



DataMotion Asia Pacific Limited  
ABN 44 009 148 529



**registered office**  
Suite 4  
72 Canning Hwy  
Vic Park WA 6100  
AUSTRALIA

**mailing address**  
Suite 4  
72 Canning Hwy  
Vic Park WA 6100  
AUSTRALIA

**telephone** - national **08 9355 2565**  
- international **+61 8 9355 2565**

**facsimile** - national **08 9355 2575**  
- international **+61 8 9355 2575**

**email** - [info@datamotion.asia](mailto:info@datamotion.asia)

**visit us at** - [www.datamotion.asia](http://www.datamotion.asia)

31 August 2011

Company Announcements Office  
Australian Securities Exchange  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

*Via Electronic Lodgement*

### **OVERVIEW OF FINANCIAL RESULTS - YEAR ENDED 30 JUNE 2011**

DataMotion Asia Pacific Limited (“the Company”, ASX : DMN) is pleased to provide its Preliminary Final Report (Appendix 4E) for the year ending 30 June 2011. For the benefit of shareholders and the market, the Directors make the following comments.

#### **Operating loss**

The consolidated operating loss after tax of DataMotion Asia Pacific Limited was \$953,370 (2010: \$1,483,500). Included in the result are non - cash impairment charges of \$625,273 (2010: \$0).

#### **Comparison with previous financial year’s results (ended 30 June 2010)**

- 1) Total revenues from ordinary activities (net consolidated income including asset sales) increased by 55%;
- 2) Net consolidated expenses (excluding impairment charges) decreased by 48%;
- 3) Cash on hand increased by 177%; and
- 4) Net assets increased by 98%.

#### **Divestment of joint venture farm-in agreement with Oroya Mining Limited (ASX: ORO)**

On 15 December 2010 the Company entered into three joint venture farm-in agreements with Oroya Mining Limited to farm into Oroya’s wholly owned Mt Barrett Rare Earth, Moruya Gold and Pambula Gold projects.

Following the completion of a drilling program in June 2011 and a review of the project the Company has decided to withdraw from the Mt Barrett joint venture farm-in agreement and has provided Oroya Mining Limited the required 90 days notice effective from 31 August 2011. Accordingly the Company has incurred an impairment charge of \$575,455 (included in the 30 June 2011 result), being all of the acquisition and exploration expenditure incurred on the Mt Barrett joint venture project.

The Company continues to focus on its primary business of information technology solutions and the review of potential synergistic acquisition opportunities. The Directors are also reviewing the Company’s future involvement in the remaining Moruya and Pambula joint venture farm- in agreements.

Yours faithfully

Joshua Wellisch  
**Director & Company Secretary**  
**DATAMOTION ASIA PACIFIC LIMITED**

Rule 4.3A



## Appendix 4E

### Preliminary Final Report

Name of entity

**DATAMOTION ASIA PACIFIC LIMITED (“the Company”)**

ABN or  
equivalent  
company reference

**44 009 148 529**

Current reporting  
period financial  
year ended

**30 June 2011**

Previous corresponding  
reporting period  
financial year ended

**30 June 2010**

#### Results for announcement to the market

*Extracts from this report for announcement to the market*

\$A'000

Revenues from ordinary activities	up	55%	to	605
(Loss) after tax attributable to members	down	36%	to	(953)*
Net (loss) for the period attributable to members	down	36%	to	(953)*

\* includes \$625,273 of impairment charges and \$74,250 director options expense during the year ended 30 June 2011

#### Dividends (distributions)

The Company has not paid, and does not propose to pay a dividend for the year ended 30 June 2011

The Company has provided a separate ASX announcement to the market with an overview of the financial results for the year ended 30 June 2011

## Consolidated Statement of Comprehensive Income

	Note	Current period \$	Previous corresponding period \$
Sales revenue	2	110,680	141,030
Cost of sales		-	(4)
<b>Gross profit</b>		<b>110,680</b>	<b>141,026</b>
Other revenue	2	494,127	250,306
Administrative expenses		(438,261)	(759,682)
Consultants & legal fees		(128,725)	(182,072)
Depreciation and amortisation expenses	3	(24,754)	(62,611)
Director fees		(134,568)	(15,996)
Director options expense		(74,250)	-
Employee benefit expenses	3	(130,996)	(847,618)
Impairment of capitalised exploration expenditure	3	(575,455)	-
Impairment of financial assets	3	(13)	-
Impairment of intangible assets	3	(49,805)	-
Other expenses	3	(1,350)	(6,853)
<b>Profit / (Loss) before income tax expense</b>		<b>(953,370)</b>	<b>(1,483,500)</b>
Income tax expense		-	-
<b>Profit / (Loss) for the period</b>		<b>(953,370)</b>	<b>(1,483,500)</b>
Other comprehensive income / (loss)		-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>(953,370)</b>	<b>(1,483,500)</b>
Basic earnings per share (cents)		(0.030)	(0.095)
Dilute earnings per share (cents)		(0.030)	(0.095)

## Consolidated Statement of Financial Position

	Note	Current period \$	Previous corresponding period \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,059,942	382,073
Trade and other receivables	5	18,143	9,209
Financial assets	6	-	13
Other current assets	7	3,609	6,310
<b>Total current assets</b>		<b>1,081,694</b>	<b>397,605</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	42,061	154,645
Intangible assets	9	19,212	72,963
Capitalised exploration expenditure		372,984	-
<b>Total non-current assets</b>		<b>434,257</b>	<b>227,608</b>
<b>Total assets</b>		<b>1,515,951</b>	<b>625,213</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	369,609	38,808
Provisions	11	1,565	7,777
<b>Total current liabilities</b>		<b>371,174</b>	<b>46,585</b>
<b>Total liabilities</b>		<b>371,174</b>	<b>46,585</b>
<b>Net assets</b>		<b>1,144,777</b>	<b>578,628</b>
<b>Equity</b>			
Issued capital		40,469,882	38,950,363
Accumulated losses		(39,325,105)	(38,902,471)
Reserves		-	530,736
<b>Total equity</b>		<b>1,144,777</b>	<b>578,628</b>

## Consolidated Statement of Cash Flows

	Note	Current period \$	Previous corresponding period \$
<b>Cash flows from operating activities</b>			
Receipts from customers		116,835	148,224
Interest received		55,857	17,930
Payments to suppliers and employees		(838,291)	(1,817,771)
<b>Net cash provided by (used in) operating activities</b>	12	<b>(665,599)</b>	<b>(1,651,617)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of equity investments		-	502,380
Proceeds from sale of property, plant and equipment		530,000	18,205
Payment for equity investments		-	(290,686)
Payment for intangibles		(999)	(9,989)
Payment for purchase of property, plant and equipment		(10,986)	(13,029)
Payment for exploration and evaluation		(309,475)	-
<b>Net cash provided by (used in) investing activities</b>		<b>208,540</b>	<b>206,881</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		1,250,750	1,728,254
Capital raising costs		(115,822)	(126,549)
<b>Net cash provided (used in) financing activities</b>		<b>1,134,928</b>	<b>1,601,705</b>
Net increase / (decrease) in cash and cash equivalents		677,869	156,969
Cash and cash equivalents at the beginning of the financial year		382,073	225,104
<b>Cash and cash equivalents at the end of financial year</b>	4	<b>1,059,942</b>	<b>382,073</b>

## Consolidated Statement of Changes in Equity

Consolidated

Attributable to the shareholders of DataMotion Asia Pacific Limited

	Issued Capital				Total Equity
	Ordinary Shares	Listed Options	Accumulated Losses	Reserves	
	\$	\$	\$	\$	
<b>Balance at 1 July 2009</b>	<b>36,911,527</b>	<b>396,558</b>	<b>(37,418,971)</b>	<b>503,593</b>	<b>392,707</b>
Loss for the year	-	-	(1,483,500)	-	(1,483,500)
Total comprehensive loss for the year	36,911,527	396,558	(38,902,471)	503,593	(1,090,793)
Transactions with shareholders					
Issue of share capital	1,468,254	-	-	-	1,468,254
Capital raising costs	(120,358)	-	-	-	(120,358)
Issue of listed options	-	310,300	-	-	310,300
Capital raising costs	-	(15,918)	-	-	(15,918)
Share-based payments	-	-	-	27,143	27,143
<b>Balance at 30 June 2010</b>	<b>38,259,423</b>	<b>690,940</b>	<b>(38,902,471)</b>	<b>530,736</b>	<b>578,628</b>
<b>Balance at 1 July 2010</b>	<b>38,259,423</b>	<b>690,940</b>	<b>(38,902,471)</b>	<b>530,736</b>	<b>578,628</b>
Loss for the year	-	-	(953,370)	-	(953,370)
Total comprehensive loss for the year	-	-	(39,855,841)	-	(374,742)
Transactions with shareholders					
Issue of share capital	1,550,000	-	-	-	1,550,000
Capital raising costs	(132,809)	-	-	-	(132,809)
Issue of listed options	-	30,750	-	-	30,750
Capital raising costs	-	(2,672)	-	-	(2,672)
Directors options issued	-	74,250	-	-	74,250
Share-based payments lapsed	-	-	530,736	(530,736)	-
<b>Balance at 30 June 2011</b>	<b>39,676,614</b>	<b>793,268</b>	<b>(39,325,105)</b>	<b>-</b>	<b>1,144,777</b>

## **Notes to the Financial Statements**

### **1. Basis of preparation of the preliminary final report**

The preliminary final report does not include all notes of the type normally included with the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing interesting activities of the consolidated entity as the full financial report.

The preliminary final report of DataMotion Asia Pacific Limited was prepared based on Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS').

The preliminary final report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act 2001.

As such, the preliminary final report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance and financial position as the full financial report. It is recommended that the preliminary final report be considered together any public announcements made by the Company in accordance with the continuous disclosure obligations of the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

#### **(a) Basis of accounting**

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **(b) Going concern**

The consolidated entity has incurred operating losses of \$953,370 for the year ended 30 June 2011 [2010: (\$1,483,500)].

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

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

**Notes to the Financial Statements (continued)**

	Current period \$	Previous corresponding period \$
<b>2. Revenue</b>		
<b>Sales revenue</b>	110,680	141,030
Sales	110,680	141,030
<b>Other revenue</b>		
Interest from:		
Other unrelated persons	63,362	13,706
Total interest	63,362	13,706
Gain on sale of non current assets	426,746	931
Gain on sale of financial assets	-	212,429
Other	4,019	23,240
Total other revenues	494,127	250,306
Total revenue	604,807	391,336
<b>3. Expenses</b>		
<b>(a) Depreciation and amortisation of non current asset</b>		
Depreciation of:		
- plant and equipment	18,502	49,866
- software	1,307	2,176
Amortisation of:		
- licences	2,938	2,937
- software	851	5,272
- trademarks	1,156	2,360
Total depreciation and amortisation	24,754	62,611
<b>(b) Impairment of capitalised exploration expenditure</b>		
Impairment of Mt Barrett capitalised exploration expenditure	575,455	-
Total impairment	575,455	-
<b>(c) Impairment of financial assets</b>		
Impairment of financial assets	13	-
Total impairment	13	-
<b>(d) Impairment of intangible assets</b>		
Impairment of licences & software	45,494	-
Impairment of trade marks	4,311	-
Total impairment	49,805	-

**Notes to the Financial Statements (continued)**

	Current period \$	Previous corresponding period \$
<b>(e) Employee benefit expenses</b>		
Wages and salaries	118,861	806,685
Defined contribution superannuation expense	13,370	56,865
Share-based payments expense	-	8,526
Other employee benefits expense	(1,235)	(24,458)
<b>Total employee benefit expenses</b>	<b>130,996</b>	<b>847,618</b>
<b>(f) Bad and doubtful debts</b>		
Trade receivables	1,350	6,853
<b>Total bad and doubtful debts</b>	<b>1,350</b>	<b>6,853</b>
<b>4. Cash and cash equivalents</b>		
Cash at bank and in hand	280,574	10,727
Short-term deposits	779,368	371,346
<b>Total cash and cash equivalents</b>	<b>1,059,942</b>	<b>382,073</b>
<b>5. Trade and other receivables</b>		
Trade receivables	8,379	13,226
Other receivables	9,764	3,265
Provision for impairment of receivables	-	(7,282)
<b>Total trade and other receivables</b>	<b>18,143</b>	<b>9,209</b>
<b>6. Financial assets</b>		
Current – Available for sale financial assets		
At fair value		
Shares – Australian listed	-	13
<b>Total financial assets</b>	<b>-</b>	<b>13</b>
<b>7. Other current assets</b>		
Prepayments	3,609	6,310
<b>Total other current assets</b>	<b>3,609</b>	<b>6,310</b>

**Notes to the Financial Statements (continued)**

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

**Notes to the Financial Statements (continued)**

	Current period \$	Previous corresponding period \$
<b>9. Intangible assets</b>		
<b>Formation costs</b>		
Opening balance	995	6,965
Disposals	-	(5,970)
Closing balance	995	995
<b>Goodwill on acquisition</b>		
Opening balance	-	-
Acquired through business combination	999	-
Closing balance	999	-
<b>Licences &amp; Software</b>		
Opening balance	62,418	70,627
Amortisation	(3,789)	(8,209)
Impairment losses	(45,494)	-
Closing balance	13,135	62,418
<b>Trade marks</b>		
Opening balance	9,550	11,194
Additions	-	9,989
Disposals	-	(9,273)
Amortisation	(1,156)	(2,360)
Impairment losses	(4,311)	-
Closing balance	4,083	9,550
<b>Total intangible assets</b>	<b>19,212</b>	<b>72,963</b>
<b>10. Trade and other payables</b>		
Trade payables	377,832	15,973
Other payables and accruals	(8,223)	22,835
<b>Total trade and other payables</b>	<b>369,609</b>	<b>38,808</b>
<b>11. Provisions</b>		
Current		
Short-term employee benefits	1,565	7,777
Long-term employee benefits	-	-
<b>Total provision - current</b>	<b>1,565</b>	<b>7,777</b>

**Notes to the Financial Statements (continued)**

	Current period \$	Previous corresponding period \$
<b>12. Reconciliation of Loss from Ordinary Activities to Net Cash Flows from Operating Activities</b>		
Loss for the year	(953,370)	(1,483,500)
Non-cash flows in loss		
Amortisation	4,945	10,569
Bad debts	1,350	2,834
Consultant option	-	18,617
Depreciation	19,809	52,042
Discount given	450	490
Director option	74,250	9,273
Employee option	-	8,526
Impairment losses – capitalised exploration expenditure	575,455	-
Impairment losses – intangible assets	49,805	-
Impairment losses – subsidiary loan	-	5,970
Impairment - provision of debtors	(4,019)	4,019
Profit on sale of non-current assets	(426,746)	(931)
Profit on sale of shares	-	(212,429)
Provision for diminution - shares	13	-
Changes in assets and liabilities		
(Increase) / decrease in trade & other receivables	(8,934)	14,248
(Increase) / decrease in prepayments	2,701	2,557
Increase / (decrease) in trade payables	35,958	(17,970)
Increase / (decrease) in other payables & accruals	(23,979)	(26,824)
Increase / (decrease) in prepaid revenue	(7,075)	(1,667)
Increase / (decrease) in provisions	(6,212)	(37,441)
<b>Net cash flows from operating activities</b>	<b>(665,598)</b>	<b>(1,651,617)</b>

## Individual and total dividends

The Company has not paid, and does not propose to pay a dividend for the year ended 30 June 2011.

## Dividend or distribution reinvestment plans

The Company has not entered into a dividend or dividend reinvestment plan with its shareholders.

## Consolidated accumulated losses

	Current period \$	Previous corresponding period \$
Accumulated losses at the beginning of the financial period	(38,902,471)	(37,418,971)
Net profit (loss) attributable to members	(953,370)	(1,483,500)
Share-based payments lapsed	530,736	-
Dividends and other equity distributions paid or payable	-	-
<b>Accumulated losses at end of financial period</b>	<b>(39,325,105)</b>	<b>(38,902,471)</b>

## NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.0003	0.0003

## Entities over which control has been gained or lost

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

## Interests in joint ventures

On 15 December 2010, the Company entered into three unincorporated joint venture / farm-in agreements with Oroya Mining Limited to farm-in to the Mt Barrett, Moruya and Pambula projects.

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

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

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

### Moruya Project (Gold, NSW: E6746, E6747)

The Moruya gold project is situated near the town of Moruya on the east coast of New South Wales. The project comprises two exploration licences on an historic goldfield. The main exploration target at Moruya is on high-grade quartz veins and stockwork vein systems associated with granite intrusions (Cadial Hill-style mineralisation). Previous

regional work by Oroya has identified strong regional gold anomalies and follow-up work is also expected to identify drill targets in 2011.

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

**Pambula Project (Gold, NSW: E6716, E6731)**

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

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

**Other significant information**

In addition to the information contained in this Report the Company has provided an additional overview of its financial results as a separate ASX announcement with details of its financial performance and financial position.

**Foreign entities**

The Company is not a foreign entity.

**Commentary on the results for the period**

In addition to the information contained in this Report the Company has provided an additional overview of its financial results as a separate ASX announcement detailing its financial performance and financial position.

## Earnings per security (EPS)

<b>Basic EPS</b>	
(a)	the numerator in calculating basic EPS is a loss of \$953,370.
(b)	only fully paid ordinary shares have been used in determining basic EPS.
(c)	weighted average number of ordinary shares used as a denominator in calculating basic EPS is 3,222,139,086 shares.
<b>Diluted EPS</b>	
(a)	the numerator in calculating basic EPS is a loss of \$953,370.
(b)	weighted average number of ordinary shares used as a denominator in calculating basic EPS is 3,222,139,086 shares.
(c)	there have been no converted, lapsed or cancelled potential ordinary shares included in the calculation of diluted EPS.

<b>Earnings per security (EPS)</b>	Current period	Previous corresponding period
Basic EPS (cents per share)	(0.030)	(0.095)
Diluted EPS (cents per share)	(0.030)	(0.095)

## Returns to shareholders

The Company has not paid, and does not propose to pay, a dividend for the year ended 30 June 2011. The Company has not entered into arrangements for a buy back of its securities.

## Significant features of operating performance

In addition to the information contained in this Report the Company has provided an additional overview of its financial results as a separate ASX announcement with details of its financial performance and financial position.

## SEGMENT INFORMATION

### Identification of reportable segments

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

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

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

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

The Group comprise of the following segments:

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

### Basis of accounting for purposes of reporting by operating segments

#### *Accounting policies and inter-segment transactions*

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. There are no inter-segment transactions.

#### *Segment assets and segment liabilities*

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

#### *Unallocated items*

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

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

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

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

	DataMotion SecureMail & IIT platform \$	Hosted services \$	Online backup & recovery \$	Mineral Exploration \$	Consolidated \$
<b>Result</b>					
Segment net loss before tax	(278,339)	40,154	67,780	-	(170,405)
<i>Amounts not included in segment result but reviewed by the Board:</i>					
Unallocated revenue as above					227,066
Depreciation and amortisation					(62,611)
<i>Unallocated items:</i>					
Administration costs					(629,932)
Employee benefit expenses					(847,618)
<b>Net loss before tax</b>					<u><u>(1,483,500)</u></u>
 <b>As at 30 June 2011</b>					
<b>Assets</b>					
Capitalised exploration expenditure	-	-	-	372,984	372,984
<b>Total segment assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,984</u>	<u>372,984</u>
<i>Amounts not included in segment assets but reviewed by the Board:</i>					
Cash and cash equivalent					1,059,942
Trade and other receivables					18,143
Other current assets					3,609
Property, plant and equipment					42,061
Intangible assets					19,212
<b>Total assets as per the statement of financial position</b>					<u><u>1,515,951</u></u>
 <b>As at 30 Jun 2010</b>					
<b>Assets</b>					
Capitalised exploration expenditure	-	-	-	-	-
<b>Total segment assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Amounts not included in segment asset but reviewed by the Board:</i>					
Cash and cash equivalent					382,073
Trade and other receivables					9,209
Available for sale financial assets					13
Other current assets					6,310
Property, plant and equipment					154,645
Intangible assets					72,963
<b>Total assets as per the statement of financial position</b>					<u><u>625,213</u></u>

## Trends in performance

The Company has provided an additional overview of its financial results as a separate ASX announcement including graphs showing its past operating performance.

## Any other factors which have affected the results in the period

Please refer to the Company's overview of its financial results issued as a separate ASX announcement.

## Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>Ordinary securities</b>	3,690,022,710	3,690,022,710	N/A	N/A
Changes during current period	(a) 200,000,000	(a) 200,000,000	0.0008	0.0008
(a) Increases through issues ( <i>see below</i> )	1,362,500,000	1,362,500,000	0.0008	0.0008
(b) Decreases through returns of capital, buybacks	150,000,000	150,000,000	0.002	0.002
<b>Listed options</b>	2,421,250,000	2,421,250,000	Exercise price per security (cents)	Expiry date
(a) Issued during current period ( <i>see below</i> )	(a) 2,316,250,000	(a) 2,316,250,000	0.005	29 Mar 2013
(b) Exercised during current period	30,000,000	30,000,000		
(c) Expired during current period	75,000,000	75,000,000		

### 1. Share Placement

In August 2010 the Company placed 200,000,000 of its fully paid ordinary shares at a price of 0.08 cents per share to sophisticated investors, raising a total of AUD\$160,000. The capital raised pursuant to the placement will be used for general working capital requirements and assist in pursuing acquisitions (the ASX announcement of 05 August 10 refers).

### 2. Capital Raising

In October 2010 the Company placed 1,362,500,000 fully paid ordinary shares and 2,316,250,000 free attaching new options (ASX code: DMNOC) at a price of 0.08 cents per share, raising a total of \$1,090,000 before costs. The capital raised will be used to fund business expansion and acquisition, hardware and software and general working capital (the ASX announcement of 08 October 10 refers).

### 3. Issue of Listed Options to Directors

In December 2010 the Company issued 75,000,000 listed options to the directors (or their nominees) to provide an incentive to enable the Company to retain directors of high calibre. The listed options exercisable at a price of 0.5 cent each with an expiry date of 29 March 2013 (the ASX announcement of 01 December 10 refers).

### 4. Issue of Listed Options to CPS Securities

In December 2010 the Company issued 30,000,000 listed options to CPS Securities as part of the placement fee for the Company's recently completed capital raising on 08 October 2010. The listed options exercisable at a price of 0.5 cent each with an expiry date of 29 March 2013 (the ASX announcement of 08 December 10 refers).

**5. Issue of Fully Paid Ordinary Shares to Oroya Mining Limited**

In December 2010 the Company issued 150,000,000 fully paid ordinary shares in satisfaction of Universal Rare Earths Pty Ltd's obligation to reimburse Oroya Mining Limited's previous expenditure (the ASX announcement of 16 December 10 refers).

**Compliance statement**

This report has been prepared in accordance with AASB Standards (including Australian Interpretations) and other standards acceptable to ASX. This report, and the financial reports upon which the report is based, use the same accounting policies. Notes to the financial report in accordance with AASB 101 will be disclosed in the audited financial statements for the year ended 30 June 2011.

The information contained in this Report is unaudited. The financial report for the year ended 30 June 2011 is in the process of being audited.

The Company is not aware of any matters associated with the financial report for the year ended 30 June 2011 that is likely to be the subject of dispute by the Company's auditors.

Sign here: ..... Date: 31 August 2011  
Director & Company Secretary

Print name: Joshua Wellisch