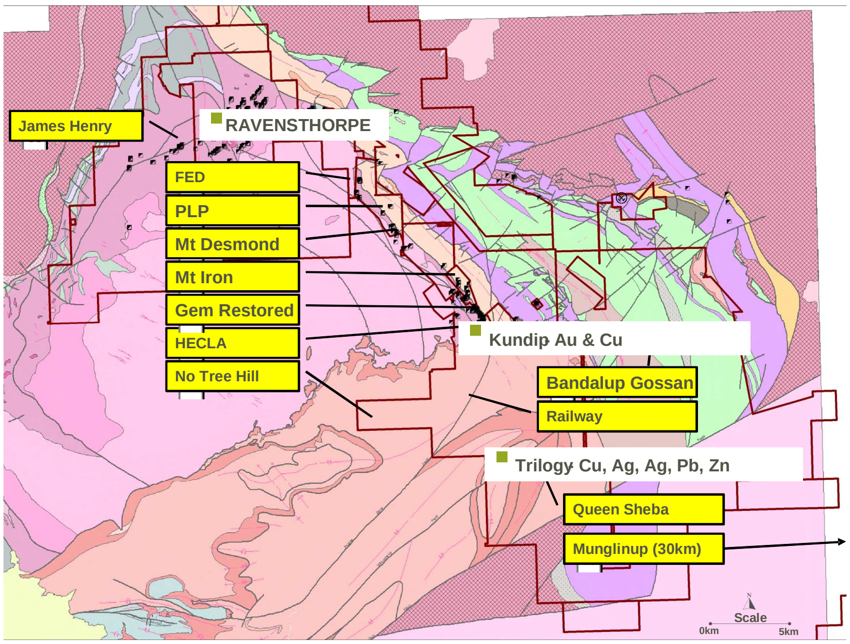
The Phillips River Project is the Company's flagship Project and will be in development in 2012 and production in 2013.

In the immediate future, major milestones targetted for completion in the second half of 2011 include:

- Concluding concentrate off-take arrangements
- Selection of a preferred debt provider
- Submission of the PER documents to the EPA
- Selection of EPC contractor and recruitment of senior production team members

Regional exploration

The Company made a number of strategic tenement acquisitions during the financial year to further strengthen its strategic regional position. The Company now holds a substantial portfolio of both copper/gold and base metal targets within the region ranging from early stage which have achieved encouraging exploration results to date, to advanced prospects with JORC compliant Resource which were not included in the feasibility study - these are summarised below.



Phillips River Mining NL (PRM) holds a large area of tenements within the region containing a number of targets identified that potentially contain Kundip or Trilogy style mineralisation

Prospect	Comments
Queen Sheba	100% PRM Inferred Resource
Gift South	100% PRM. Shallow gold mineralisation intersected
Mt Desmond	100% PRM Inferred Resource
Munglinup	100% PRM Tropicana style target
James Henry	100% PRM
Mt Iron	Binding H of A in place
Bandalup Gossan	Farm-in to 70%
PLP/FED	100% PRM
No Tree Hill	100% PRM Awaiting results
Hecla	100% PRM
Gem Restored	100% PRM

A 10,000m drilling campaign was commissioned and completed by end of June 2011. The program covered a number of targets listed above with results for Queens Sheba and Gift South announced prior to financial year end.

Queen Sheba

In July 2010 the Company announced encouraging near surface results for its Queen Sheba target just 2.5kms from Trilogy and within the same mining license.

In early February 2011, the Company announced an upgraded gold Resource and made Queen Sheba a priority exploration target for the 10,000m drilling program commissioned in April 2011. The drilling program focused on exploring for lateral extent of near surface oxide material and testing for deeper sulphide mineralisation, with positive outcomes for both objectives. Better results included:

- 13m @ 2.10g/t Au, and 11m @ 2.25g/t Au in hole QRC039
- 10m @ 2.24g/t in QRC 045
- 4m @ 4.69g/t Au, and 2m @ 8.91g/t Au in QRC041

QUEEN SHEBA - RESOURCE TABLE: FEB 2011				
RESOURCE CATEGORY	Tonnes (000)	Au g/t	Ag g/t	Cu %
MEASURED				
INDICATED				
INFERRED	451	1.72	3.01	0.05
TOTAL	**451**	1.72	3.01	0.05
GLOBAL RESOURCE TABLE: CONTAINED METAL				
	(000)	(000 Oz)	(000 Oz)	(000 t)
MEASURED				
INDICATED				
INFERRED	451	24.9	43.6	0.2
TOTAL	**451**	**24.9**	**43.6**	**0.2**

Queen Sheba Resource table using 1.0g/t cutoff (see announcement dated 10 February 2011for further details)

Queen Sheba (continued)

The program defined a near surface lateral strike extension of 50m to give a total of 250m and remains open and a mineralised plunge has become apparent which gives potential for deeper drill extensions. The drilling also identified a new copper mineralisation zone not previously encountered at Queen Sheba and a new wide zone of gold mineralisation in the footwall. The discovery of the deeper copper mineralisation also adds weight to the Company's belief that Queen Sheba might ultimately prove to be similar to the polymetallic Trilogy mineralisation just 2.5kms away.

Based on the recent encouraging drill results, the Company will re-visit the Resource estimation in the second half of 2011.

Gift South

RAB exploration drilling in the June 2011 Quarter also revealed new mineralisation at the Gift South prospect which is located within the existing Kundip mining leases. The mineralisation is between 4 to 12m below surface within unconsolidated sands and gravels and is interpreted as alluvial in nature. Results announced on 8 June 2011 included:

- 4m @ 3.1g/t gold from 8m in TTR993
- 4m @ 2.7g/t gold from 8m in TTR996
- 4m @ 2.3g/t gold from 4m in TTR977

The mineralisation is open on both ends, and further potential remains for lateral extensions. Alluvial gold has not previously been considered in recent exploration, and untested conceptual targets are immediately evident within the Kundip area.

Elverdton acquisition

On 23 July 2010 the Company announced the acquisition of the Elverdton tenement package consisting of 172km^2 of tenements highly prospective for gold and copper, adjacent to the Company's existing portfolio (see announcement dated 23 July 2010 for details of the transaction). The Elverdton tenements represent the northern continuation of the highly prospective Achaean Greenstone Belt, locally known as the Annabelle Volcanics along strike from the Company's Kundip mineral resource. The Company immediately set about investigating the Elverdton area and on 25 October 2010 the Company announced a maiden Resource estimate for the Mt Desmond Copper Mine contained within the acquired package.

Geochemical sampling carried out as part of a regional program also unveiled a high order gold target adjacent to the FED prospect acquired as part of the Elverdton package of tenements. The significance of the gold anomalism is that it occurs outside the Annabelle Volcanics that host the Kundip deposits, and is within the Mt Chester formation, that hosts the Mt Iron deposit. Historically, the Mt Chester formation has not been targeted for gold exploration and therefore this find opens up yet another avenue of exciting new gold prospectivity in the Ravensthorpe district.

The geochemical sampling also identified an encouraging anomaly at No Tree Hill which is 8kms from Trilogy and has potential for Trilogy style mineralisation.

MT DESMOND RESOURCE TABLE: SEPT 2010				
CATEGORY	Tonnes (000)	Au (g/t)	Ag (g/t)	Cu (%)
MEASURED	-	-	-	-
INDICATED	-	-	-	-
INFERRED	324	0.85	2.2	2.1
SUB TOTAL	**324**	**0.85**	**2.2**	**2.1**
GLOBAL RESOURCE TABLE: CONTAINED METAL				
	(000)	(000 Oz)	(000 Oz)	(000 t)
MEASURED	-	-	-	-
INDICATED	-	-	-	-
INFERRED	324	8.9	22.4	6.7
GRAND TOTAL	**324**	**8.9**	**22.4**	**6.7**

Mt Desmond Resource table announced on 25 October 2010. Mt Desmond Resource is reported to 1% Cu. The deposit was modelled using a 1% Cu lower cut, minimum 2m drill hole width, and 3D solids digitised from historic mine plans to generate 3D solids. Interpolation was by ID2 on a mix of recent drill hole assay data composited to 1m intervals, and underground sampling data composited on 10m x 10m squares to generate grade and remove clustering.

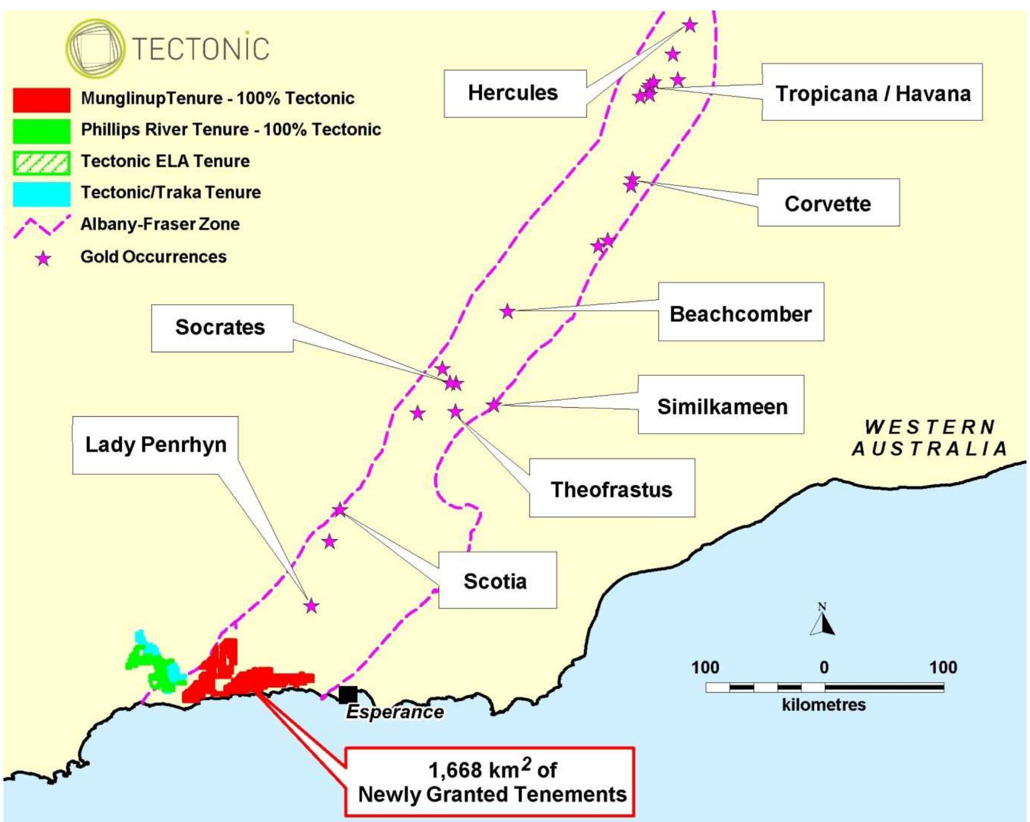
Mt Iron Heads of Agreement
On 1 November 2010 the Company signed a binding Heads of Agreement relating to the acquisition of the Mt Iron strategic tenement package in close proximity to the Kundip Mining Centre. The tenement package lies only 2kms to the immediate north of the Kaolin deposit and directly north of the Gem Restored line of workings.

Significant drilling episodes carried out by Norseman Gold Mines Pty Ltd (1984) and Metana Minerals NL (1988) returned some highly encouraging results for the area and the Company is confident that the existing geological and drilling data will provide immediate exploration and potential resource identification opportunities.

Mt McMahon acquisition
The Company established a farm-in agreement with Traka Resources in February 2011. Mt McMahon is a historic mining centre with numerous underground workings which include Mt Benson, Mary, Birthday and Commonwealth. There are about 2kms of mineralised strike identified within the Mt McMahon area, with little modern exploration activity, and last drilled in the 1970's. The Company intends to explore around the historic workings, and search for structures obscured beneath surficial cover for Kundip style mineralisation.

Munglinup granted
The Company received confirmation of the granting of the 1,667km² Munglinup tenements near the end of Quarter 4, 2011. The tenement package lies on the Albany Fraser Belt, one of Australia's most significant emerging gold belts which hosts the 5Moz Tropicana gold deposit. The tenements are located predominantly on cleared agricultural land, with native title agreements reached.

The Munglinup package is a very substantial addition to the Company's tenement portfolio, in terms of surface area and its potential to strategically impact the growth of the Company. The package has shallow cover but is essentially unexplored and the Company has begun its exploration of the area.



The Munglinup tenement is a very substantial strategic acquistion for the Company

Global resource

With the aforementioned activities Phillips River Mining NL concluded June 2011 with a revised global inventory of over 900koz gold and 95kt of copper and nearly 10Moz of silver.

TECTONIC RESOURCES GLOBAL RESOURCE TABLE: FEB 2011						
GOLD AND COPPER RESOURCE TABLE: KUNDIP PROJECT AND OTHERS*						
CATEGORY	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
MEASURED	0.00	0.00	0.0	0.0		
INDICATED	4.39	3.41	2.5	0.4		
INFERRED	3.26	2.48	2.4	0.5		
SUB TOTAL	**7.65**	**3.01**	**2.5**	**0.4**		
BASE METAL RESOURCE TABLE: TRILOGY PROJECT**						
MEASURED	0.31	2.4	41	0.3	0.1	0.0
INDICATED	5.75	0.7	48	1.1	2.1	1.3
INFERRED	0.18	0.6	12	0.8	0.2	0.2
SUB TOTAL	**6.24**	**0.82**	**47**	**1.0**	**2.0**	**1.2**
GLOBAL RESOURCE TABLE: GRADE						
MEASURED	0.31	2.4	41.2	0.3	0.1	0.0
INDICATED	10.14	1.9	28.3	0.8	1.2	0.7
INFERRED	3.45	2.4	3.0	0.5	0.0	0.0
GRAND TOTAL	**13.90**	**2.03**	**22.3**	**0.7**	**0.9**	**0.5**
GLOBAL RESOURCE TABLE: CONTAINED METAL						
	Mt	M Oz	M Oz	t (000)	t (000)	t (000)
MEASURED	0.31	0.02	0.41	0.9	0.4	0.0
INDICATED	10.14	0.62	9.21	78.1	122.5	73.9
INFERRED	3.45	0.26	0.33	16.1	0.3	0.3
GRAND TOTAL	**13.90**	**0.91**	**9.95**	**95.2**	**123.3**	**74.3**

Phillips River Mining NL global Resource

Note: **Based on wire-framing to drill holes on a 1.0g/t Au cut-off for shallow resource and 3.0g/t Au. for deeper mineralisation, and reporting to a 1.0g/t Au cut-off. Includes revised Resource for Queen Sheba announced in February 2011.*

***-Based on wire-framing to drill holes on a 0.5% Cu equivalent cut-off and reporting to a 1% Cu equivalent cut-off.*

*Oxide Cu eq. =(Au ppm * 9775)+(Ag ppm * 150.4) +(Cu ppm): Sulphide Cu eq. = (Au ppm *4720)+(Ag ppm * 75.5)+(Cu ppm)+(Pb ppm * 0.2384) + (Zn ppm * 0.1925)*

Competent Persons' Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bruce Armstrong who is a Member of the Australasian Institute of Geoscientists. Mr Armstrong is a full time employee of Phillips River Mining NL, and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Armstrong has given his consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Information that relates to exploration targets refers to targets that are conceptual in nature, where there has been has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this Ore Reserve statement that relates to Ore Reserve estimates is based on information compiled by Mr Geoff Davidson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Davidson is a Principal Consultant and Director of Mining and Cost Engineering Pty Ltd and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The Competent Persons have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This announcement contains certain statements which may constitute 'forward-looking statements'. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements. No representation or warranty, express or implied, is made by Phillips River Mining NL that the material contained in this presentation will be achieved or prove to be correct.

Corporate activities
Phillips River Mining NL completed a number of capital raisings during the financial year:

- A private placement on 23 December 2010 raised $2.335 million prior to costs, involving the issue of 38,923,235 new shares at $0.06 each. As part of the placement a free option was issued for each two shares issued. These options have an exercise price of $0.075 each and a term of 3 years.
- A private placement mid March 2011 raised $2.625 million gross, involving the issue of 37.5 million shares. At the same time the Company committed to conduct a rights issue with similar terms.
- On 4 April 2011 the Company announced the abovementioned non-renounceable, fully underwritten rights issue. The issue raised approximately $3.260 million.

Funds from capital raisings were directed to progress the Phillips River Project in preparation for development targeted for 2012, fund exploration programs at targets within the Hopetoun/Ravensthorpe region and provide additional working capital.

The path to development
The second half of the reporting year marked what will be reflected upon as a major strategic re-invention of the Company as it transitions from explorer to junior producer. By June 2011 the Company had:

- appointed Mr Jason Stirbinskis as Managing Director to lead the Company through this critical and exciting period
- appointed Mr Andrew Ellison as Non-Executive Director. Mr Ellison's track record in building two very successful major mining engineering firms will prove critical for the Company's immediate future
- completed the Phillips River Definitive Feasibility Study
- defined and actioned its global capital raising strategy for the Phillips River Project
- advanced dialogue with potential off-take providers both metal traders and directly with smelters
- fast tracked conversations with potential debt providers
- engaged in broad and extensive stakeholder consultation
- focused considerable effort on rapid progress of the mine approvals process

The second half of year 2011 will see the completion of the transition and will include:

- re-branding of the Company to Phillips River Mining NL to clearly articulate the commitment and focus of the Company on realising the enormous potential within the region
- share re-structuring to reduce total shares on issue in preparation for project equity raising
- changing Company type from 'NL' (Phillips River Mining NL) to the more internationally familiar 'Limited' (Phillips River Mining Limited) so as to have greater appeal to foreign investors and buyers of concentrates

The Company will also move to the centre of Australia's mining industry by relocating to a West Perth address in October 2011.

The Phillips River Project is the Company's flagship Project and is on the cusp of development. Our team is dedicated to seeing the Project enter construction in 2012 and production in 2013 and progress to date is consistent with those targets. On current Reserves the PRP generates $1 billion in revenue through gold dore and copper and base metal concentrates sales. The Company is confident that operating mine life will extend well beyond the initial 10 years given that all PRP mines remain open at depth and the Company has a very significant and prospective portfolio in the area. The reporting year's exploration activities at established targets in the portfolio has revealed greater detail and encouraging results particularly at Queen Sheba and Gift South both of which are extremely close to the proposed PRP plant site. The year ahead will not only focus on development of the Project but will also see sustained exploration activities of the many targets within the region.

Directors' Report

The Directors present their report together with the financial report of Phillips River Mining NL (formerly Tectonic Resources NL) (the 'Company') and of the Group, being the Company and its subsidiaries, for the financial year ended 30 June 2011 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are as follows:

Hamish Bohannan
B(Eng)Sc Hons Mining, M(Eng)Sc Rock Mechanics, MBAF, FAusIMM, CE, MAICD
Age: 54
Independent Non-Executive Director & Chairman

Mr Bohannan is a Mining Engineer with 34 years' experience in mining operations throughout Australia, Africa and North and South America. He qualified at the Royal School of Mines Imperial College in London with a First Class Honours Degree in Mining Engineering. In addition Mr Bohannan has a Masters in Business Administration from Deakin University. He is a Fellow of the AusIMM and a Member of the Australian Institute of Company Directors. Mr Bohannan was formerly Chief Executive Officer of Gallery Gold Limited from 2002 to 2006 and Braemore Resources PLC from 2006 to 2008. He also served as a Director of Lachlan Star Limited from 2007 to 2009. Mr Bohannan is currently a Director of Bathurst Resources Limited since 2008.
Appointed 14 February 2007
Appointed Chairman 26 February 2007

Jason Stirbinskis
MBA, MAusIMM, MAICD
Age: 43
Managing Director

Originally a geologist, Mr Stirbinskis has worked in the resources and finance sectors from greenfield mining operations to IT/telecommunication and finance industry projects over a 20 year history. He has worked with or consulted to Newcrest Mining, Goldsworthy Mining, Placer Dome, Woodside Energy, Worsley Alumina and was most recently the Managing Director of Central Asia Resources Limited from 2008 to 2011. Mr Stirbinskis has an MBA and substantial experience in banking and finance where he project managed the delivery of several multi-million dollar projects. He has also held executive roles at METS and Simulus, both engineering companies specialising in metallurgical consulting and greenfield feasibility studies for junior mining companies in Australia and overseas. In 2009 he was appointed the Honorary Consul of the Republic of Kazakhstan in Western Australia. Mr Stirbinskis is a member of the AusIMM and a Member of the Australian Institute of Company Directors.
Appointed 1 February 2011

Anthony Martin
B Sc (Hons) Geology, MAusIMM (Geologist)
Age: 48
Independent Non-Executive Director

Mr Martin has over 22 years' experience as an exploration geologist in a wide variety of commodities with the last 10 years in management and corporate roles within publicly listed and private companies. In recent years he was responsible for the acquisition of the Rover and Yandal base metal and gold projects from AngloGold through his private company Navarre Resources Pty Ltd. He then became CEO and Director of Westgold Resources NL from 2006 to 2008 following the take over of Navarre by Westgold. In his time at Westgold he oversaw extensive restructuring of the company into a successful, focussed gold and base metals explorer as well as the 'spin out' of the Yandal gold and uranium projects into Aragon Resources Limited. Mr Martin currently works as an exploration management consultant.
Appointed 18 April 2008

Directors' Report

1. Directors (continued)

Andrew Blair Ellison
Age: 49
Independent Non-Executive Director

Mr Ellison has extensive experience in commerce, operations, construction, maintenance and plant management within the mining, petrochemical, generation and infrastructure industries in Western Australia and West Africa. He has strong company management skills, with a successful reputation for growing companies into prosperous businesses with a greater offering of services. Mr Ellison is currently an Executive Director of Forge Group Ltd since 2007 and Managing Director of Cimeco Pty Ltd (subsidiary of Forge publicly listed company) and during the past five years has led the successful growth of the Cimeco business. He has extensive experience and continues to actively participate in the day to day management of Cimeco, plus takes on project director roles on major multi-discipline construction projects, ensuring that his experience and knowledge is passed onto his management team. He continues to offer his extensive experience and knowledge growing the business by working with the proposals team offering innovative proposals for large and complex projects both in Australia and Africa.
Appointed 3 February 2011

Steve Norregaard
B Eng (WASM), MAusIMM, MAICD (Mining Engineer)
Managing Director

Appointed 19 December 2003
Resigned 31 January 2011

Andrew Czerw
B.S. University of Canberra, MAusIMM (Geologist)
Executive Director

Appointed 3 May 2006
Resigned 31 January 2011

Joe Totaro
B Comm, CPA, FTIA (Accountant)
Independent Non-Executive Director

Appointed 11 February 2003
Resigned 30 June 2011

2. Company Secretary

Graham Anderson
BBus, DipFP, CA
Age: 48

Mr Anderson is a graduate of Curtin University and has over 22 years' commercial experience as a Chartered Accountant. He operates his own specialist accounting and management consultancy practise, providing a range of corporate advisory services to both public and private companies. He was an audit partner at Duesburys from 1990 to 1997 and at Horwath Perth from 1997 to 1999. Mr Anderson is currently Director and Company Secretary of a number of listed and unlisted public companies in both the resource and industrial sectors.
Appointed 12 February 2008

Directors' Report

3. Directors' meetings

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

Board of Directors	Number of meetings held *	Number of meetings attended
Mr H J L Bohannan (Chairman)	5	5
Mr J Stirbinskis (a)	4	4
Mr A R Martin	5	5
Mr A B Ellison (b)	4	4
Mr J S Norregaard (c)	1	1
Mr A E Czerw (c)	1	1
Mr G Totaro (d)	5	5

* Number of meetings held during the year whilst the Director held office

(a) Mr J Stirbinskis was appointed on 1 February 2011
(b) Mr A B Ellison was appointed on 3 February 2011
(c) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011
(d) Mr G Totaro resigned on 30 June 2011

4. Corporate governance statement

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the Australian Securities Exchange (ASX) Corporate Governance Council recommendations, unless otherwise stated.

4.1. Board of Directors

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting. Details of the Board's charter are located on the Company's website (www.phillipsriver.com.au).

The Board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer and Executive Management. Responsibilities are delineated by formal authority delegations.

Directors' Report

Board processes

The full Board currently holds 5 scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairperson, Chief Executive Officer and Company Secretary. Standing items include the Chief Executive Officer's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Director education

The Group has a formal process to educate new Directors about the nature of the business, current issues, the corporate strategy and the expectations of the Group concerning performance of Directors. Directors also have the opportunity to visit Group facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

Composition of the Board

The names of the Directors of the Company in office at the date of this report, specifying which are independent, are set out in the Directors' report on pages 15 and 16 of this report. The composition of the Board is determined using the following principles:

The Board has four Directors, three of whom are Independent Non-Executive Directors including the Chairman, and one Executive Director.

The procedures for election and retirement of the Directors are governed by the Company's Articles of Association and the Listing Rules of the Australian Securities Exchange Limited.

Composition of the Board (continued)

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

- The Board shall comprise a majority of Independent Non-Executive Directors.
- The Board shall comprise Directors with a range of expertise encompassing the current and proposed activities of the Company.
- Where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties, consideration of the needs of the shareholder base and consideration of the needs of the Company. Such appointments are referred to shareholders at the next available opportunity for re-election in general meeting.
- The Company is committed to maintaining a Board of a size which has the ability to respond very quickly to the opportunities which may arise as a result of its activities.
- Before agreeing to join the Board, each nominated Director must demonstrate their willingness to commit the necessary time required to discharge their responsibilities.
- The terms and conditions of the appointment of Non-Executive Directors are set out in a letter of appointment.

4.2. Committees of the Board

The Company is not currently considered to be of a size, nor are its affairs of such complexity to justify the establishment of separate committees (i.e. Audit or Remuneration or Nomination or Risk Management Committee). Accordingly, all matters which may be capable of delegation to a committee are dealt with by the full Board.

4.3. Remuneration report - audited

4.3.1. Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including Directors of the Company and other executives. Key management personnel comprise the Directors of the Company and executives for the Company and the Group including the five most highly remunerated S300A executives.

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives. The Board of Directors obtains independent advice on the appropriateness of compensation packages of both the Company and the Group given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy.

Directors' Report

4.3.1. Principles of compensation (continued)

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant department/'s performance

Compensation packages include a mix of fixed and variable compensation and short-term and long-term performance-based incentives.

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and contributes to a post-employment defined contribution superannuation plan on their behalf.

Remuneration levels are not dependent upon any financial performance criteria, as the nature of the Group's operations is exploration, and is not generating a profit.

The Board did not determine the nature and amount of remuneration to key management personnel by reference to change in the price at which shares in the Company traded between the beginning and the end of the current and previous 4 financial years. However certain key management personnel are granted options under the Employee Share Option Plan which generally will be of greater value to the key management personnel as the value of the Company's shares increases (subject to vesting conditions being met, if any).

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2011:

	30 June 2011	30 June 2010	30 June 2009	30 June 2008	30 June 2007
Revenue	$750,812	$1,582,901	$518,169	$1,395,318	$22,396,939
Net (loss)/profit before tax	($3,359,220)	($2,655,312)	($2,289,670)	$657,042	($5,485,566)
Net (loss)/profit after tax	($2,895,651)	($2,242,530)	($2,079,634)	$657,042	($5,485,566)
Share price at start of year	$0.06	$0.07	$0.06	$0.10	$0.15
Share price at end of year	$0.06	$0.06	$0.07	$0.06	$0.10
Dividend	-	-	-	-	-
Basic (loss)/earnings per share*	($0.055016)	($0.053958)	($0.063496)	$0.021592	($0.20648)
Diluted (loss)/earnings per share*	($0.055016)	($0.053958)	($0.063496)	$0.021592	($0.20648)

* Based on weighted average number of shares post-share consolidation of every 8 shares into 1 (completed on 12 September 2011)

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the Directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion.

Executives are offered a competitive salary package as this forms the base of their remuneration. Base salary is reviewed annually to ensure remuneration is competitive with the general market range. This is very important as most key management personnel do not receive any short term incentive/reward component in their package. Remuneration is reviewed annually.

Short-term incentives

Should the Company achieve an above budget profit and/or production target in a financial year, or a new phase of project development is successfully achieved in an expedient manner and within budget, the Board may reward the Executive Directors with a cash bonus during the annual salary review.

These bonuses are not a pre-determined amount or pool linked to an incentive arrangement, but a post-outcome reward assessed on actual performance. It is considered that a bonus is paid for exceptional performance and not as a regular portion of the compensation package of key management personnel. It is believed that short-term incentives can cause a short-term focus and could be detrimental to the long-term growth of the Company and those ensuing benefits to shareholders.

Long-term incentives

Long-term incentives are predominantly provided through participation in the Company's Employee Share Option Plan.

The objective of the Employee Share Option Plan is to reward employees in a manner which aligns them with those of the shareholders of the Company. They are granted to Directors and senior managers under the terms of the Phillips River Mining NL Employee Option Share Plan. The options are granted for no consideration and are exercisable at no longer than 5 years from the date of issue (subject to vesting conditions being met, if any). The options carry no dividend or voting rights, and when exercised, are converted into fully paid ordinary shares in Phillips River Mining NL.

The exercise price of the options is set at a minimum of 10% above the weighted average price at which the Company's shares traded on the Australian Securities Exchange Limited during the five trading days immediately prior to the date on which the options were offered to the employees.

Special benefits

The Company may grant a special benefit to an employee in certain circumstances. These special benefits may include house rental and/or relocation payment for employees that are being relocated to commence their employment with, or change position within, the Company's operations.

Special benefits are not considered to be a regular part of a key management personnel's compensation but are granted due to irregular special circumstances referable to the person's employment or work with the Company.

Service contracts

It is the Company's policy not to enter into service agreements with executive officers (other than as mentioned below). All key management personnel have a common law employment contact with the Company. The standard employment contract is for an unlimited term and may be terminated with four weeks written notice.

Hamish Bohannan
The Putsborough Holdings Trust, a trust in which Mr Hamish Bohannan has a beneficial interest, provides Chairman/Director services to the Company at an annual fee of $25,000 plus GST (goods and services tax).

Graham Anderson
The Company has in place a service agreement with GDA Corporate, a company in which Mr Graham Anderson is a director, whereby GDA Corporate is to provide company secretarial, accounting and other corporate services to the Company at a monthly fee of $8,500 plus GST.

Non-Executive Directors

Non-Executive Directors do not receive performance related compensation. Directors' fees cover all Board activities.

Directors' Report

4.3.2. Directors and executive officers' remuneration (Company and Consolidated)

Details of the nature and amount of each major element of remuneration of each Director of the Company and each of the five named Company executives and relevant Group executives who receive the highest remuneration and other key management personnel are:

		Short term				Post-employment	Other long term		Share-based payments		S300A(1)(e)(i)(vi) Proportion of remuneration performance related	S300A(1)(e)(i)(vi) Value of options as proportion of remuneration
		Salary & fees	STI cash bonus	Other benefits	Total	Superannuation benefits	Other long term	Termination benefits	Options & rights	Total		
		$	$	$	$	$	$	$	$	$	%	%
Directors												
Mr H J L Bohannan	**2011**	25,000	-	-	25,000	-	-	-	-	25,000	0.00%	0.00%
Director (Non-Executive)/Chairman	**2010**	27,248	-	-	27,248	-	-	-	64,295	91,543	0.00%	70.23%
Mr J Stirbinskis (a)	**2011**	144,039	-	-	144,039	12,964	-	-	112,328	269,331	0.00%	41.71%
Managing Director (Executive)	**2010**	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Mr A R Martin	**2011**	25,001	-	-	25,001	2,250	-	-	-	27,251	0.00%	0.00%
Director (Non-Executive)	**2010**	25,001	-	-	25,001	2,250	-	-	64,295	91,546	0.00%	70.23%
Mr A B Ellison (b)	**2011**	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Director (Non-Executive)	**2010**	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Executive Officers												
Mr G D Anderson	**2011**	110,000	-	-	110,000	-	-	-	-	110,000	0.00%	0.00%
Company Secretary/CFO	**2010**	109,500	-	-	109,500	-	-	-	59,835	169,335	0.00%	35.34%
Mr B E J Armstrong	**2011**	137,695	-	-	137,695	12,393	-	-	7,372	157,460	4.68%	4.68%
Senior Geologist	**2010**	125,008	-	-	125,008	11,251	-	-	4,671	140,930	3.01%	3.31%
Ms J A Christie	**2011**	92,962	-	-	92,962	8,367	-	-	-	101,329	0.00%	0.00%
Senior Projects Geologist	**2010**	88,847	-	-	88,847	7,996	-	-	-	96,843	0.00%	0.00%
Former												
Mr J S Norregaard (c)	**2011**	286,112	-	-	286,112	16,381	-	308,275	204,047	814,815	16.67%	25.04%
Managing Director (Executive)	**2010**	290,825	-	12,063	302,888	26,174	-	-	20,324	349,386	5.35%	5.82%
Mr A E Czerw (c)	**2011**	205,393	-	-	205,393	12,178	-	228,528	163,237	609,336	17.84%	26.79%
Operations Director (Executive)	**2010**	215,592	-	-	215,592	19,403	-	-	15,768	250,763	5.96%	6.29%
Mr G Totaro (d)	**2011**	-	-	-	-	25,001	-	-	-	25,001	0.00%	0.00%
Director (Non-Executive)	**2010**	18,270	-	-	18,270	8,375	-	-	64,295	90,940	0.00%	70.70%
Mr P A Simpson (e)	**2011**	60,883	-	-	60,883	8,546	-	38,333	-	107,762	0.00%	0.00%
Chief Financial Officer	**2010**	-	-	-	-	-	-	-	-	-	0.00%	0.00%
Total Compensation: Key management	**2011**	**1,087,085**	**-**	**-**	**1,087,085**	**98,080**	**-**	**575,136**	**486,984**	**2,247,285**	**11.21%**	**21.67%**
personnel (consolidated)	**2010**	**900,291**	**-**	**12,063**	**912,354**	**75,449**	**-**	**-**	**293,483**	**1,281,286**	**5.11%**	**22.91%**

(a) Mr J Stirbinskis was appointed on 1 February 2011
(b) Mr A B Ellison was appointed on 3 February 2011
(c) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011
(d) Mr G Totaro resigned on 30 June 2011
(e) Mr Peter Andrew Simpson was appointed on 4 April 2011 & resigned on 30 June 2011

4.3.3. Equity instruments

All options refer to options over ordinary shares of Phillips River Mining NL, which are exercisable on a one-for-one basis under the Employee Share Option Plan.

4.3.3.1. Options and rights over equity instruments granted as compensation

During the financial year, the following share-based payment arrangements were in existence:

Options series	Grant date	Expiry date	Grant date fair value	Vesting date
Issued 9 September 2008	09 Sep 08	09 Sep 11	$0.0288	Vests at grant date
Issued 14 November 2008	14 Nov 08	03 Dec 11	$0.0140	Vests at grant date
Issued 20 November 2009	20 Nov 09	30 Nov 12	$0.0321	Vests at grant date
Issued 2 December 2009	02 Dec 09	18 Dec 12	$0.0399	Vests at grant date
Issued 20 November 2009	20 Nov 09	30 Nov 14	$0.0434	Vests upon performance hurdles being met (a)
Issued 2 December 2009	02 Dec 09	18 Dec 14	$0.0522	Vests upon performance hurdles being met (a)
Issued 17 August 2010	17 Aug 10	22 Jul 12	$0.0228	Vests at grant date
Issued 30 November 2010	30 Nov 10	29 Dec 13	$0.0273	Vests upon performance hurdle being met (b)
Issued 30 November 2010	30 Nov 10	06 Jan 13	$0.0150	Vests upon performance hurdles being met (c)
Issued 6 December 2010	06 Dec 10	30 Dec 13	$0.0250	Vests at grant date
Issued 28 February 2011	28 Feb 11	27 Feb 14	$0.0562	Vests at grant date

(a) Performance hurdles: 50% of options vests upon commencement of construction of the mining production facility; next 50% of options vests upon first shipping of concentrate and/or ore

(b) Performance hurdle: 100% of options vests upon Company share price exceeding 12 cents for 30 consecutive days

(c) Performance hurdles: 50% of options vests upon completion of off-take agreement to satisfaction of the Company within 6 months; next 50% of options vests upon finding a partner that brings a combined dent & equity component to the project, on acceptable terms, of greater than $30 million

Directors' Report

4.3.3.1. Options and rights over equity instruments granted as compensation (continued)

Details of options over ordinary shares in the Company that were granted as compensation to each key management personnel during the reporting period and details of options that were vested during the reporting period are as follows:

Name	Grant date	Opening balance	Granted during year	Number vested	Lapsed/ Forfeited during year	Exer-cised during year	Closing balance	Strike price	Expiry date
Directors									
Mr J Stirbinskis (a)	28 Feb 11	-	2,000,000	2,000,000	-	-	2,000,000	$0.15	27 Feb 14
Mr J S Norregaard (b)	30 Nov 10	-	2,500,000	2,500,000	-	-	2,500,000	$0.0649	29 Dec 13
Mr J S Norregaard (b)	20 Nov 09	5,000,000	-	707,933	-	-	5,000,000	$0.08	30 Nov 14
Mr A E Czerw (b)	30 Nov 10	-	2,000,000	2,000,000	-	-	2,000,000	$0.0649	29 Dec 13
Mr A E Czerw (b)	20 Nov 09	4,000,000	-	566,346	-	-	4,000,000	$0.08	30 Nov 14
Executive Officers									
Mr B E J Armstrong	02 Dec 09	1,000,000	-	141,217	-	-	1,000,000	$0.08	18 Dec 14

(a) Mr J Stirbinskis was appointed on 1 February 2011

(b) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011 and were entitled to retain their options

Since the end of the financial year 2,000,000 options were granted at no consideration to Mr Jason Stirbinskis on 29 August 2011. These options have a strike price of $0.10 each expiring on 28 August 2013.

All options expire on their expiry date and the earlier of their expiry date or termination of the individual's employment (unless stated otherwise). The options are exercisable between two and five years from grant date. Further details, including grant dates and exercise dates regarding options granted to executives under the Employee Share Option Plan are in note 33 to the financial statements.

4.3.3.3. Analysis of movements in options

The movement during the reporting period, by number and value, of options over ordinary shares in the Company held by each Company Director and each of the five named Company executives and relevant Group executives and other key management personnel is detailed below.

Name	Grant date	Opening balance	Granted during year	Lapsed / forfeited during year	Exer-cised during year	Closing balance	Strike price	Expiry date	Value at grant date	Value at exercise date	Value at date lapsed / forfeited	Value included in remuneration	Fair value per option at grant date	% vested during year	% forfeited during year
									$ (A)	$ (B)	$ (C)	$	$		
Directors															
Mr J Stirbinskis (a)	28 Feb 11	-	2,000,000	-	-	2,000,000	$0.15	27 Feb 14	112,328	-	-	112,328	0.0562	100%	0%
Mr J S Norregaard (b)	20 Nov 09	5,000,000	-	-	-	5,000,000	$0.08	30 Nov 14	216,909	-	-	135,860	0.0434	63%	0%
Mr J S Norregaard (b)	30 Nov 10	-	2,500,000	-	-	2,500,000	$0.0649	29 Dec 13	68,187	-	-	68,187	0.0273	100%	0%
Mr A E Czerw (b)	20 Nov 09	4,000,000	-	-	-	4,000,000	$0.08	30 Nov 14	173,527	-	-	108,687	0.0434	63%	0%
Mr A E Czerw (b)	30 Nov 10	-	2,000,000	-	-	2,000,000	$0.0649	29 Dec 13	54,549	-	-	54,549	0.0273	100%	0%
Executive officers															
Mr B E J Armstrong	02 Dec 09	1,000,000	-	-	-	1,000,000	$0.08	18 Dec 14	52,212	-	-	7,372	0.0522	14%	0%

(a) Mr J Stirbinskis was appointed on 1 February 2011

(b) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011

(A) The value of options granted in the year is the fair value of the options calculated at grant date using the Black and Scholes option pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

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

(C) The value of the options that lapsed/forfeited during the year represents the benefit foregone and is calculated at the date the option lapsed using the Black and Scholes option pricing model with no adjustments for whether the performance criteria have or have not been achieved.

4.4. Risk management

Business risks

The Board adopts practices designed to identify significant areas of business risks and to effectively manage those risks in accordance with the Company's risk profile. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risks.

The Company's main areas of risks, and its approach to managing these risks, are set out hereunder.

Mining, exploration and development

The Company's current major areas of focus are the Phillips River mining leases.

Ongoing expenditure is required to establish further ore resources in these areas through drilling and other exploration techniques.

The Board meets regularly to establish the exploration program and monitor results.

Fluctuating prices

The Company's anticipated revenues will be subjected to fluctuating commodity prices. The Company has developed appropriate risk management programs to control the effect of volatility in the price of the commodities.

Interest rate risk exposure

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is as detailed in note 32 to the financial statements. Exposure mainly arises from assets and liabilities bearing variable interest rates.

Gold and foreign currency risk exposure

The Company has no exposure to gold and is therefore not subject to market movements in the gold price on any given day.

The Company's exposure to foreign currency risk is as detailed in note 32 to the financial statements.

Title to assets

The Company's ability to continue operation and exploration of its areas of interests is dependent upon it retaining title to the subject property. The Board engages the services of an independent tenement manager to oversee this important function.

Financial reporting

The Chief Executive Officer and the Company Secretary have declared, in writing to the Board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly.

Environmental regulation

The Company holds various environmental licences and authorities to regulate its mining and exploration activities within Australia. These licences entail conditions and regulations which specify limits on discharges to the environment and rehabilitation of areas disturbed during the course of mining and exploration activities.

The Company is committed to a high standard of environmental performance and during the year has not received any fines or prosecutions under any environmental laws or regulations. The Company did not incur any significant reportable environmental incidents during the year. The Directors are not aware of any significant breach of the Company's licence conditions and all mining and exploration activities comply with all relevant environmental regulations.

The Company's mining operations based in Western Australia are regulated under the Mining Act 1978 and Environmental Protection Act 1986. The management of exploration is reviewed by environmental consultants as well as environmental and mining regulatory authorities.

4.5. Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The Board reviews the Ethical Standards Manual regularly and processes are in place to promote and communicate these policies.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned will not receive the relevant Board papers and will not be present at the meeting whilst the item is considered. Details of Director related entity transactions with the Company and the Group are set out in note 33 to the financial statements.

Code of conduct

The Group has advised each Director, manager and employee that they must comply with the Ethical Standards Manual. The Manual may be viewed on the Company's website, and it covers the following:

- Aligning the behaviour of the Board and management with the code of conduct by maintaining appropriate core Company values and objectives
- Fulfilling responsibilities to shareholders by delivering shareholder value
- Usefulness of financial information by maintaining appropriate accounting policies, practices and disclosure
- Fulfilling responsibilities to clients, customers and consumers by maintaining high standards of product quality, service standards, commitments to fair value, and safety of goods produced
- Employment practices such as occupational health and safety, employment opportunity, the community activities, sponsorships and donations
- Responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution
- Compliance with legislation including policies on legal compliance in countries where the legal systems and protocols are significantly lower than Australia's
- Conflicts of interest
- Corporate opportunities such as preventing Directors and key executives from taking advantage of property, information or position for personal gain
- Confidentiality of corporate information
- Fair dealing
- Protection and proper use of the Company's assets
- Compliance with laws
- Reporting of unethical behaviour

Trading in general Company securities by Directors and employees

The key elements of the Trading in General Company Securities by Directors and Employees Policy set out in the Ethical Standards Manual are:

- identification of those restricted from trading - Directors and senior executives (all employees from branch manager upwards) may acquire shares in the Company, but are prohibited from dealing in Company shares or exercising options:
    - except between three and 30 days after either the release of the Company's half-year and annual results to the Australian Securities Exchange ('ASX'), the annual general meeting or any major announcement
    - whilst in possession of price sensitive information not yet released to the market
- to raise the awareness of legal prohibitions including transactions with colleagues and external advisers
- to require details to be provided of intended trading in the Company's shares
- to require details to be provided of the subsequent confirmation of the trade
- the identification of processes for unusual circumstances where discretions may be exercised in cases such as financial hardship

The Policy also details the insider trading provisions of the Corporations Act 2001 and is reproduced in full on the Company's website.

4.6. Communication with shareholders

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases. More details of the policy are available on the Company's website.

In summary, the Continuous Disclosure Policy operates as follows:

- The Chief Executive Officer and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX as soon as practicable after discovery, and all senior executives must follow a 'Weekly Continuous Disclosure Discovery' process, which involves monitoring all areas of the Group's internal and external environment
- The report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments. The full Annual Financial Report is available to all shareholders should they request it
- The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it
- Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders
- Information meetings are held in states around Australia on an as required basis to provide shareholders with information, and an opportunity to meet members of the Board
- All announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX
- The full texts of notices of meetings and associated explanatory material are placed on the Company's website

4.6. Communication with shareholders (continued)

- The external auditor attends the Annual General Meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information, including that of the previous three years, is made available on the Company's website within one day of public release, and is send via e-mail to all shareholders who lodge their e-mail contact details with the Company. Information on lodging e-mail addresses with the Company is available on the Company's website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Shareholders are encouraged to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, the remuneration report and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

5. Principal activities

Principal activities of the Company during the course of the financial year were the exploration for gold, silver and base metals; and, evaluation of merger and acquisition opportunities.

In 2011 the Company achieved the following significant milestones:
- Successfully raised more than $9 million (net of costs) by means of private share placements and fully underwritten non-renounceable rights issue offer
- Completed and released to the market the Phillips River Project Definitive Feasibility Study showing very positive results
- Accelerated discussions with potential off-take partners and approached debt financiers to bring the Phillips River Project into construction in 2012 and production in 2013
- Commenced the necessary state government approvals process for targeted construction in 2012
- Embarked on a significant community consultation process

Objectives

The Company's objectives are to:
- Attain a production profile of in excess of 100,000 oz gold equivalent within 3 years
- Unlock the base metal potential of the Trilogy deposit
- Upgrade and expand the Kundip resource through exploration
- Evaluate the potential for other mineral occurrences on the Phillips River Tenements
- Bring the exciting Philips River mineral field into production thereby re-establishing the Company as a significant mining producer

In order to achieve these objectives the following targets have been set for the 2012 financial year:
- Progression and finalisation of discussions with potential lending institutions and off-take partners
- Progression and completion of EPA (Environmental Protection Authority) and other State Government approvals process for targeted construction/development in 2012

6. Operating and financial review

Many positive outcomes have been achieved during the year. Specifically your Company:

- Increased land tenure to further strengthen the Company's long term regional development and exploration strategy
- Achieved exploration success including upgraded resources, impressive drill results at known targets and encouraging preliminary soil geochemistry results identifying potential additional targets
- Retained a core team of motivated professionals to ensure the Company can realise the full potential of its most valuable assets

The Company can look to the future with a degree of optimism having improved its financial position.

7. Changes in state of affairs and future developments

There was no significant change in the state of affairs of the Group during the financial year.

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

8. Events subsequent to reporting date

On 29 August 2011 the shareholders of the Company approved the following resolutions at a general meting:

- Change of Company name from Tectonic Resources NL to Phillips River Mining NL
- Change of Company type from a public no liability company (i.e. Phillips River Mining NL) to a public company limited by shares (i.e. Phillips River Mining Limited)
- Consolidation of capital of every 8 shares into 1, thereby reducing the Company's share capital from 513,385,712 to 64,173,512 fully paid ordinary shares
- Adoption of new Company constitution
- Adoption of Employee Share Option Plan No 3
- Issue of 2,000,000 unlisted options for no consideration to Mr Jason Stirbinskis, exercisable at $0.10 each expiring on 28 August 2013
- Ratification of previous securities issue

On 16 September 2011 the Company announced it had signed a life of mine off-take agreement for its lead/zinc concentrate production with LN Metals Limited.

9. Directors' interests

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares		Options over ordinary shares	
Director	Pre-consolidation	Post-consolidation*	Pre-consolidation	Post-consolidation*
Mr H J L Bohannan	2,530,000	316,250	2,000,000	250,000
Mr J Stirbinskis (a)	285,714	35,714	4,000,000	500,000
Mr A R Martin	574,200	71,775	2,000,000	250,000
Mr A B Ellison (b)	9,240,000	1,155,000	4,200,000	525,000

* Consolidation of share capital of every 8 shares into 1 (completed on 12 September 2011)
(a) Mr J Stirbinskis was appointed on 1 February 2011
(b) Mr A B Ellison was appointed on 3 February 2011

Directors' Report

10. Share options

10.1. Options granted to Directors and executives of the Company

During the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following Directors and the following five most highly remunerated officers of the Company as part of their remuneration:

Director	Grant date	Granted during the financial year	Strike price	Expiry date
Mr J Stirbinskis (a)	28 Feb 11	2,000,000	$0.15	27 Feb 14
Mr J S Norregaard (b)	30 Nov 10	2,500,000	$0.0649	29 Dec 13
Mr A E Czerw (b)	30 Nov 10	2,000,000	$0.0649	29 Dec 13

(a) Mr J Stirbinskis was appointed on 1 February 2011
(b) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011

Since the end of the financial year 2,000,000 options were granted at no consideration to Mr Jason Stirbinskis on 29 August 2011. These options have a strike price of $0.10 each expiring on 28 August 2013.

10.2. Unissued shares under options

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

Grant Date	Expiry date	Exercise price		Number of shares		Vesting date
		Pre-consolidation	Post-consolidation*	Pre-consolidation	Post-consolidation*	
14 Nov 08	03 Dec 11	$0.0708	$0.5664	3,000,000	375,000	Vests at grant date
20 Nov 09	30 Nov 12	$0.10	$0.80	6,000,000	750,000	Vests at grant date
02 Dec 09	18 Dec 12	$0.10	$0.80	1,500,000	187,500	Vests at grant date
20 Nov 09	30 Nov 14	$0.08	$0.64	9,000,000	1,125,000	Vests upon performance hurdles being met (a)
02 Dec 09	18 Dec 14	$0.08	$0.64	1,000,000	125,000	Vests upon performance hurdles being met (a)
17 Aug 10	22 Jul 12	$0.065	$0.52	500,000	62,500	Vests at grant date
30 Nov 10	29 Dec 13	$0.0649	$0.5192	4,500,000	562,500	Vests upon performance hurdle being met (b)
30 Nov 10	06 Jan 13	$0.10	$0.80	2,000,000	250,000	Vests upon performance hurdles being met (c)
06 Dec 10	30 Dec 13	$0.075	$0.60	4,000,000	500,000	Vests at grant date
04 Jan 11	30 Dec 13	$0.075	$0.60	19,461,618	2,432,702	Vests at grant date
28 Feb 11	27 Feb 14	$0.15	$1.20	2,000,000	250,000	Vests at grant date
29 Aug 11	28 Aug 13	$0.10	$0.80	2,000,000	250,000	Vests at grant date
29 Aug 11	28 Aug 13	$0.10	$0.80	1,000,000	125,000	Vests upon performance hurdle being met (d)
				55,961,618	6,995,202	

* Consolidation of share capital of every 8 shares into 1 (completed on 12 September 2011)
(a) Performance hurdles: 50% of options vests upon commencement of construction of the mining production facility; next 50% of options vests upon first shipping of concentrate and/or ore
(b) Performance hurdle: 100% of options vests upon Company share price exceeding 12 cents for 30 consecutive days
(c) Performance hurdles: 50% of options vests upon completion of off-take agreement to satisfaction of the Company within 6 months; next 50% of options vests upon finding a partner that brings a combined dent & equity component to the project, on acceptable terms, of greater than $30 million
(d) Performance hurdle: 100% of options vests upon completion of off-take agreement

All options expire on their expiry date and the earlier of their expiry date or termination of the employee's employment. Further details are in note 33 to the financial statements.

These options do not entitle the holder to participate in any share issue of the Company.

11. Indemnification and insurance of officers and auditors

During the year, the Company has, in accordance with normal practice, paid premiums in respect of a contract insuring Directors and executives of the Company against any liability incurred in the conduct of the business of the Company. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability, and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

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 indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, with the exception that during the financial year the Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

12. Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 7 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services disclosed in note 7 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

13. Auditor's independence declaration

The auditor's independence declaration is included on page 33 of the annual report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

....

J Stirbinskis
Director

Dated at Perth this 28th day of September 2011.

Deloitte.

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The Board of Directors
Philips River Mining NL
Unit 46/328 Albany Highway
Victoria Park WA 6100

28 September 2011

Dear Board Members

Phillips River Mining NL (formerly Tectonic Resources NL)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Phillips River Mining NL (formerly Tectonic Resources NL).

As lead audit partner for the audit of the financial statements of Phillips River Mining NL for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff

Chris Nicoloff
Partner
Chartered Accountants

Consolidated Statement of Financial Position

At 30 June 2011

	Note	30 June 2011 $	30 June 2010 $
Assets			
Current assets			
Cash and cash equivalents	11	4,749,796	1,322,637
Trade and other receivables	12	22,374	436,700
Inventories	13	30,347	30,347
Other assets	15	37,451	44,271
Total current assets		4,839,968	1,833,955
Non-current assets			
Property, plant and equipment	19	3,432,755	3,760,890
Exploration, evaluation and development expenditure	20	26,814,925	22,932,448
Other assets	15	467,176	472,377
Total non-current assets		30,714,856	27,165,715
Total assets		35,554,824	28,999,670
Liabilities			
Current liabilities			
Trade and other payables	21	919,578	934,544
Interest-bearing loans and borrowings	22	207,307	232,466
Employee benefits	23	39,440	97,953
Total current liabilities		1,166,325	1,264,963
Non-current liabilities			
Interest-bearing loans and borrowings	22	158,382	277,610
Employee benefits	23	42,630	72,385
Provisions	25	637,522	721,358
Total non-current liabilities		838,534	1,071,353
Total liabilities		2,004,859	2,336,316
Net assets		33,549,965	26,663,354
Equity			
Capital and reserves			
Issued capital	26	56,837,750	47,466,496
Reserves	27	2,047,960	1,636,952
Accumulated losses	28	(25,335,745)	(22,440,094)
Total equity		33,549,965	26,663,354

The notes on pages 38 to 75 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	Year ended 30 June 2011 $	Year ended 30 June 2010 $
Continuing Operations			
Other income	5	750,812	1,582,901
Other expenses	5	(4,196,631)	(4,121,162)
Net change in fair value of financial assets		-	(177,098)
Results from operating activities		(3,445,819)	(2,715,359)
Financial income	8	126,843	115,008
Borrowing costs	8	(40,244)	(54,961)
Net finance income		86,599	60,047
Loss before tax		(3,359,220)	(2,655,312)
Income tax benefit	9	463,569	412,782
Loss for the year		(2,895,651)	(2,242,530)
Other comprehensive income, net of income tax			
Gain on revaluation of properties		-	630,000
Tax effect of revaluation	16	-	(189,000)
Other comprehensive income for the year, net of tax		-	441,000
Total comprehensive loss for the year		(2,895,651)	(1,801,530)
Loss attributable to:			
Owners of the Company		(2,895,651)	(2,242,530)
Total comprehensive loss attributable to:			
Owners of the Company		(2,895,651)	(1,801,530)
Loss per share:			
Basic (cents per share)	10	(5.5016)	(5.3958)
Diluted (cents per share)	10	(5.5016)	(5.3958)

The notes on pages 38 to 75 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2011

	Note	Year ended 30 June 2011 $	2010 $
Cash flows from operating activities			
Receipts from customers		1,176,154	1,089,470
Payments to suppliers and employees		(3,560,274)	(2,391,810)
Cash used in operations		(2,384,120)	(1,302,340)
Interest received		91,313	88,180
Income tax benefit received		599,307	327,127
Net cash used in operating activities	30	(1,693,500)	(887,033)
Cash flows from investing activities			
Proceeds from sale of investments		-	985,204
Proceeds from disposal of plant and equipment		29,500	120,000
Repayment of bonds		31,835	39,613
Increases in office rent security bond		(2,120)	-
Payments for plant and equipment		(17,006)	(352,183)
Payments for exploration and evaluation expenditure	20	(3,793,916)	(3,461,597)
Payments for rehabilitation costs	25	(55,538)	-
Net cash used in investing activities		(3,807,245)	(2,668,963)
Cash flows from financing activities			
Proceeds from issue of shares	26	9,687,977	4,621,458
Capital raising costs	26	(452,461)	-
Proceeds from hire purchase liability		5,224	-
Repayment of hire purchase liabilities		(215,285)	(212,920)
Proceeds from insurance premium funding		7,185	-
Repayment of insurance premium funding		(104,736)	(69,155)
Net cash generated by financing activities		8,927,904	4,339,383
Net increase in cash and cash equivalents		3,427,159	783,387
Cash and cash equivalents at 1 July		1,322,637	539,250
Cash and cash equivalents at 30 June	11	4,749,796	1,322,637

The notes on pages 38 to 75 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Share capital $	Asset revaluation reserve $	Options reserve $	Accu-mulated losses $	Total equity $
Balance at 1 July 2010		47,466,496	1,068,044	568,908	(22,440,094)	26,663,354
Loss for the year		-	-	-	(2,895,651)	(2,895,651)
Other comprehensive income for the year		-	-	-	-	-
Tax effect recognised		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(2,895,651)	(2,895,651)
Options issued		-	-	411,008	-	411,008
Shares issued		9,687,977	-	-	-	9,687,977
Share issue costs		(452,461)	-	-	-	(452,461)
Tax effect recognised		135,738	-	-	-	135,738
Balance at 30 June 2011	26	56,837,750	1,068,044	979,916	(25,335,745)	33,549,965
Balance at 1 July 2009		42,741,693	627,044	275,424	(20,197,564)	23,446,597
Loss for the year		-	-	-	(2,242,530)	(2,242,530)
Other comprehensive income for the year		-	630,000	-	-	630,000
Tax effect recognised		-	(189,000)	-	-	(189,000)
Total comprehensive income/(loss) for the year		-	441,000	-	(2,242,530)	(1,801,530)
Options issued		-	-	293,484	-	293,484
Shares issued		4,965,941	-	-	-	4,965,941
Share issue costs		(344,483)	-	-	-	(344,483)
Tax effect recognised		103,345	-	-	-	103,345
Balance at 30 June 2010		47,466,496	1,068,044	568,908	(22,440,094)	26,663,354

The notes on pages 38 to 75 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

1. Reporting entity

Phillips River Mining NL (formerly Tectonic Resources NL) (the 'Company') is a company domiciled in Australia. The Company's registered office address is Unit 46/328 Albany Highway, Victoria Park, WA. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is a Western Australian-based resources company which has one main development project and an advanced exploration project.

2. Application of new and revised Accounting Standards

2.1 Standards and Interpretations affecting amounts reported in the current period

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in note 2.2.

Standards affecting presentation and disclosure

Amendments to AASB 7 *Financial Instruments: Disclosure* (adopted in advance of effective date of 1 January 2011)	The amendments (part of AASB 2010-4 *Further Amendments to Australian Standards arising from the Annual Improvements Project*) clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*	Disclosures in these financial statements have bee modified to reflect the clarification in AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* that the disclosure requirements in Standards other than AASB 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.
Amendments to AASB 101 *Presentation of Financial Statements* (adopted in advance of effective date of 1 January 2011)	The amendments (part of AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*) clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
Amendments to AASB 107 *Statement of Cash Flows*	The amendments (part of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 *Intangible Assets* for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing activities in the statement of cash flows.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

2. Adoption of new and revised Accounting Standards (continued)

2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*	Except for the amendments to AASB 5 and AASB 107 described earlier this section, the application of AASB 2009-5 has not had any material effect on amounts reported in the financial statements.
AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions*	The application of AASB 2009-8 makes amendments to AASB 2 *Share-based* Payment to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.
AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues*	The application of AASB 2009-10 makes amendments to AASB 132 *Financial Instruments: Presentation* to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments.
AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*	The application of AASB 2010-3 makes amendments to AASB 3(2008) *Business Combinations* to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, the application of AASB 2010-3 makes amendments to AASB 3(2008) to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with AASB 2 *Share-based Payment* at the acquisition date ('market-based measure').
AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*	Except for the amendments to AASB 7 and AASB 101 described earlier this section, the application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.

Notes to the Financial Statements

2. Adoption of new and revised Accounting Standards (continued)

2.2 Standards and Interpretations adopted with no effect on financial statements (continued)

Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	This Interpretation provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular, the equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. To date, the Group has not entered into transactions of this nature.

2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 124 *Related Party Disclosures* (revised December 2009), AASB 2009-12 *Amendments to Australian Accounting Standards*	1 January 2011	30 June 2012
AASB 9 *Financial Instruments*, AASB 2009- 11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010)'	1 January 2013	30 June 2014
AASB 2009-14 *Amendments to Australian Interpretations – Prepayments of a Minimum Funding Requirement*	1 January 2011	30 June 2012
AASB 2010-5 *Amendments to Australian Accounting Standards*	1 January 2011	30 June 2012
AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Asset*	1 July 2011	30 June 2012
AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets*	1 January 2012	30 June 2013

Notes to the Financial Statements

3. Significant accounting policies

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 28 September 2011.

(b) Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

(c) Financial and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the other companies within the Group.

(d) Use of estimates and judgements

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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(e) Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2011 the consolidated entity incurred losses of $2,895,651 (2010: $2,242,530) and had cash outflows from operating and investing activities of $5,500,745 (2010: $3,555,996). Further as disclosed in note 36, the Company incurred a loss of $2,895,651 (2010: $2,242,530) for the year ended 30 June 2011.

The Company remains singularly focussed on the progression of its Philips River Project with all work planned on the Project aimed at enhancing the Project value and definition over the forthcoming 12 months culminating in the construction of the Phillips River Project. Subsequent to 30 June 2011 the Company has incurred net cash outflows of approximately $2 million in relation to the further development of the Philips River project.

The ability of the Company and consolidated entity to continue as going concerns is principally dependent upon the ability of the Company and consolidated entity to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company and consolidated entity to continue as going concerns.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(e) Going concern (continued)

The Directors have prepared a cash flow forecast, which indicates that the Company and consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's and consolidated entity's history of raising capital to date, the Directors are confident of the Company's and consolidated entity's ability to raise additional funds as and when they are required.

Should the Company and consolidated entity be unable to continue as going concerns they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company and the consolidated entity be unable to continue as going concerns and meet their debts as and when they fall due.

(f) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(g) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are retranslated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised as a part of the change in the fair value of equity.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(h) Property, plant and equipment

(i) Recognition and measurement

Land held for use in the production or supply of goods or services are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition, construction or production of qualifying assets are recognised in the statement of comprehensive income as incurred.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'other income' in the statement of comprehensive income.

(ii) Mine properties

Mine property assets include costs transferred from exploration and evaluation assets once technical, feasibility and commercial viability of an area of interest is demonstrable and subsequent costs to develop the mine to the production phase.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(iii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. An asset acquired by way of a finance lease is stated at amounts equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease less any accumulated amortisation and impairment losses. Lease payments are accounted for as described in accounting policy (v).

(iv) Depreciation

With the exception of mine property assets, depreciation or amortisation is charged to profit or loss over the lower of their estimated useful lives and the estimated remaining life of the mine. Mine property assets are amortised over the estimated remaining life of the mine. The estimated remaining life of the mine is based upon geological ore reserves and resources. Assets not linked to the mining operation are depreciated over their estimated useful lives using the straight line method.

The estimated useful lives in the current and comparative periods are as follows:

	2011	**2010**
Plant and equipment	2-20 years	2-20 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

If the estimated remaining economic life of the mine, based on economically recoverable resources, is less than the depreciation period for an asset group then the depreciation period is limited to the estimated remaining economic life of the mine.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Depreciation is not charged on land.

(v) Deferred stripping costs

Mining costs associated with the removal of waste rock are referred to as 'deferred stripping' costs and are capitalised to the Balance Sheet using a life of mine waste-to-ore strip ratio. Costs of mining waste rock, in excess of the life of mine waste-to-ore strip ratio, are accumulated and classified as property, plant and equipment. The deferred stripping accounting method is generally accepted in the mining industry where mining operations have diverse ore grades and waste-to-ore strip ratios over the mine life. Deferred stripping matches the costs of production with extraction of ore.

(i) Exploration and evaluation

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or,

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(i) Exploration and evaluation (continued)

Exploration and evaluation assets are assessed for impairment if:

(i) sufficient data exists to determine technical feasibility and commercial viability; and,

(ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see accounting policy (n)).

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mine property assets within property, plant and equipment.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(j) Receivables

(i) Goods sold

Trade and other receivables are stated at amortised cost. Receivables are usually settled within no more than 30 days.

Receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful accounts (see accounting policy (n)).

(ii) Sale of non-current assets

The net gain or loss on the sale of non-current assets is included as revenue or expense at the date control of the assets passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of mining inventories is determined using a weighted average basis. Cost includes direct material, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition based on normal operating capacity of the production facilities. The cost of inventories may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

3. Significant accounting policies (continued)

(m) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(n) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than exploration and evaluation, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash generating unit').

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(o) Impairment (continued)

(ii) Non-financial assets (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses recognised in respect of goodwill are not subsequently reversed.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Interest-bearing borrowings

The financial assets and financial liabilities included in non-current assets and non-current liabilities approximate fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

(r) Employee benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date represent present obligations resulting from employee's services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(ii) Long-term benefits

Liabilities for employee benefits for long service leave that are not expected to be settled within twelve months of the reporting date represent present obligations resulting from employee's services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date.

(iii) Share-based payments

Employee options are, from time to time, granted to executives and employees. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black and Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(q) Employee benefits (continued)

(iv) Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(v) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(s) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restoration and rehabilitation

Mine restoration and rehabilitation costs are provided for at the present value of future expected expenditures required to settle the Group's obligations on commencement of commercial production, discounted using a rate specified to the liability. When this provision is recognised a corresponding asset is also recognised as part of the development costs of the mine to the extent that it is considered that the provision gives access to future economic benefits. The capitalised cost of this asset is amortised over the life of the mine. On an ongoing basis, the rehabilitation liability is remeasured at each reporting period in line with the changes in the time value of money (recognised as a finance expense in profit or loss and an increase in the provision), changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability.

Provision for restoration and rehabilitation includes the following costs: reclamation, waste stabilisation, site closure and monitoring activities. These costs have been determined based on future expected costs, current legal requirements and current technology. The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances.

(t) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Group prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(u) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Gold sales revenue is recognised when control of the gold passes to the refinery. Nickel sales revenue is recognised when passed to the purchaser. Revenue is determined at the spot price.

Revenues are recognised at fair value of the consideration received net of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

(ii) Interest

Interest income is recognised as it accrues using the effective interest method.

(v) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(ii) The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3(o)). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(w) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(x) Taxes

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ii) Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Phillips River Mining NL.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

3. Significant accounting policies (continued)

(w) Taxes (continued)

(ii) Tax consolidation (continued)

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(iii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(iv) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(y) Segment reporting

A segment is a distinguishable component of the Group that is identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's primary format for segment reporting is based on the type/nature of products and services provided.

3. Significant accounting policies (continued)

(z) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management discussed with the Board of Directors the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Mine rehabilitation provision

The Group assesses its mine rehabilitation provision half-yearly in accordance with the accounting policy (r). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability includes future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

Recoverability of capitalised exploration, evaluation and development expenditure

The Group capitalises exploration, evaluation and development expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects. At the point that it is determined that any capitalised exploration expenditure is unlikely to be recoverable, it is written off.

(z) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in accounting policy (w).

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(n)), and foreign currency differences on available-for-sale monetary items (see note 3(g)), are recognised directly in a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(z) Financial instruments (continued)

(i) Non-derivative financial instruments (continued)

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments

The Group does not use derivative financial instruments to hedge its foreign currency and interest rate risk exposures and is exposed to changes in foreign exchange rates and commodity prices from its activities. As at the end of the financial year the Group does not use gold derivatives or hedging and it does not hold or deal in financial instruments for speculative purposes.

Derivatives not used for hedging are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for immediately in profit or loss.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

4. Segment information

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Company's results and financial position are reported to the chief operating decision maker on a single segment basis being mineral exploration in Western Australia.

Notes to the Financial Statements

	Note	Year ended 30 June 2011 $	2010 $

5. Results from operating activities

	Note	2011 $	2010 $
Other income			
Net gain on sale of plant and equipment		-	68,818
Rental income from property sub leases		702,232	1,425,617
Payroll tax rebate		37,541	-
Insurance claim		-	59,395
Sundry income		11,039	29,071
Total other income		750,812	1,582,901

Rental income from property sub leases relate to the Group's:

- Rav8 Camp - The lease ended in September 2010. Total rental income received during the year was $676,345 (2010: $1,399,729).
- Freehold land – The lease is renewed on a yearly basis. Total income received during the year was $25,887 (2010: $25,887).

	Note	2011 $	2010 $
Other expenses			
Net loss on sale of plant and equipment		(12,379)	-
Net loss on sale of investments		-	(277,852)
Computer running costs		(33,177)	(100,196)
Depreciation		(281,571)	(314,030)
Direct mine and rehabilitation costs		(184,694)	(134,868)
Employee expenses	6	(2,141,876)	(1,385,598)
External contractor and consultant fees		(596,968)	(1,054,664)
Insurance		(82,488)	(92,541)
Options issued to non-employees		(101,877)	-
Operating lease rental		(48,629)	(51,502)
Rates, taxes and rental outgoings		(82,167)	(60,804)
Repairs and maintenance		(27,703)	(134,431)
Share registry and listing costs		(103,070)	(86,174)
Travel and accommodation		(91,914)	(27,603)
Other expenses from ordinary activities		(408,118)	(607,217)
Total other expenses		(4,196,631)	(4,121,162)

6. Employee expenses

	2011 $	2010 $
Wages and salaries	1,044,765	863,498
Employment termination benefits	575,136	-
Equity settled transactions	297,739	293,484
Other associated employment expenses	224,236	228,616
Total employee expenses	2,141,876	1,385,598

Both Mr Steve Norregaard and Mr Andrew Czerw resigned as Directors of the Group on 31 January 2011. Employment termination payments of $308,275 and $228,528 were paid to them respectively.

Mr Peter Simpson resigned as Chief Financial Officer on 30 June 2011. Employment termination payment of $38,333 was paid to him.

Notes to the Financial Statements

	Year ended 30 June 2011 $	2010 $
7. Auditors' remuneration		
Audit and review of financial statements		
Deloitte Touche Tohmatsu Australia	44,975	15,307
PKF Australia	-	18,193
KPMG Australia	-	5,000
	44,975	38,500
Other tax and professional services		
Deloitte Touche Tohmatsu Australia	6,900	-
PKF Australia	-	4,540
	6,900	4,540
8. Net finance income		
Financial income		
Interest income	126,843	115,008
Borrowing costs		
Interest on hire purchase and loan	(40,244)	(54,961)
Net finance income	86,599	60,047
9. Income tax expense/(benefit)		
Recognised in the Income Statements		
Current tax expense		
Current year	(2,114,039)	(1,966,317)
Adjustments for prior years	(816,010)	(57,624)
Research & development tax credit	599,307	327,127
	(2,330,742)	(1,696,814)
Deferred tax expense		
Origination & reversal of temporary differences – current year	1,229,753	1,054,867
Origination & reversal of temporary differences – prior years	(13,604)	-
Tax losses	651,024	229,165
	1,867,173	1,284,032
Total income tax benefit in Income Statements	(463,569)	(412,782)
Numerical reconciliation between tax expense and pre-tax net profit		
Loss before tax	(3,359,220)	(2,655,321)
Income tax using the domestic corporation tax rate of 30%	(1,007,766)	(796,596)
Decrease in income tax expense due to:		
Non-deductible expenses	178	893
Write-down of capital assets	-	53,129
Accounting loss on disposal of shares	-	83,356
Investment allowance	-	(13,151)
Share-based payments	123,302	88,046
Effect of tax losses not recognised	651,024	229,165
Adjustments for prior years	(230,307)	(57,624)
	(463,569)	(412,782)

Notes to the Financial Statements

10. Loss per share

The calculation of basic loss per share at 30 June 2011 was based on loss attributable to ordinary shareholders of $2,895,651 (2010: $2,242,530) and a weighted average number of ordinary shares post-share consolidation of 52,632,659 (2010: 41,560,357) calculated as follows:

	Year ended 30 June	
	2011	**2010**
Weighted average number of ordinary shares		
Balance as at 1 July	361,502,740	262,183,923
Share issue on 25 September 2009	-	29,810,959
Share issue on 29 October 2009	-	40,487,973
Share issue on 13 August 2010	24,463,178	-
Share issue on 4 January 2011	18,981,742	-
Share issue on 28 March 2011	9,760,274	-
Share issue on 13 May 2011	6,251,272	-
Share issue on 30 May 2011	102,062	-
Weighted average number of ordinary shares at 30 June	421,061,268	332,482,855
Weighted average number of ordinary shares post-share consolidation of every 8 shares into 1 (completed on 12 September 2011)	52,632,659	41,560,357
Loss attributable to owners of the Company ($)	(2,895,651)	(2,242,530)
Loss per share:		
Basic loss per share - cents	(5.5016)	(5.3958)
Diluted loss per share - cents	(5.5016)	(5.3958)

The following potential ordinary shares are anti dilutive and are therefore excluded from the weighted average number of shares for the purpose of diluted loss per share:

Share options	53,461,618	21,000,000

	30 June	
	2011	**2010**
	$	**$**

11. Cash and cash equivalents

Cash and cash equivalents	4,749,796	1,322,637

12. Trade and other receivables

Current		
Trade debtors	129	426,671
Interest receivable	21,045	10,029
Other receivables	1,200	-
	22,374	436,700

13. Inventories

Consumables at cost	30,347	30,347

Notes to the Financial Statements

14. Investments

The Company's investments of 2.25 million unlisted warrants in ATW Gold Corp Inc (received in 2008 financial year as part of the sales proceeds from the Group's divestment of Burnakura Joint Venture) expired without being exercised on 24 December 2010. These warrants were impaired to a carrying amount of less than $1.00 at 30 June 2010.

15. Other assets

	30 June	
	2011 $	2010 $
Current		
Prepayments	37,451	44,271
Non-current		
Office rental and rehabilitation bonds	467,176	472,377

16. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $
Property, plant and equipment	107,704	65,645	-	-	107,704	65,645
Exploration	-	-	(7,922,648)	(6,757,905)	(7,922,648)	(6,757,905)
Inventories	-	-	(64,436)	(51,143)	(64,436)	(51,143)
Employee benefits	25,218	38,804	-	-	25,218	38,804
Provisions	210,496	242,715	-	-	210,496	242,715
Tax value of loss carry-forwards	7,454,360	6,373,949	-	-	7,454,360	6,373,949
Other	189,306	87,935	-	-	189,306	87,935
Tax liabilities/(assets)	7,987,084	6,809,048	(7,987,084)	(6,809,048)	-	-

Unrecognised deferred tax assets
A deferred tax asset of $3,675,757 (2010:$3,024,761) in relation to the tax value of losses carried forward has not been recognised.

Notes to the Financial Statements

16. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

	Balance 1 July $	Recognised in income $	Recognised in equity/other $	Balance 30 June $
2011				
Property, plant and equipment	65,645	42,059	-	107,704
Exploration	(6,757,905)	(1,164,743)	-	(7,922,648)
Inventories	(51,143)	(13,293)	-	(64,436)
Employee benefits	38,805	(13,587)	-	25,218
Provisions	242,715	(32,219)	-	210,496
Tax value of loss carry-forwards	6,373,949	1,080,411	-	7,454,360
Other	87,934	(34,366)	135,738	189,306
	-	(135,738)	135,738	-
2010				
Property, plant and equipment	201,112	53,533	(189,000)	65,645
Exploration	(5,682,577)	(1,075,328)	-	(6,757,905)
Inventories	(23,948)	(27,195)	-	(51,143)
Employee benefits	31,702	7,103	-	38,805
Provisions	220,907	21,808	-	242,715
Tax value of loss carry-forwards	5,233,427	1,140,522	-	6,373,949
Other	19,377	(34,788)	103,345	87,934
	-	85,655	(85,655)	-

17. Controlled entities

	Class of Share	Equity Interest 2011 %	Equity Interest 2011 $	Equity Interest 2010 %	Equity Interest 2010 $
Parent Entity:					
Phillips River Mining NL (formerly Tectonic Resources NL)					
Controlled Entities:					
Tectonic Systems Pty Ltd	Ordinary	100	125,100	100	125,100
Tectonic Management Pty Ltd	Ordinary	100	1,073,452	100	1,073,452
			1,198,552		1,198,552

Both controlled entities are incorporated in Australia.

18. Interests in joint ventures

During the 2010 financial year the Company entered into an agreement with Traka Resources Ltd ('Traka') which allows the Company to farm in on tenements E74/408, ELA74/448 and prospecting licences P74/265, 266, 267, 268, 271 and 273 through expenditure of $260,000 over a 24 month period. The Company may acquire a 70% interest in these tenements through an additional expenditure of $500,000 over a further three year period. Thereafter an unincorporated joint venture will be formed on a 70/30 basis whereby normal joint venture terms shall apply. In the event of either parties' interest dilutes to below 20%, the minority participant will revert to a 2% net sales and smelter return royalty.

	Note	30 June 2011 $	2010 $

19. Property, plant and equipment

	Note	2011 $	2010 $
Plant and equipment at cost		8,690,298	9,332,160
Less: accumulated depreciation and impairment		(7,397,543)	(7,711,270)
		1,292,755	1,620,890
Freehold land at valuation	(a),(b)	2,140,000	2,140,000
Total property, plant and equipment		3,432,755	3,760,890

(a) An independent valuation of farming property at Hopetoun was carried out on 23 June 2010 by James Toop, B.Com(Prop) AAPI of Esperance Land Valuers & Property Consultants, Licensed Valuer, on the basis of the current market value 'as is' of the property concerned. The property was valued at $1,990,000.

(b) An independent valuation of farming property at Ravensthorpe was carried out on 23 June 2010 by James Topp, B.Com(Prop) AAPI of Esperance Land Valuers & Property Consultants, Licensed Valuer, on the basis of the current market value 'as is' of the property concerned. The property was valued at $150,000.

Had the Group's freehold land been measured on a historical cost basis, their carrying amount would have been $882,956 (2010: $882,956).

Reconciliations for the carrying amount for each class of property, plant and equipment are set out below:

	2011 $	2010 $
Plant and equipment		
Carrying amount at beginning of year	1,620,890	1,756,752
Additions	100,782	352,182
Disposals	(41,879)	(51,182)
Depreciation	(387,038)	(436,862)
Carrying amount at end of year	1,292,755	1,620,890
Freehold land at valuation		
Carrying amount at beginning of year	2,140,000	1,510,000
Revaluation	-	630,000
Carrying amount at end of year	2,140,000	2,140,000
Total property, plant and equipment	3,432,755	3,760,890

Notes to the Financial Statements

	Note	30 June 2011 $	30 June 2010 $

20. Exploration, evaluation and development expenditure

Costs carried forward in respect of areas of interest in:

	Note	2011 $	2010 $
Exploration and/or evaluation phase - at cost		26,748,216	22,865,739
Production phase - at cost		25,922,805	25,922,805
Write down to recoverable amount		(4,671,178)	(4,671,178)
Less: accumulated amortisation		(21,184,918)	(21,184,918)
Production phase - at net book value		66,709	66,709
		26,814,925	22,932,448

Reconciliations for the carrying amount for exploration and/or evaluation are set out below:

	Note	2011 $	2010 $
Exploration and/or evaluation phase - at cost			
Carrying amount at beginning of year		22,865,739	19,281,310
Additions		3,793,916	3,461,597
Depreciation		105,467	122,832
Options issued pursuant to exploration agreement		11,392	-
Transfer to provision for mine rehabilitation	25	(28,298)	-
Carrying amount at end of year		26,748,216	22,865,739
Production phase - at cost			
Carrying amount at beginning and at end of year		66,709	66,709
		26,814,925	22,932,448

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

21. Trade and other payables

	2011 $	2010 $
Current		
Trade creditors	867,146	883,463
Other creditors and accruals	52,432	51,081
	919,578	934,544

The average credit period on purchases of goods and services is 30 days. No interest is generally charged or imposed on the trade payables for the first 30 days from the date of the invoice or thereafer. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

	30 June 2011 $	30 June 2010 $

22. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For information about the Group's exposure to interest rates and foreign currency risk see note 32.

	2011 $	2010 $
Current		
Hire purchase liabilities - secured	189,582	196,639
Insurance premium funding	17,725	35,827
	207,307	232,466
Non-current		
Hire purchase liabilities - secured	158,382	277,610

Hire purchase liabilities are secured against the items of plant and equipment purchased.

23. Employee benefits

	2011 $	2010 $
Current		
Liability for annual leave	39,440	97,953
Non-current		
Liability for long service leave	42,630	72,385

24. Share-based payments

All options refer to options over ordinary shares of Phillips River Mining NL, which are exercisable on a one-for-one basis under the Employee and Consultant/Contractor Share Option Plan. The options are exercisable at any time between the issue date and the expiry date.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

	Number	Grant date	Expiry date	Strike price	Fair value at grant date
Issued 28 February 2011 (b)	2,000,000	28 Feb 11	27 Feb 14	$0.15	$0.0562
Issued 6 December 2010	4,000,000	06 Dec 10	30 Dec 13	$0.075	$0.0250
Issued 30 November 2010 (d)	4,500,000	30 Nov 10	29 Dec 13	$0.0649	$0.0273
Issued 30 November 2010	2,000,000	30 Nov 10	06 Jan 13	$0.10	$0.0150
Issued 17 August 2010	500,000	17 Aug 10	22 Jul 12	$0.065	$0.0228
Issued 2 December 2009 (b)	1,500,000	02 Dec 09	18 Dec 12	$0.10	$0.0399
Issued 2 December 2009 (c)	1,000,000	02 Dec 09	18 Dec 14	$0.08	$0.0522
Issued 20 November 2009 (b)	6,000,000	20 Nov 09	30 Nov 12	$0.10	$0.0321
Issued 20 November 2009 (c)	9,000,000	20 Nov 09	30 Nov 14	$0.08	$0.0434
Issued 14 November 2008 (b)	3,000,000	14 Nov 08	03 Dec 11	$0.0708 (a)	$0.0140
Issued 9 September 2008 (b)	500,000	09 Sep 08	09 Sep 11	$0.0708 (a)	$0.0288
Issued 26 November 2007 (b)	3,000,000	26 Nov 07	25 Nov 09	$0.10	$0.0512
Issued 10 September 2007 (b)	500,000	10 Sep 07	09 Sep 09	$0.10	$0.0436

(a) Re-priced from $0.075 to $0.0708 on 29 October 2009

(b) In accordance with the terms of the share-based arrangements, options issued vest at the date of their issue

(c) In accordance with the terms of the share-based arrangements, options issued vest upon performance hurdles being met, i.e. 50% of options vest upon commencement of construction of the mining production facility and the remaining 50% of options vest upon first shipping of concentrate and/or ore

(d) In accordance with the terms of the share-based arrangement, options issued vest upon performance hurdle being met, i.e. 100% of options vests upon Company share price exceeding 12 cents for 30 consecutive days

Notes to the Financial Statements

24. Share-based payments (continued)

Share options granted in the year

During the current and prior year, the following options were issued to the following Directors and senior management:

Name	Grant date	Granted during the financial year	Strike price	Fair value at grant date	Vesting conditions	Option life
2011						
Directors						
Mr J Stirbinskis	28 Feb 11	2,000,000	$0.15	$0.0562	Immediate	3 years
Mr J S Norregaard	30 Nov 10	2,500,000	$0.0649	$0.0273	Exercisable upon performance hurdle being met	3.08 years
Mr A E Czerw	30 Nov 10	2,000,000	$0.0649	$0.0273	Exercisable upon performance hurdle being met	3.08 years
2010						
Directors						
Mr H J L Bohannan	20 Nov 09	2,000,000	$0.10	$0.0321	Immediate	3.03 years
Mr J S Norregaard	20 Nov 09	5,000,000	$0.08	$0.0434	Exercisable upon performance hurdles being met	5.03 years
Mr G Totaro	20 Nov 09	2,000,000	$0.10	$0.0321	Immediate	3.03 years
Mr A E Czerw	20 Nov 09	4,000,000	$0.08	$0.0434	Exercisable upon performance hurdles being met	5.03 years
Mr A R Martin	20 Nov 09	2,000,000	$0.10	$0.0321	Immediate	3.03 years
Executive officers						
Mr G D Anderson	02 Dec 09	1,500,000	$0.10	$0.0399	Immediate	3.05 years
Mr B E J Armstrong	02 Dec 09	1,000,000	$0.08	$0.0522	Exercisable upon performance hurdles being met	5.05 years

Employee expenses relating to share based payments are disclosed in note 33.

The fair value of options granted both under the Employee Share Option Plan and Consultant/Contractor Share Option Plan is estimated as at the grant date using the Black and Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2011	2010	2010	2010	2010	2009	2009
Grant date	**28 Feb**	**6 Dec**	**30 Nov**	**30 Nov**	**17 Aug**	**2 Dec**	**2 Dec**
Share price	$0.10	$0.058	$0.058	$0.058	$0.049	$0.07	$0.07
Strike price	$0.15	$0.075	$0.0649	$0.10	$0.065	$0.10	$0.08
Expected volatility	100%	70%	70%	70%	100%	100%	100%
Risk-free interest rate	4.75%	4.75%	4.75%	4.75%	4.50%	3.75%	3.75%
Fair value at grant date	$0.0562	$0.025	$0.0273	$0.015	$0.0228	$0.0399	$0.0522

	2009	2009	2008	2008	2007	2007
Grant date	**20 Nov**	**20 Nov**	**14 Nov**	**9 Sep**	**26 Nov**	**10 Sep**
Share price	$0.06	$0.06	$0.03	$0.05	$0.95	$0.85
Strike price	$0.10	$0.08	$0.0708(a)	$0.0708(a)	$0.10	$0.10
Expected volatility	100%	100%	100%	100%	100%	100%
Risk-free interest rate	3.50%	3.50%	5.25%	7.00%	6.50%	6.50%
Fair value at grant date	$0.0321	$0.0434	$0.0140	$0.0288	$0.0512	$0.0436

(a) Re-priced from $0.075 to $0.0708 on 29 October 2009

Notes to the Financial Statements

24. Share-based payments (continued)

Movements in share options during the year
The following reconciles the share options outstanding at the beginning and end of the year:

	30 June 2011		30 June 2010	
	Number of options	Weighted average strike price	Number of options	Weighted average strike price
Balance at beginning of year	21,000,000	$0.09	7,000,000	$0.09
Granted during the year *	32,461,618	$0.08	17,500,000	$0.09
Lapsed/Forfeited during the year	-	-	(3,500,000)	$0.10
Balance at end of year	53,461,618	$0.08	21,000,000	$0.09
Exercisable at end of year	53,461,618	$0.08	21,000,000	$0.09

* 19,461,618 unlisted options exercisable at $0.075 each expiring on 30 December 2013 were issued pursuant to a rights issue which do not constitute a share-based payment

No options were exercised during the year.

25. Provisions

	Note	30 June 2011 $	30 June 2010 $
Non-current			
Rehabilitation and refurbishment		637,522	721,358
Movement in rehabilitation provision			
Carrying amount at beginning of year		721,358	721,358
Rehabilitation work carried out		(55,538)	-
Transfer from exploration and/or evaluation	20	(28,298)	-
Carrying amount at end of year		637,522	721,358

In accordance with State Government legislative requirements, a provision for mine rehabilitation has been recognised in relation to the Group's nickel and gold mining operations. The basis for accounting is set out in accounting policy (r). Because of the long-term nature of rehabilitation obligations and the uncertainly in estimating the provision the Company takes the view these obligations will not be incurred with the next 12 months. Accordingly, the rehabilitation obligations are classified as non current obligation.

Notes to the Financial Statements

26. Capital and reserves

	30 June 2011 Number	30 June 2011 $	30 June 2010 Number	30 June 2010 $
Issued and paid up capital	513,385,712	56,837,750	361,502,740	47,466,496
Movements in ordinary share capital:				
On issue at beginning of the financial year	361,502,740	47,466,496	262,183,923	42,741,693
Share issue on 25 September 2009	-	-	39,000,000	1,950,000
Share issue on 29 October 2009	-	-	60,318,817	3,015,941
Share issue on 13 August 2010	27,730,000	1,386,500	-	-
Share issue on 4 January 2011	38,923,235	2,335,394	-	-
Share issue on 28 March 2011	37,500,000	2,625,000	-	-
Share issue on 13 May 2011	46,565,598	3,259,593	-	-
Share issue on 30 May 2011	1,164,139	81,490	-	-
Capital raising costs	-	(452,461)	-	(344,483)
Tax effect recognised	-	135,738	-	103,345
On issue at end of the financial year	513,385,712	56,837,750	361,502,740	47,466,496

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

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

	30 June 2011 Number	30 June 2011 Expiry	30 June 2010 Number	30 June 2010 Expiry
Options				
As at 30 June the Company had the following outstanding options:				
Unissued ordinary shares exercisable at $0.0708 (a)	500,000	09 Sep 11	500,000	09 Sep 11
Unissued ordinary shares exercisable at $0.0708 (a)	3,000,000	03 Dec 11	3,000,000	03 Dec 11
Unissued ordinary shares exercisable at $0.10	6,000,000	30 Nov 12	6,000,000	30 Nov 12
Unissued ordinary shares exercisable at $0.10	1,500,000	18 Dec 12	1,500,000	18 Dec 12
Unissued ordinary shares exercisable at $0.08	9,000,000	30 Nov 14	9,000,000	30 Nov 14
Unissued ordinary shares exercisable at $0.08	1,000,000	18 Dec 14	1,000,000	18 Dec 14
Unissued ordinary shares exercisable at $0.065	500,000	22 Jul 12	-	-
Unissued ordinary shares exercisable at $0.0649	4,500,000	29 Dec 13	-	-
Unissued ordinary shares exercisable at $0.10	2,000,000	06 Jan 13	-	-
Unissued ordinary shares exercisable at $0.075	4,000,000	30 Dec 13	-	-
Unissued ordinary shares exercisable at $0.075	19,461,618	30 Dec 13	-	-
Unissued ordinary shares exercisable at $0.15	2,000,000	27 Feb 14	-	-
	53,461,618		21,000,000	

(a) Re-priced from $0.075 to $0.0708 on 29 October 2009

Notes to the Financial Statements

27. Reserves

	Asset revaluation reserve $	Options reserve $	Total reserves $
2011			
Carrying amount at beginning of year	1,068,044	568,908	1,636,952
Options issued	-	411,008	411,008
Carrying amount at end of year	1,068,044	979,916	2,047,960
2010			
Carrying amount at beginning of year	627,044	275,424	902,468
Revaluation of land	441,000	-	441,000
Options issued	-	293,484	293,484
Carrying amount at end of year	1,068,044	568,908	1,636,952

	30 June 2011 $	30 June 2010 $

28. Accumulated losses

Accumulated losses at beginning of year	(22,440,094))	(20,197,564)
Loss for the year	(2,895,651)	(2,242,530)
Accumulated losses at end of year	(25,335,745)	(22,440,094)

29. Capital and other commitments

a. Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company and the Group are required to perform minimum exploration work to meet the minimum expenditure requirements as specified by various state governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the accounts and are payable:

Not later than one year	1,398,385	552,349
Later than one year but not later than 2 years	1,244,065	438,503
Later than 2 years but not later than 5 years	3,073,590	958,311
	5,716,040	1,949,163

Expenditure obligations in respect of mineral tenements may be reduced by applying for exemptions in certain circumstances.

b. Hire purchase commitments

Hire purchase commitments are payable as follows:

Not later than one year	213,815	232,237
One year or later but not later than 5 years	166,061	300,162
Less: future hire purchase finance charges	(31,902)	(58,150)
Net hire purchase liabilities	347,974	474,249

The above hire purchase commitments do not include the new agreement entered into in July 2011 as detailed in note 31 to the financial statements.

Notes to the Financial Statements

29. Capital and other commitments (continued)

c. Operating lease expense commitments: Lease as lessee

Non-cancellable operating lease rentals are payable as follows:

Less than one year	164,087	47,090
Between one and 5 years	348,931	3,924
More than 5 years	-	-
	513,018	51,014

The Group leased its current office under operating lease. The lease runs for a period of 2 years, with an option to renew the lease for a further 3 years after that date. Lease payments are increased annually to reflect changes in the local consumer price index.

During the year ended 30 June 2011 $48,629 was recognised as an expense in profit or loss in respect of operating lease (2010: $51,502).

Since the end of the financial year the Company renewed its current office lease for a further 12 months ending 31 July 2012.

Since the end of the financial year the Company entered into a lease agreement for a new office. The lease runs for a period of 3 years, with an option to renew for a further 2 years after that date. Lease payments are increased annually by 5% and based on market rent. The above operating lease expense commitments include this new office lease agreement.

The Company has entered into a number of tenement acquisition agreements whereby royalties may become payable if mining commences on these tenements in the future. No actual commitments existed at 30 June 2011 in relation to these royalties.

30. Reconciliation of cash flows from operating activities

	Year ended 30 June	
	2011	**2010**
	$	**$**
Cashflows from operating activities		
Loss for the year	(2,895,651)	(2,242,530)
Adjustments for:		
Depreciation	281,571	314,030
Net loss/(gain) on sale of plant and equipment	12,379	(68,818)
Net change in fair value of financial assets	-	177,098
Tax effect recognised	135,738	-
Loss on sale of investments	-	277,852
Insurance premiums funded	79,449	104,982
Interest received capitalised on rehabilitation bonds	(24,514)	(20,102)
Equity-settled share-based payment transactions	399,616	293,484
Operating loss before changes in working capital and provisions	(2,011,412)	(1,164,004)
Change in trade and other receivables	414,326	(431,338)
Change in prepayments	6,820	8,842
Change in trade and other payables	(14,966)	600,729
Change in provisions for employee entitlements	(88,268)	98,738
Net cash used in operating activities	(1,693,500)	(887,033)

Notes to the Financial Statements

31. Non-cash investing and financing activities

	Year ended 30 June	
	2011	2010
	$	$
Asset acquired through hire purchase arrangement	83,766	-
Insurance premium funding	79,449	104,982
	175,634	104,982

In December 2010 the Company entered into an insurance premium funding agreement with Pacific Premium Funding Pty Ltd to finance all of its insurance policies. An effective interest rate of 6.97% was applied and the total amount financed repayable by 10 equal instalments of $8,939 per month.

In February 2011 the Company entered into a hire purchase agreement with Macquarie Leasing Pty Ltd to finance the purchase of a motor vehicle. An effective interest rate of 8.94% was applied and the total amount financed repayable by 36 equal instalments of $2,823 per month.

Since the end of the financial year the Company entered into a hire purchase agreement with Macquarie Leasing Pty Ltd to finance the purchase of a motor vehicle in July 2011. An effective interest rate of 8.49% was applied and the total amount financed repayable by 36 equal instalments of $1,971 per month.

32. Financial risk management and financial instruments

Overview
The Company and Group have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, equity price risk and interest rate risk)

This note presents information and quantitative disclosures about the Company and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and Company's cash and cash equivalents and trade and other receivables.

Notes to the Financial Statements

32. Financial risk management and financial instruments (continued)

(i) Credit risk (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure and were as follows at the reporting date:

	Note	30 June 2011 $	2010 $
Current financial assets			
Cash and cash equivalents	11	4,749,796	1,322,637
Trade and other receivables	12	22,374	436,700
		4,772,170	1,759,337
Non-current financial assets			
Other assets	15	467,176	472,377
Total financial assets		5,239,346	2,231,714

The Group and Company's short term cash surpluses are placed with banks that have investment grade ratings. The Board analyses each new customer individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that its credit risk exposure is limited.

Impairment losses

The Group believes that no impairment allowance is necessary in respect of trade and other receivables. The aging of the Group's trade and other receivables at the reporting date was:

	Gross 2011 $	Gross 2010 $
Not past due	1,328	423,305
Past due 0-180 days	-	2,747
Past due 180 days to one year	-	490
More than one year	128	128
	1,456	426,670

(ii) Liquidity risk

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

The Group ensures that it has sufficient cash to meet expected operational expenses for a period of 180 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the Financial Statements

32. Financial risk management and financial instruments (continued)

(ii) Liquidity risk (continued)

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

	Carrying amount $	Contractual cash flows $	Within 1 year $	1 to 5 years $
2011				
Non-derivative financial liabilities				
Trade and other payables	919,578	(919,578)	(919,578)	-
Hire purchase liabilities	347,964	(347,964)	(189,582)	(158,382)
Insurance premium funding	17,725	(17,725)	(17,725)	-
	1,285,267	(1,285,267)	(1,126,885)	(158,382)
2010				
Non-derivative financial liabilities				
Trade and other payables	934,544	(934,544)	(934,544)	-
Hire purchase liabilities	474,249	(474,249)	(196,639)	(277,610)
Insurance premium funding	35,827	(35,827)	(35,827)	-
	1,444,620	(1,444,620)	(1,167,009)	(277,610)

Refer to note 32 (iii) interest table for the liquidity of assets

(iii) Market risk

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

Currency risk

The Group is exposed to currency risk on equity security investments that are denominated in a currency other than the Group's functional currency of Australian dollar (AUD).

The Company's only foreign denominated equity security investment of 2.25 million warrants in ATW Gold Corp Inc expired without being exercised on 24 December 2010. Hence the Group was not exposed to foreign currency risk at balance sheet date and accordingly, no currency risk sensitivity analysis is necessary.

Based on the above the Board is of the opinion that the Group and Company's exposure to currency risk is limited.

Equity price risk

Equity price risk arises from held for trading investments and warrants, both received as part of the sales proceeds from the Group's divestment of Burnakura Joint Venture (including Tuckabianna). The Board monitors the Group's investment portfolio based on market indices and all buy and sell decisions are approved by the Board.

The primary goal of the Group's investment strategy is to maximise investment returns in order to meet the Group's future operating cash flow requirements. In accordance with this strategy held for trading investments and warrants are designated at fair value through profit and loss because their performance is actively monitored and they are managed on a fair value basis.

The Company's only equity security investment of 2.25 million warrants in ATW Gold Corp Inc expired without being exercised on 24 December 2010. Hence the Group was not exposed to equity price risk at balance sheet date and accordingly, no equity price risk sensitivity analysis is necessary.

Notes to the Financial Statements

32. Financial risk management and financial instruments (continued)

(iii) Market risk (continued)

Interest rate risk

The Group and Company's present interest rate risk arises from finance lease obligations on fixed rates basis. The Board will use its judgement to decide whether, at the time of taking new loans or borrowings, a fixed or floating borrowing rate would be more favourable to the Group and Company over the expected period until maturity.

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

	Weighted average interest rate	Fixed interest maturing in: 1 year or less	1 to 5 years	Non-interest bearing	Floating interest rate	Total
		$	$	$	$	$
2011						
Financial assets						
Cash and cash equivalents	5.59%	4,705,999	-	14,285	29,512	4,749,796
Trade and other receivables	-	-	-	22,374	-	22,374
Other financial assets	5.60%	459,019	-	8,157	-	467,176
		5,165,018	-	44,816	29,512	5,239,346
Financial liabilities						
Trade and other payables	-	-	-	919,578	-	919,578
Hire purchase liabilities	9.17%	189,582	158,382	-	-	347,964
Insurance premium funding	6.97%	17,725	-	-	-	17,725
		207,307	158,382	919,578	-	1,285,267
2010						
Financial assets						
Cash and cash equivalents	4.33%	-	-	1,538	1,321,099	1,322,637
Trade and other receivables	-	-	-	436,700	-	436,700
Other financial assets	5.11%	434,505	-	6,038	31,834	472,377
		434,505	-	444,276	1,352,933	2,231,714
Financial liabilities						
Trade and other payables	-	-	-	934,544	-	934,544
Hire purchase liabilities	9.52%	196,639	277,610	-	-	474,249
Insurance premium funding	8.46%	35,827	-	-	-	35,827
		232,466	277,610	934,544	-	1,444,620

Fair value sensitivity analysis for fixed rate instruments

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

32. Financial risk management and financial instruments (continued)

(iii) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 1.00% in interest rates at the reporting date would have increased (decreased) equity and profit or loss of the Group and the Company by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	1.00% increase $	1.00% decrease $	1.00% increase $	1.00% decrease $
2011				
Variable rate financial assets	295	(295)	-	-
Cash flows sensitivity	295	(295)	-	-
2010				
Variable rate financial assets	13,529	(13,529)	-	-
Cash flows sensitivity	13,529	(13,529)	-	-

(iv) Capital management

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

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as described in notes 11, 26, 27 and 28 to the financial statements.

The Group encourages employees to be shareholders through the long-term incentive plan, predominantly provided through participation in the Company's Employee Share Option Plan.

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

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

(v) Fair value

The fair value of financial assets and liabilities equates to the carrying values shown in the balance sheets.

The Company's financial assets held for trading (including warrants) are measured at fair value through profit or loss. The fair value of the Company's warrants is determined using the Black and Scholes option pricing model. Following initial recognition, these warrants are measured at fair value with any changes therein recognised in the statement of comprehensive income.

33. Related party transactions

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key personnel for the entire period:

Key Management	Position
Non-Executive Directors	
Mr H J L Bohannan	Director/Chairman
Mr A R Martin	Director
Mr A B Ellison	Director (appointed 3 February 2011)
Mr G Totaro	Director (resigned 30 June 2011)
Executive Directors	
Mr J Stirbinskis	Managing Director (appointed 1 February 2011)
Mr J S Norregaard	Managing Director (resigned 31 January 2011)
Mr A E Czerw	Operations Director (resigned 31 January 2011)
Executive officers	
Mr G D Anderson	Company Secretary/Chief Financial Officer
Mr B E J Armstrong	Exploration Manager
Ms J A Christie	Senior Projects Geologist
Mr P A Simpson	Chief Financial Officer (appointed 4 April 2011; resigned 30 June 2011)

The key management personnel compensation included in employee expenses (see section 4.3. of the Directors' Report) are as follows:

	Year ended 30 June	
	2011	**2010**
	$	**$**
Short-term employee benefits	1,087,085	912,354
Post-employment benefits	98,080	75,449
Employment termination benefits	575,136	-
Equity compensation benefits	297,739	293,484
	2,058,040	1,281,287

Both Mr Steve Norregaard and Mr Andrew Czerw resigned as Directors of the Group on 31 January 2011. Employment termination payments of $308,275 and $228,528 were paid to them respectively.

Mr Peter Simpson resigned as Chief Financial Officer on 30 June 2011. Employment termination payment of $38,333 was paid to him.

Transactions with related parties

Bathurst Resources Ltd

Bathurst Resources Ltd, a company in which Mr Hamish Bohannan is a Director, was invoiced for office room rental, provision of receptionist service and car parking facilities during the year of $4,995 (2010: $27,470). The total amount outstanding at balance sheet date amounted to NIL (2010: $5,494).

GR Engineering Services Pty Ltd

GR Engineering Services Pty Ltd, a company in which Mr Joe Totaro is a Director, provided process engineering consulting services to Phillips River Mining NL during the year of $214,132 (2010: $196,965). The amounts paid were at arm's length. The total amount outstanding at balance sheet date amounted to $9,190 (2010: $103,351).

Notes to the Financial Statements

33. Related party transactions (continued)

The Putsborough Holdings Trust

The Putsborough Holdings Trust, a trust in which Mr Hamish Bohannan has a beneficial interest, was paid Chairman/Director's fees during the year of $25,000 (2010: $27,248). This amount is disclosed in the remuneration report. The total amount outstanding at balance sheet date amounted to $6,500 (2010: Nil).

GDA Corporate

GDA Corporate, a company in which Mr Graham Anderson is a Director, provided company secretarial, accounting and other corporate services to Phillips River Mining NL during the year of $110,000 (2010: $109,500). The amounts paid were at arm's length and are disclosed in the remuneration report. The total amount outstanding at balance sheet date amounted to $27,500 (2010: $18,749).

Individual Directors and executives compensation disclosures

Information regarding individual Director and executive's compensation and some equity instruments are permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report on pages 19 to 25.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the financial year and there were no material contracts involving Directors' interest existing at year end.

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Phillips River Mining NL held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Name	Balance at 1 July	Granted during year	Lapsed/ Forfeited during year	Exer-cised during year	Balance at 30 June	Balance vested at 30 June	Vested but not exerci-sable	Vested and exerci-sable	Options vested during year
2011									
Directors									
Mr J Stirbinskis (a)	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Mr J S Norregaard (b)	5,000,000	-	-	-	5,000,000	1,138,512	-	1,138,512	707,933
Mr J S Norregaard (b)	-	2,500,000	-	-	2,500,000	2,500,000	-	2,500,000	2,500,000
Mr A E Czerw (b)	4,000,000	-	-	-	4,000,000	910,809	-	910,809	566,346
Mr A E Czerw (b)	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Executive Officers									
Mr B E J Armstrong	1,000,000	-	-	-	1,000,000	222,465	-	222,465	141,217
2010									
Directors									
Mr H J L Bohannan	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Mr J S Norregaard (b)	2,000,000	-	2,000,000	-	-	-	-	-	-
Mr J S Norregaard (b)	2,000,000	-	-	-	2,000,000	2,000,000	-	2,000,000	-
Mr J S Norregaard (b)	-	5,000,000	-	-	5,000,000	430,579	-	430,579	430,579
Mr G Totaro (c)	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Mr A E Czerw (b)	1,000,000	-	1,000,000	-	-	-	-	-	-
Mr A E Czerw (b)	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
Mr A E Czerw (b)	-	4,000,000	-	-	4,000,000	344,463	-	344,463	344,463
Mr A R Martin	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000	2,000,000
Executive Officers									
Mr G D Anderson	-	1,500,000	-	-	1,500,000	1,500,000	-	1,500,000	1,500,000
Mr B E J Armstrong	500,000	-	500,000	-	-	-	-	-	-
Mr B E J Armstrong	500,000	-	-	-	500,000	500,000	-	500,000	-
Mr B E J Armstrong	-	1,000,000	-	-	1,000,000	81,248	-	81,248	81,248

(a) Mr J Stirbinskis was appointed on 1 February 2011

(b) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011

(c) Mr G Totaro resigned on 30 June 2011

Notes to the Financial Statements

33. Related party transactions (continued)

Options and rights over equity instruments (continued)
Details of options provided as remuneration can be found in section 4.3.3. to the remuneration report within the Directors' Report.

Movements in Key Personnel Shares for the financial year ended 30 June 2011
The movement during the reporting period in the number of ordinary shares in Phillips River Mining NL held directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July	Purchases	Received on exercise of options	Sales	Held at 30 June	Held at resignation date
2011						
Mr H J L Bohannan	2,000,000	530,000	-	-	2,530,000	-
Mr J Stirbinskis (a)	-	285,714	-	-	285,714	-
Mr A R Martin	372,000	202,200	-	-	574,200	-
Mr A B Ellison (b)	-	9,240,000	-	-	9,240,000	-
Mr J S Norregaard (c)	3,610,000	300,000	-	-	3,910,000	3,910,000
Mr A E Czerw (c)	847,387	500,000	-	-	1,347,387	1,347,387
Mr G Totaro (d)	1,240,000	124,000	-	-	1,364,000	1,364,000
Executive officers						
Mr G D Anderson	372,000	440,000	-	-	812,000	-
Mr B E J Armstrong	264,000	-	-	-	264,000	-
Ms J A Christie	101,700	25,000	-	41,917	84,783	-
2010						
Directors						
Mr H J L Bohannan	1,268,000	732,000	-	-	2,000,000	-
Mr J S Norregaard (c)	3,008,333	601,667	-	-	3,610,000	-
Mr G Totaro (d)	1,033,333	206,667	-	-	1,240,000	-
Mr A E Czerw (c)	646,700	200,687	-	-	847,387	-
Mr A R Martin	310,000	62,000	-	-	372,000	-
Executive officers						
Mr G D Anderson	310,000	62,000	-	-	372,000	-
Mr B E J Armstrong	160,000	264,000	-	160,000	264,000	-
Ms J A Christie	-	101,700	-	-	101,700	-

(a) Mr J Stirbinskis was appointed on 1 February 2011
(b) Mr A B Ellison was appointed on 3 February 2011
(c) Both Mr J S Norregaard & Mr A E Czerw resigned on 31 January 2011
(d) Mr G Totaro resigned on 30 June 2011

34. Contingent assets or liabilities

The Directors are of the opinion that there are no contingent assets or liabilities which may have a material effect on the Group's financial position.

Notes to the Financial Statements

35. Events subsequent to balance date

On 29 August 2011 the shareholders of the Company approved the following resolutions at a general meting:

- Change of Company name from Tectonic Resources NL to Phillips River Mining NL
- Change of Company type from a public no liability company (i.e. Phillips River Mining NL) to a public company limited by shares (i.e. Phillips River Mining Limited)
- Consolidation of capital of every 8 shares into 1, reducing the Company's share capital from 513,385,712 to 64,173,512 fully paid ordinary shares
- Adoption of new Company constitution
- Adoption of Employee Share Option Plan No 3
- Issue of 2,000,000 unlisted options for no consideration to Mr Jason Stirbinskis, exercisable at $0.10 each expiring on 28 August 2013
- Ratification of previous securities issue

On 16 September 2011 the Company announced it had signed a life of mine off-take agreement for its lead/zinc concentrate production with LN Metals Limited.

36. Parent entity disclosures

Financial position

	30 June 2011 $	30 June 2010 $
Assets		
Current assets	4,839,839	1,833,826
Non-current assets	30,583,062	27,033,921
Total assets	35,422,901	28,867,747
Liabilities		
Current liabilities	1,166,325	1,264,963
Non-current liabilities	838,534	1,071,353
Total liabilities	2,004,859	2,336,316
Equity		
Issued capital	56,837,750	47,466,496
Retained losses	(25,467,668)	(22,572,017)
Reserves		
Asset revaluation	1,068,044	1,068,044
Options	979,916	568,908
Total equity	33,418,042	26,531,431

Financial performance

	Year ended 30 June 2011 $	Year ended 30 June 2010 $
Loss for the year	(2,895,651)	(2,242,530)
Other comprehensive income	-	441,000
Total comprehensive loss	(2,895,651)	(1,801,530)

Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no commitments for the purchase of property, plant and equipment at 30 June 2011 (2010: Nil); the other commitments of the parent entity are the same as the Group commitments disclosed in note 29 to the financial statements.

Directors' Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3(a) to the financial statements;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

....

J Stirbinskis
Director

Dated at Perth this 28th day of September 2011.

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Phillips River Mining NL (formerly Tectonic Resources NL)

Report on the Financial Report

We have audited the accompanying financial report of Phillips River Mining NL (formerly Tectonic Resources NL), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 as set out on pages 34 to 76.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3a, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to th directors of Phillips River Mining NL, would be in the same terms if given to the directors as at the time of thi auditor's report.

Opinion

In our opinion:

(a) the financial report of Phillips River Mining NL 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 it performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards a disclosed in Note 3a.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 3(e) in the financial report which indicates that the company and consolidated entity incurred a net loss of $2,895,651 during the year ended 30 June 2011. This condition, along with other matters as set forth in Note 3(e), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company and the consolidated entity to continue as going concerns and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 25 of the directors' report for the year ended 3(June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneratioı Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinioı on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Phillips River Mining NL for the year ended 30 June 2011, complie with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff

Chris Nicoloff
Partner
Chartered Accountants
Perth, 28 September 2011

ASX Additional Information

Additional information included in accordance with listing requirements of the Australian Securities Exchange Limited and not disclosed elsewhere in this report. All information set out below was applicable at 28 September 2011 (i.e. post-share consolidation of every 8 shares into 1 - the share capital consolidation was completed on 12 September 2011).

(a) Distribution of equity securities

Size of holdings of fully paid shares	No. of holdings	No. of fully paid shares
1 - 1,000	304	165,756
1,001 - 5,000	1,060	2,552,383
5,001 - 10,000	389	2,777,660
10,001 - 100,000	682	19,582,645
100,001 and over	95	39,102,280
	2,530	64,180,724

(b) Number of shareholdings holding less than a marketable parcel

Number of shareholdings holding less than a marketable parcel 540

(c) Substantial shareholders

The number of shares held by shareholders holding more than 5%

Shareholders	No. of shares	%
Jabiru Metals Ltd	3,787,500	5.90%
CTS Funds Pty Ltd	3,233,578	5.04%

Two companies with common directors, CTS Funds Pty Ltd and Royale Blue Pty Ltd, hold an aggregate of 6,185,985 shares representing 9.64% of the issued fully paid shares in the Company.

(d) Voting rights

Each member is entitled to vote in person or by proxy or by attorney and on show of hands every person who is a member or a representative or proxy of a member shall have one vote and on a poll each member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

(e) Twenty largest shareholders

Shareholders	Shares held	%
Jabiru Metals Ltd	3,787,500	5.90%
CTS Funds Pty Ltd	3,233,578	5.04%
Royale Blue Pty Ltd	2,952,407	4.60%
Sanpoint Pty Ltd	2,225,000	3.47%
Cappig Finance Pty Ltd	1,763,621	2.75%
Passio Pty Ltd	1,400,000	2.18%
Mincor Resources NL	1,250,000	1.95%
Bell Potter Nominees Ltd	1,250,000	1.95%
Seafire Holdings Pty Ltd	1,155,000	1.80%
Joley Pty Ltd	898,777	1.40%
Mahsor Holdings Pty Ltd	820,750	1.28%
Polly Pty Ltd	627,859	0.98%
Deck Chair Holdings Pty Ltd	625,000	0.97%
Bremerton Pty Ltd	593,553	0.92%
Mrs Nadine Ruth Tolcon	500,000	0.78%
Scintilla Strategic Investments Ltd	500,000	0.78%
Melselina Pty Ltd	496,100	0.77%
Kingarth Pty Ltd	462,132	0.72%
Quintal Pty Ltd	431,885	0.67%
CG Wilson & Co Pty Ltd and Rum Holdings Pty Ltd and FE Daw & Sons Pty Ltd	412,500	0.64%
Total	**25,385,662**	**39.55%**

ASX Additional Information (continued)

(f) Unquoted equity securities

	No. on issue	No. of holders
Options issued under the Phillips River Mining NL:		
Employee Share Option Plan	3,625,000	8
Consultant/Contractor Option Plan	937,500	4
Pursuant to December 2010 share placement	2,432,702	35
	6,995,202	

Schedule of Interests in Mining Tenements

Lease	Lease Type	Lease Name	Region	Project	Status	Grant date	Expiry Date	Area (ha)	PRH Equity
L 74/34	Access Road	Kundip	Ravensthorpe	Phillips River	Granted	3/7/09	2/7/30	1.7	100%
L 74/35	Access Road	Trilogy	Ravensthorpe	Phillips River	Granted	23/11/05	22/11/26	2.87	100%
L 74/42	Access Road	RAV8	Ravensthorpe	Phillips River	Granted	20/1/06	19/1/27	9.42	100%
L 74/45	Power/Water Easement	Trilogy	Ravensthorpe	Phillips River	Granted	16/4/09	15/4/30	15.62	100%
P 74/228	Prospecting	Mt Desmond Nth	Ravensthorpe	Phillips River	Granted	13/7/10	12/7/14	48	100%
P 74/229	Prospecting	Mt Desmond Nth	Ravensthorpe	Phillips River	Granted	13/7/10	12/7/14	75	100%
P 74/286	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	20	100%
P 74/287	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	90	100%
P 74/288	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	89	100%
P 74/289	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	142	100%
P 74/290	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	129	100%
P 74/291	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	75	100%
P 74/292	Prospecting	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/12	117	100%
P 74/337	Prospecting		Ravensthorpe	Phillips River	Pending			120	100%
P 74/338	Prospecting		Ravensthorpe	Phillips River	Pending			43	100%
P 74/341	Prospecting		Ravensthorpe	Phillips River	Pending			23	100%
E 74/245	Exploration	Kundip	Ravensthorpe	Phillips River	Granted	13/7/10	12/7/15	857	100%
E 74/311	Exploration	Kundip	Ravensthorpe	Phillips River	Granted	4/10/06	3/10/11	182.6	100%
E 74/385	Exploration	Kundip	Ravensthorpe	Phillips River	Granted	11/3/08	10/3/13	1,982	100%
E 74/391	Exploration	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/13	1,843	100%
E 74/392	Exploration	Kundip	Ravensthorpe	Phillips River	Granted	20/3/08	19/3/13	2,941	100%
E 74/413	Exploration	Trilogy	Ravensthorpe	Phillips River	Granted	16/3/09	15/3/14	7,547	100%
E 74/444	Exploration	Trilogy	Ravensthorpe	Phillips River	Granted	29/4/10	28/4/15	3,828	100%
E 74/462	Exploration		Ravensthorpe	Phillips River	Pending			4,568	100%
E 74/471	Exploration	Munglinup	Ravensthorpe	Phillips River	Granted	15/6/11	14/6/16	56,340	100%
E 74/472	Exploration	Munglinup	Ravensthorpe	Phillips River	Granted	15/6/11	14/6/16	47,660	100%
E 74/473	Exploration	Munglinup	Ravensthorpe	Phillips River	Granted	15/6/11	14/6/16	55,120	100%
E 74/474	Exploration	Munglinup	Ravensthorpe	Phillips River	Pending			1,142	100%
E 74/485	Exploration	Munglinup	Ravensthorpe	Phillips River	Granted	4/7/11	3/7/16	7,531	100%
E 74/498	Exploration		Ravensthorpe	Phillips River	Pending			3,995	100%
M 74/13	Mining	RAV 8	Ravensthorpe	RAV8	Granted	6/3/85	5/3/27	427.6	100%
M 74/41	Mining	Kundip	Ravensthorpe	Phillips River	Granted	29/12/87	28/12/29	3.44	100%
M 74/51	Mining	Kundip	Ravensthorpe	Phillips River	Granted	25/1/90	24/1/32	519.65	100%
M 74/53	Mining	Kundip	Ravensthorpe	Phillips River	Granted	26/1/90	25/1/32	82.835	100%
M 74/135	Mining	Kundip	Ravensthorpe	Phillips River	Granted	19/12/00	18/12/21	9.1625	100%
M 74/176	Mining	Trilogy	Ravensthorpe	Phillips River	Granted	3/8/05	2/8/26	936.15	100%
M 74/180	Mining	Kundip	Ravensthorpe	Phillips River	Granted	8/4/09	7/4/30	1.621	100%