Planet Metals Limited
ABN 35 108 146 694

Financial Report - 30 June 2012

Planet Metals Limited
Corporate directory
30 June 2012

Directors	David Barwick (Non-Executive Chairman) Brett O'Donovan (Managing Director) Barry Kelly (Non-Executive Director)	
Company secretary	John Haley	
Notice of annual general meeting	The annual general meeting of Planet Metals Limited:	
	will be held at	Grant Thornton Boardroom Ground Floor 102 Adelaide Street Brisbane QLD 4000
	time	12:00 PM
	date	Tuesday 30 October 2012
Registered office	71 Lytton Road East Brisbane QLD 4169	
Principal place of business	71 Lytton Road East Brisbane QLD 4169	
Share register	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000	
Auditor	Grant Thornton Queensland Partnership Ground Floor, 102 Adelaide Street Brisbane QLD 4000	
Solicitors	HopgoodGanim Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000	
Stock exchange listing	Planet Metals Limited shares are listed on the Australian Securities Exchange (ASX code: PMQ)	
Website address	www.planetmetals.com.au	

Planet Metals Limited
Directors' report
30 June 2012

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Planet Metals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2012.

Directors
The following persons were directors of Planet Metals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David K Barwick
Mr Barry L Kelly
Mr Andrew L Gillies (resigned 31 July 2012)
Mr Brett O'Donovan (appointed 31 July 2012)

Principal activities
During the financial year the principal activities of the consolidated entity consisted of mineral exploration, evaluation and progressing development of its various mineral projects. There were no significant changes in the principal activities of the consolidated entity.

Dividends
There were no dividends paid or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,327,810 (30 June 2011: profit of $2,720,351).

The profit for the year ended 30 June 2011 was due to a gain of $3,115,383 arising from the sale of the Wolfram Camp project.

Mount Cannindah Copper-Gold Project (PMQ 100% subject to farm-in agreement)
(Located approx. 100km south of Gladstone, Qld)

On 24 December 2010, Planet Metals Limited signed a farm-in agreement with Drummond Gold Limited (Drummond) (ASX Code: DGO), whereby Drummond can earn up to 75% of the Mount Cannindah copper-gold project by spending $6.75 million over a period of 4 years and 9 months. The project includes approximately 6 square kilometres of granted mining leases and 120 kilometres of tenure within two surrounding EPMs.

Drummond has met its minimum expenditure requirements which included 3,000m of drilling around the Mount Cannindah Mine resource area. During the year they elected to earn a 51% interest in the project by spending an additional $2.5 million within 2 years. If Drummond elects to earn a 75% interest in the project, a further $3.5 million must be spent within a further 2 year period.

Drummond completed an advanced technical study on the total project area based on a recent database compilation. High level modelling using all geological data and information generated regional drill targets. Site visits have reviewed these targets with drilling planned for the second half of calendar 2012.

The Mount Cannindah total resource currently stands at 5.5Mt @ 0.92% copper, 0.34g/t gold and 14.9 g/t silver within the mine site area only. There exists significant potential to expand this based on regional prospectivity. Planet Metals Limited remains free-carried in this project in the medium term during Drummond's earn-in stages.

Mount Borium Gold Project (PMQ 100%)
(Located between the historic Kidston gold (>3 Million oz Au) and Einasleigh copper mines in North Queensland)

The three tenements comprising the Mount Borium project were officially granted to Planet Metals Limited in May 2012. Fieldwork commenced immediately with two phases of reconnaissance and sampling completed prior to 30 June 2012. Rock chip sampling confirmed the prospectivity of the project with assays up to 7.9 g/t gold. A total of five samples from two separate zones assayed more than 4.9 g/t gold. As a result of these positive assays, an initial drill program has been proposed to target three separate anomalous zones. This is expected to be undertaken in October 2012.

Torchlight Gold Prospect
(Located north of Georgetown in North Queensland)

Planet Metals Limited terminated its farm-in agreement with Callabonna Uranium Ltd over three North Queensland tenements in March 2012. A 6-hole (1,086m) Reverse Circulation (RC) drill program was completed at the Torchlight gold prospect in December 2011 with no significant assay results recorded. Planet no longer has any interest in this prospect.

Oak River Gold-Uranium Project
(EPM 17945 - Planet acquired 100%)

As part of a consolidation of its exploration portfolio, Planet Metals Limited purchased this tenement from Callabonna Uranium for $65,000 cash in March 2012. Oak River was one of three tenements formerly subject to a farm-in agreement Planet Metals Limited entered into with Callabonna, however Planet Metals Limited decided to terminate this agreement and focus on obtaining 100% of this tenement instead.

Oak River directly adjoins the Mount Borium gold project to the west, hence providing Planet Metals Limited with a sizeable contiguous tenement holding between the historic Kidston gold mine (>3 million ounces of gold) and Einasleigh region copper mines. The Oak River tenement area covers the south eastern margin of the Newcastle Range Volcanics where they sit within the Wirra Cauldron, a volcanic subsidence structure. Planet Metals Limited is exploring for both gold and uranium mineralisation within this tenement. An initial field exploration program was completed in July 2012.

Casuarina Salt Prospect
(EPM 18232 – Planet farm-in)

In early 2012, Planet Metals Limited entered into a farm-in agreement with Pacific Fertilisers and Chemicals Pty Ltd (PFAC) over EPM 18232 whereby Planet Metals Limited can earn a 95% interest through the expenditure of $950,000 over 5 years. A minimum expenditure commitment of $95,000 (including a $45,000 cash reimbursement upon granting of the tenement) is required in the first year. Upon meeting this initial commitment, Planet Metals Limited can withdraw at any time during the second year without liability. If Planet Metals Limited elects to earn-in, a second year expenditure commitment of $105,000 is required to earn 51%. Planet Metals Limited then has the right to earn an 80% interest through a further $250,000 expenditure in the third year and then up to 95% by expending a further $500,000 within years four and five. Planet Metals Limited also has the option to buy outright 100% of the project from PFAC through either a cash payment of $350,000 before 31 December 2013 or $500,000 any time after 31 December 2013.

The tenement is fully granted with Planet Metals Limited recently commencing a complete review of all historical exploration and data interpretation. This is in the process of being compiled into a report which will be used to delineate the scope of work required for the next phase of investigations.

Deutsche Rohstoff AG Shareholding
Planet Metals Limited received 180,500 shares in Frankfurt-listed Deutsche Rohstoff AG in September 2011 as part consideration for the sale of the Wolfram Camp project. The sale of the Wolfram Camp project was completed in the 30 June 2011 financial year. Due to significant equity market fluctuations since signing the sale contract, an impairment loss of $611,260 has been recognised in the statement of comprehensive income for the current financial year. Planet disposed of its entire shareholding in Deutsche Rohstoff AG shares during the 2012 financial year.

Capital expenditure
Exploration and evaluation costs have increased as at 30 June 2012 to $2,021,212 from $1,793,657 for the year ended 30 June 2011.

Cash flows
During the year ended 30 June 2012 net cash used in operating activities increased to $377,647 from $148,803 for the year ended 30 June 2011. The cash used in operating activities for 30 June 2011 is net of an option fee of $460,000 that the company received in connection with the sale of Wolfram Camp Mining Pty Ltd. There were no option fees received by the company during the 2012 financial year.

Cash from investing activities for the year ended 30 June 2012 amounted to $2,429,323 (2011: $2,809,068) and included the proceeds from the sale of the Deutsche Rohstoff shares of $3,024,535. For the year ended 30 June 2011 cash from investing activities included proceeds from the sale of Wolfram Camp of $3,500,000.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 25 July 2012, shareholders passed a resolution authorising the company to reduce its capital by $3,881,612. On 9 August 2012, shareholders received a capital return of 6.5 cents for each share held. The impact of the return of capital was a reduction in the cash reserves and paid capital of the consolidated entity.

On 13 August 2012, Metallica Minerals Limited disposed of its entire 36.96% interest in Planet Metals Limited. Prior to the disposal of its shares, Metallica Minerals Limited was the largest shareholder in Planet Metals Limited. Existing shareholders, directors and new investors acquired Metallica's shares.

No other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
During the next financial year, the consolidated entity expects to conduct mineral exploration and evaluation at its Mount Cannindah mining leases and exploration permit areas with its Joint Venture Partner as well as an initial exploration and drilling program at its Mount Borium gold project, further fieldwork at the Oak River gold-uranium project and further desktop studies and compilation relating to its Casuarina salt prospect. The company will also continue to review additional more advanced project opportunities in which to participate.

Environmental regulation
The consolidated entity's operations are subject to significant environmental regulation under Commonwealth and State legislation in relation to the discharge of hazardous waste and minerals arising from mining activities and development conducted by the consolidated entity on any of its tenements. The consolidated entity holds all necessary Environmental Authorities in accordance with the Environmental Protection Act 1994 and such other environmental approvals as may be stipulated under State laws to enable it to operate within the Mount Cannindah Mining Leases.

At the date of this report there have been no known breaches of any environmental obligations within its current operations.

Information on directors

Name:	David K Barwick
Title:	Non-executive Chairman
Age:	68
Qualifications:	N/A
Experience and expertise:	In his capacity as Chairman, Managing Director and or President, Mr Barwick has played a significant role in successfully funding and bringing into production, four mining projects throughout his career in both Australia and Canada. He has considerable expertise in the restructure and financing of entities. An accountant by profession, Mr Barwick has more than 37 years experience in the management and administration of publicly listed companies in both Australia and North America. As a director, he has managed over thirty public companies, using his strong skills in strategic planning to successfully restructure these and give them a solid financial base from which to operate. He has experience in preparing prospectuses and ensuring companies meet the necessary compliance standards for listing on both the Australian and Canadian Stock Exchanges.
Other current directorships:	Chairman of: Jumbo Interactive Limited (formerly Manaccom Corporation Limited) - appointed 28 August 2006 Metallica Minerals Limited - appointed 11 March 2004 Director of: Orion Metals Limited - appointed 28 November 2008
Former directorships (in the last 3 years):	Former Director of: Macarthur Minerals Limited (TSX-V) - 24 October 2005 to 31 August 2009 Cape Alumina Limited - 2 February 2004 to 29 January 2009 MetroCoal Limited - 6 January 2006 to 30 June 2012
Special responsibilities:	Chairman of the Board and member of the Audit Committee
Interests in shares:	4,915,715 ordinary shares in Planet Metals Limited
Interests in options:	1,000,000 options over ordinary shares in Planet Metals Limited

Name:	Andrew Gillies
Title:	Non-executive Director (resigned on 31 July 2012)
Age:	49
Qualifications:	Bachelor of Science (Geology), MAusIMM
Experience and expertise:	Mr Gillies graduated from the University of Queensland in 1985 with a BSc (Geology), is a member of the Aus.I.M.M. and is also a Director of the Queensland Resources Council. Mr Gillies' key strength is mineral resource management and strategic planning specialising in project generation, selection and acquisition. He has acquired a considerable database and significant knowledge of mineral deposits in Queensland. Since 1985 he has worked continuously as a geologist in the mining and exploration industry, accruing over 22 years experience across a range of commodities. He has been a company geologist with BHP Gold Mines Ltd, Perseverance Corporation Ltd and Cracow Mining Venture and as a consulting geologist for various exploration companies until his full time role with Metallica in 1997. Over the last 22 years he gained valuable experience in the exploration, feasibility, development, open pit and underground mining of mineral deposits.
Other current directorships:	Metallica Minerals Limited - appointed 15 January 1997 MetroCoal Limited - appointed 6 January 2006
Former directorships (in the last 3 years):	Cape Alumina Limited - 2 February 2004 to 30 November 2011 Orion Metals Limited - 28 November 2008 to 3 August 2012
Special responsibilities:	Member of the Audit Committee
Interests in shares:	2,261,934 ordinary shares in Planet Metals Limited
Interests in options:	1,000,000 options over ordinary shares in Planet Metals Limited

Name:	Barry L Kelly
Title:	Non-executive Director
Age:	68
Qualifications:	BCom (Qld), HonDBus (Qld), CPA, FAICD, FAIM, JP (Qual)
Experience and expertise:	Barry Kelly has served on company boards in Australia, Austria, Germany and Japan. He is currently Chairman of JKTech Pty Ltd and a non-executive Director of Planet Metals Limited. He was a Director of the Queensland Mining Council (now the Queensland Resources Council) from 1997 to 2000. Barry has over 40 years experience in the minerals and resources sector in Australia, Asia, the United Kingdom, Europe and South America. He has held senior executive roles with the Thiess Group, MIM Holdings Limited and WMC Limited and has held leadership roles in a number of national and State industry federations.
Other current directorships:	None
Former directorships (in the last 3 years):	Previous Director of Electrometals Technologies Limited - 6 January 2006 - 28 June 2010
Special responsibilities:	Chairman of the Audit Committee
Interests in shares:	126,286 ordinary shares in Planet Metals Limited
Interests in options:	1,000,000 options over ordinary shares in Planet Metals Limited

Name:	Brett O'Donovan
Title:	Managing Director (appointed on 31 July 2012)
Age:	41
Qualifications:	Bachelor of Applied Science (Mathematics), SF Finsia
Experience and expertise:	Brett O'Donovan has held a number of senior management roles in the junior resource, stockbroking and funds management industries, including stints as State Manager of Credit Suisse Private Stockbroking and a Corporate role with Auzex Resources. Mr O'Donovan was appointed CEO of Planet Metals on 1 March 2010 and has provided the Company with focus and leadership as it refined its future strategy and focus on the copper-gold sector. On 31 July 2012, he was appointed as Managing Director. Immediately prior to joining Planet, Mr O'Donovan provided corporate advice to a number of ASX-listed junior resource companies. This included support and advice in the periods leading up to their ultimate ASX listing. Mr O'Donovan is also a member of the Queensland Exploration Council, a sub-council set up by the Queensland Resources Council in late 2010.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Managing Director
Interests in shares:	875,867 ordinary shares in Planet Metals Limited
Interests in options:	2,500,000 options over ordinary shares in Planet Metals Limited

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
The Company Secretary in office for the whole of the financial year was John Haley. John is a Chartered Accountant with over 30 years experience in accounting and finance. John is also a Director, Chief Financial Officer and Company Secretary of Metallica Minerals Limited and has served in Chief Financial Officer and Company Secretary roles for a number of listed and non listed entities.

Meetings of directors
The number of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2012, and the number of meetings attended by each director were:

	Full Board		Audit Committee*	
	Attended	Held	Attended	Held
D K Barwick	6	6	2	2
A L Gillies	6	6	2	2
B L Kelly	6	6	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* An Audit Committee was established during the 2012 financial year and Mr B Kelly was appointed chairman of the committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

Non-executive directors remuneration
The company's constitution provides that the Directors may be paid, as remuneration for their services, a sum determined from time to time by the company's Shareholders in general meeting, with that sum to be divided amongst the Directors in such manner as they agree. The aggregate remuneration ceiling is presently $300,000 per annum. Additionally, non-executive Directors are entitled to be reimbursed for properly incurred expenses. Currently, less than one-third of the aggregate is being paid to Directors.

Non-executive Directors are remunerated through a combination of fees and may also be granted options over the company's shares, The Board does not consider it appropriate to include a short term incentive, or cash bonus, element in the remuneration of non-executive Directors.

Executive remuneration
The consolidated entity and company aim to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments and cash bonuses
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board of Directors, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

Consolidated entity performance and link to remuneration
Because the consolidated entity is in exploration and not production, there is no direct relationship between the consolidated entity's financial performance and the level of remuneration paid to key management personnel.

At 30 June 2012 the market price of the company's ordinary shares was 7.9 cents per share (2011: 9.2 cents per share).

Use of remuneration consultants
The company did not engage remuneration consultants during the financial year ended 30 June 2012.

Voting and comments made at the company's 7 November 2011 Annual General Meeting ('AGM')
The company received 88% of 'for' votes in relation to its remuneration report for the year ended 30 June 2011. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B Details of remuneration

Amounts of remuneration
Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of Planet Metals Limited are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Planet Metals Limited:

- D K Barwick
- A L Gillies (resigned 31 July 2012)
- B L Kelly

And the following executives:

- J Haley - Chief Financial Officer/Company Secretary
- B O'Donovan - Chief Executive Officer (appointed a director of Planet Metals Limited on 31 July 2012)

2012	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
D K Barwick	27,855	-	-	10,295	-	31,773	69,923
A L Gillies	25,000	-	-	2,250	-	31,773	59,023
B L Kelly	-	-	-	27,250	-	31,773	59,023
Other Key Management Personnel:							
J K Haley	12,000	-	-	-	-	31,746	43,746
B O'Donovan*	180,491	25,000	1,086	16,012	-	36,380	258,969
	245,346	25,000	1,086	55,807	-	163,445	490,684

* Mr B O'Donovan was paid a bonus amounting to $25,000 following settlement of the deferred consideration relating to the sale of Wolfram Camp Mining Pty Ltd in the 2011 financial year.

2011	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
D K Barwick	35,000	-	-	3,150	-	-	38,150
A L Gillies	25,000	-	-	2,250	-	-	27,250
B L Kelly	25,000	-	-	2,250	-	-	27,250
Other Key Management Personnel:							
J K Haley*	22,050	5,000	-	-	-	-	27,050
B O'Donovan*	128,751	35,000	-	14,738	-	20,850	199,339
D Mundy*	101,200	20,000	-	9,108	-	-	130,308
	337,001	60,000	-	31,496	-	20,850	449,347

* In February 2011 Mr B O'Donovan was paid a bonus of $10,000 following the successful completion of the Mount Cannindah Copper-Gold Project farm-in agreement. In May/June 2011 Mr J Haley, Mr B O'Donovan and Mr D Mundy were paid bonuses of $5,000, $25,000 and $20,000 respectively following the successful sale of the company's shareholding in Wolfram Camp Mining Pty Ltd. No other bonuses were payable to Mr Haley, Mr O'Donovan and Mr Mundy or any other key management personnel in the 30 June 2011 year.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2012	Fixed remuneration 2011	At risk - STI 2012	At risk - STI 2011	At risk - LTI 2012	At risk - LTI 2011
Non-Executive Directors:						
D K Barwick	55%	100%	- %	- %	45%	- %
A L Gillies	46%	100%	- %	- %	54%	- %
B L Kelly	46%	100%	- %	- %	54%	- %
Other Key Management Personnel:						
J K Haley	27%	82%	- %	18%	73%	- %
B O'Donovan	76%	72%	10%	18%	14%	10%
D Mundy	- %	100%	- %	- %	- %	- %

The proportion of the cash bonus paid and forfeited is as follows:

Name	Cash bonus paid/payable 2012	Cash bonus paid/payable 2011	Cash bonus forfeited 2012	Cash bonus forfeited 2011
Other Key Management Personnel:				
J K Haley	- %	100%	- %	- %
B O'Donovan	100%	100%	- %	- %
D Mundy	- %	100%	- %	- %

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	B O'Donovan
Title:	Managing Director
Agreement commenced:	22 August 2012
Term of agreement:	2 years
Details:	Key terms of the contract are: • Base salary including superannuation of $196,200. • The contract may be terminated by 3 months notice from either party. Termination payment is up to 6 months of annual base salary. • The contract is to be reviewed annually by the Board of Directors.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2012.

Options

The terms and conditions of each grant of options affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
8/8/2011	8/8/2011	31/8/2013	$0.110	$0.0370
8/8/2011	8/8/2011	31/8/2013	$0.125	$0.0350
11/11/2011	11/11/2011	11/11/2013	$0.110	$0.0330
11/11/2011	11/11/2011	11/11/2013	$0.125	$0.0305

Options granted carry no dividend or voting rights.

On 25 July 2012, shareholders passed a resolution authorising the company to reduce its capital by $3,881,612. On 9 August 2012, shareholders received 6.5 cents for each share held. In accordance with the ASX listing rules, the exercise price for each of the existing options on issue at 2 August 2012 will be reduced by the same amount returned in relation to each ordinary security. The exercise prices shown above reflect the exercise prices at 30 June 2012 and do not take into account the reduction in exercise price that has occurred post 30 June 2012.

Details of options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2012 are set out below:

Name	Number of options granted during the year 2012	Number of options granted during the year 2011	Number of options vested during the year 2012	Number of options vested during the year 2011
D K Barwick	1,000,000	-	1,000,000	-
B L Kelly	1,000,000	-	1,000,000	-
A L Gillies	1,000,000	-	1,000,000	-
J K Haley	1,000,000	-	1,000,000	-
B O'Donovan	1,000,000	-	1,000,000	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel during the year ended 30 June 2012 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
D K Barwick	31,773	-	-	45
B L Kelly	31,773	-	-	54
A L Gillies	31,773	-	-	54
J K Haley	31,746	-	-	73
B O'Donovan	36,380	-	-	14

E Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2008	2009	2010	2011	2012
Share price at financial year end ($A)	0.015	0.020	0.087	0.092	0.079
Basic earnings per share (cents per share)	(0.610)	(17.600)	(1.120)	4.555	(2.223)
Profit/(loss) after income tax ($A'000)	(872)	(38,780)	(587)	2,720	(1,328)

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Planet Metals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1/3/2010	1/3/2013	$0.035	500,000
1/3/2010	1/3/2013	$0.060	250,000
1/3/2010	1/3/2013	$0.085	750,000
8/8/2011	31/8/2013	$0.045	500,000
8/8/2011	31/8/2013	$0.060	500,000
11/11/2011	11/11/2013	$0.045	2,000,000
11/11/2011	11/11/2013	$0.060	2,000,000
			6,500,000

On 25 July 2012, shareholders passed a resolution authorising the company to reduce its capital by $3,881,612. On 9 August 2012, shareholders received 6.5 cents for each share held. In accordance with the ASX listing rules, the exercise price for each of the existing options on issue at 2 August 2012 will be reduced by the same amount returned in relation to each ordinary security. The exercise prices shown in the table above, take into account this reduction in exercise price.

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

Shares issued on the exercise of options
There were no shares of Planet Metals Limited issued on the exercise of options during the year ended 30 June 2012.

Indemnity and insurance of officers
The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial 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 as disclosed in note 18 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 APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and 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.

Officers of the company who are former audit partners of Grant Thornton Queensland Partnership
There are no officers of the company who are former audit partners of Grant Thornton Queensland Partnership.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
Grant Thornton Queensland Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David K Barwick	Barry Kelly
Chairman	Director

28 August 2012
Brisbane

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF Planet Metals Limited

Grant Thornton Queensland Partnership
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In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Planet Metals Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON QUEENSLAND PARTNERSHIP
Chartered Accountants

Dan Carroll

D J Carroll
Partner – Audit & Assurance

Brisbane, dated 28 August 2012

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have complied with the ASX Best Practice Recommendations in the reporting period. These recommendations are guidelines designed to produce an efficiency, quality or integrity outcome. The recommendations are not prescriptive so that if a company considers that a recommendation is inappropriate having regard to its own circumstances, the company has the flexibility not to follow it. Where a company has not followed all the recommendations, the annual report must identify which recommendations that have not been followed and give reasons for not following them.

A table has been included at the end of this statement which sets out the ASX Best Practice Recommendations and states whether the company has complied with each recommendation in the reporting period. Where the company considered it was not appropriate to comply with a particular recommendation the reasons are set out in the notes referenced in the table.

Role of the Board

The Board's primary responsibility is to oversee the company's business activities and management for the benefit of shareholders which it accomplishes by:

- establishing corporate governance, and ethical, business standards;
- setting and monitoring objectives, goals and strategic direction with a view to maximising shareholder value;
- approving and monitoring budgets and financial performance;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving of financial and other reporting, and announcements prior to lodgement with the ASX and release to shareholders;
- ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors; and
- setting remuneration policy;

The Board has delegated responsibilities and authorities to management to enable management to conduct the company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits or do not form part of the approved budget, require Board approval.

Board Processes

The Board of Planet Metals Limited meets on a regular basis. The agenda for these meetings is prepared by the Managing Director and Company Secretary in conjunction with the directors. Relevant information is circulated to Board members in advance of the meetings.

Composition of the Board

At the date of this report the Board comprises two non-executive directors and one executive director, one of whom is an independent director in accordance with the guidelines.

Director	Appointed/ Resigned	Non-Executive	Independent	Retiring at 2012 AGM	Seeking re-election at 2012 AGM
D Barwick	Appointed 9 June 2009	Yes	No	No	N/A
A Gillies	Resigned 31 July 2012	Yes	No	N/A	N/A
B Kelly	Appointed 8 February 2008	Yes	Yes	Yes	Yes
B O'Donovan	Appointed 31 July 2012	No	No	Yes	Yes

Composition of the Board (continued)

The Directors are subject to re-election by shareholders. All Directors, apart from any Managing Director, are subject to re-election by rotation within every three years. The company's constitution provides that one-third of the Directors retire by rotation each AGM. Those Directors who are retiring may submit themselves for re-election by shareholders, including any Director appointed to fill a casual vacancy or recruited since the date of the last AGM.

The current Directors have a broad range of qualifications, experience and expertise in managing mineral exploration companies-refer to the Directors section of the Directors' Report.

Independence of Non-Executive Directors

The Board considers an independent director to be a non-executive director who meets the criteria for independence included in the ASX Best Practice Recommendations. The Board considers that Mr Barry Kelly currently meets these criteria.

The Board have considered the position that there is not a majority of "independent" Directors as defined by the Guidelines. The Board believes that the level of skill and experience possessed by individual Directors is appropriate for the company's size and complexity. Directors have considerable Board experience and bring an independent mind to all dealings with the company. Thus shareholders can be confident that Board decisions will be made with a high level of independence.

Director Access to Independent Professional Advice

The company acknowledges that Directors require high quality information and advice on which to base their decisions and considerations. With the prior approval of the Chairman, all Directors have the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings in order to fulfil their duties and responsibilities as directors. If the Chairman is unable or unwilling to give approval, Board approval will be sufficient.

Materiality Threshold

The Board acknowledges that assessment on materiality and subsequent appropriate thresholds are subjective and open to change.

The Board has considered quantitative, qualitative and cumulative factors when determining the materiality of a specific relationship of directors.

Ethical Standards

As part of the Board's commitment to the highest standard of conduct, the company adopts a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with laws and regulations;
- relations with customers and suppliers;
- ethical responsibilities;
- employment practices; and
- responsibility to the environment and the community.

Board Committees

As at the date of this report, the company does not have a Nomination or Remuneration Committee of the Board of Directors. The full Board of Directors undertake the role of these individual committees. Given the composition of the Board and the size of the company, it is felt that individual nomination and remuneration committees are not yet warranted, however it is expected that as the company's operations expand that each of these committees will be established.

Continuous Disclosure and Shareholder Communication

The Board is committed to the promotion of investor confidence by ensuring that trading in the company's securities takes place in an efficient, competitive and informed market. In accordance with continuous disclosure requirements under the ASX Listing Rules, the company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. All information disclosed to the ASX is posted on the company's website www.planetmetals.com.au.

Shareholders are forwarded documents if requested relating to each Annual General Meeting, being the Annual Report, Notice of Meeting and Explanatory Memorandum and Proxy Form, and are invited to attend these meetings. The company's external auditor is also present at Annual General Meetings to answer any queries shareholders may have with regard to the audit and preparation and content of the audit report.

The company actively encourages shareholders to provide their email contact details so that they can receive all ASX releases as they are released to the market.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meeting of Planet Metals Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Managing Business Risk

The Board constantly monitors the operational and financial aspects of the company's activities and is responsible for the implementation and on-going review of business risks that could affect the Company. Duties in relation to risk management that are conducted by the Directors include but are not limited to:

- initiate action to prevent or reduce the adverse effects of risk;
- control further treatment of risks until the level of risk becomes acceptable;
- identify and record any problems relating to the management of risk;
- initiate, recommend or provide solutions through designated channels;
- verify the implementation of solutions;
- communicate and consult internally and externally as appropriate; and
- to inform investors of material changes to the company's risk profile.

On-going review of the overall risk management program (inclusive of the review of adequacy of treatment plans) is conducted by external parties where appropriate.

The Board ensures that recommendations made by the external parties are investigated and, where considered necessary, appropriate action is taken to ensure that the company has an appropriate internal control environment in place to manage the key risks identified.

The Board has received reports from management as to the effectiveness of the company's management of its business risk. The company has a number of mechanisms in place to ensure that the management regularly reports on matters relating to risks. The reports by management to the Board have been provided under the former system of risk management and internal control.

The Board requires management to report to it on whether material business risks are being managed effectively. In accordance with section 295A of the Corporations Act 2001, the Managing Director and Chief Financial Officer have provided a declaration to the Board that:

- their view provided in the company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- the company's risk management and internal compliance and control system is operating effectively in all material respects.

Board Performance Evaluations

The evaluation of the Board's performance is undertaken annually by the Board, including a recent review for the 2012 year.

Trading Policy

A copy of the company's share trading policy is included on the company's website.

ASX Best Practice Recommendations

The table below contains each of the ASX Best Practice Recommendations. Where the company has complied with a recommendation during the reporting period, this is indicated with a "Yes" in the appropriate column. Where the company considered it was not appropriate to comply with a particular recommendation, this is indicated with a "No" and the company's reasons are set out in the corresponding note appearing at the end of the table.

	Description	Complied	Note
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	
1.2	Companies should disclose the process for evaluating the performance of senior executives	Yes	
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Yes	
2.1	A majority of the Board should be independent directors.	No	2
2.2	The Chairperson should be an independent director.	No	2
2.3	The roles of Chairperson and Managing Director should not be exercised by the same individual.	Yes	
2.4	The Board should establish a Nomination Committee.	No	2
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes	
3.1	Establish a code of conduct and disclose the code or a summary of the code.	Yes	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy	No	3
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	No	3
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	Yes	
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes	
4.1	The Board should establish an Audit Committee.	Yes	
4.2	Structure the Audit Committee so that it consists of:	Yes	
	• only Non-Executive Directors	Yes	
	• a majority of Independent Directors	No	2
	• an independent Chairperson, who is not chairperson of the Board	Yes	
	• at least three members.	Yes	
4.3	The Audit Committee should have a formal charter.	No	2
4.4	Provide the information indicated in the Guide to reporting on Principle 4	Yes	

	Description	Complied	Note
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements to ensure accountability at a senior management level for that compliance.	Yes	
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	Yes	
6.1	Design a communications policy for promoting effective communication with shareholders, and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Yes	
7.1	The Board or appropriate Board Committee should establish policies on risk oversight and management.	Yes	
7.2	The Board has required management to design and implement a risk management and internal control system to manage the entity's material business risks and report to it on whether those risks are being managed effectively and management has reported to the board as to effectiveness of the entity's management of its material business risks.	Yes	
7.3	The Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that:		
	• the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board,	Yes	
	• the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Yes	
7.4	Provide the information indicated in the Guide to reporting on Principle 7.	Yes	
8.1	The board should establish a remuneration committee	No	2
8.2	The remuneration committee should be structured so that it:	No	2
	• consists of a majority of independent directors		
	• is chaired by an independent chair		
	• has at least three members		
8.3	Provide the information indicated in the Guide to reporting on Principle 8.	No	

Notes

1. The company has compiled with relevant corporate governance documentation, such as charters, codes of conduct, and policies, which have been placed on the company's website under the heading "Corporate Governance".
2. As at the date of this report, the company does not have a Remuneration or Nomination Committee of the Board of Directors, and does not have a majority of independent Directors. The full Board of Directors undertake the role of the remuneration and nomination committees. Given the composition of the Board and the size of the company, it is felt that individual remuneration and nomination committees are not yet warranted, and a majority of independent Directors is not achievable. However it is expected that as the company's operations expand that each of these committees will be established and if possible the company will increase the number of independent Directors.

3. The company has not established a formal diversity policy; however the company is committed to equal opportunity and diversity.

   At 30 June 2012 the company had only 3 directors and 1 employee (the Chief Executive Officer (CEO)). On 31 July 2012 the CEO was appointed a director of the company. There are no female Directors on the Board at the present time.

   During the 2012 year no appointments were made which would alter the gender diversity within senior management.

   The directors have considered the impact on shareholder's interests relating to good governance, of the absence of a formal diversity policy. The board is satisfied that shareholder's interests nevertheless continue to be served.

Planet Metals Limited
Financial report
30 June 2012

Contents

General information

The financial report covers Planet Metals Limited as a consolidated entity consisting of Planet Metals Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Planet Metals Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Planet Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

71 Lytton Road
East Brisbane
QLD 4169

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 28 August 2012. The directors have the power to amend and reissue the financial report.

Planet Metals Limited
Statement of comprehensive income
For the year ended 30 June 2012

	Note	Consolidated 2012 $	Consolidated 2011 $
Revenue from continuing operations	4	277,899	47,321
Other income	5	140,799	462,288
Expenses			
Employee benefits expense	6	(416,231)	(415,847)
Exploration and evaluation expenditure written off	12	(367,657)	-
Depreciation and amortisation expense	6	-	(28,909)
Write off of assets	6	(4,366)	-
Impairment of deferred sales proceeds - Wolfram Camp Mining Pty Ltd		(611,260)	-
Finance costs	6	(3,952)	(2,849)
Administration		(343,042)	(457,036)
Loss before income tax expense from continuing operations		(1,327,810)	(395,032)
Income tax expense	7	-	-
Loss after income tax expense from continuing operations		(1,327,810)	(395,032)
Profit after income tax expense from discontinued operations	8	-	3,115,383
Profit/(loss) after income tax expense for the year attributable to the owners of Planet Metals Limited		(1,327,810)	2,720,351
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Planet Metals Limited		(1,327,810)	2,720,351
		Cents	**Cents**
Earnings per share from continuing operations attributable to the owners of Planet Metals Limited			
Basic earnings per share	26	(2.223)	(0.662)
Diluted earnings per share	26	(2.223)	(0.662)
Earnings per share from discontinued operations attributable to the owners of Planet Metals Limited			
Basic earnings per share	26	-	5.217
Diluted earnings per share	26	-	5.217
Earnings per share for profit/(loss) attributable to the owners of Planet Metals Limited			
Basic earnings per share	26	(2.223)	4.555
Diluted earnings per share	26	(2.223)	4.555

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Planet Metals Limited
Statement of financial position
As at 30 June 2012

	Note	Consolidated 2012 $	Consolidated 2011 $
Assets			
Current assets			
Cash and cash equivalents	9	5,945,190	3,893,514
Trade and other receivables	10	84,708	3,506,834
Total current assets		6,029,898	7,400,348
Non-current assets			
Property, plant and equipment	11	-	4,366
Exploration and evaluation	12	2,021,212	1,793,657
Total non-current assets		2,021,212	1,798,023
Total assets		8,051,110	9,198,371
Liabilities			
Current liabilities			
Trade and other payables	13	93,182	79,657
Provisions	14	13,846	12,658
Total current liabilities		107,028	92,315
Total liabilities		107,028	92,315
Net assets		7,944,082	9,106,056
Equity			
Issued capital	15	49,349,433	49,349,433
Reserves		343,057	177,221
Accumulated losses		(41,748,408)	(40,420,598)
Total equity		7,944,082	9,106,056

The above statement of financial position should be read in conjunction with the accompanying notes

Planet Metals Limited
Statement of changes in equity
For the year ended 30 June 2012

	Issued capital $	Option reserve $	Accumulated losses $	Total equity $
Consolidated				
Balance at 1 July 2010	49,349,433	156,371	(43,140,949)	6,364,855
Profit after income tax expense for the year	-	-	2,720,351	2,720,351
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,720,351	2,720,351
Transactions with owners in their capacity as owners:				
Share-based payments	-	20,850	-	20,850
Balance at 30 June 2011	49,349,433	177,221	(40,420,598)	9,106,056

	Issued capital $	Option reserve $	Accumulated losses $	Total equity $
Consolidated				
Balance at 1 July 2011	49,349,433	177,221	(40,420,598)	9,106,056
Loss after income tax expense for the year	-	-	(1,327,810)	(1,327,810)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,327,810)	(1,327,810)
Transactions with owners in their capacity as owners:				
Share-based payments	-	165,836	-	165,836
Balance at 30 June 2012	49,349,433	343,057	(41,748,408)	7,944,082

The above statement of changes in equity should be read in conjunction with the accompanying notes

Planet Metals Limited
Statement of cash flows
For the year ended 30 June 2012

	Note	Consolidated 2012 $	Consolidated 2011 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,832	509,274
Payments to suppliers and employees (inclusive of GST)		(594,235)	(705,398)
Interest received		211,704	47,321
Other revenue		5,004	-
Interest and other finance costs paid		(3,952)	-
Net cash used in operating activities	25	(377,647)	(148,803)
Cash flows from investing activities			
Payments for exploration and evaluation	12	(595,212)	(424,141)
Available for sale assets - payments for exploration and evaluation		-	(266,791)
Proceeds from sale of Wolfram Camp Mining Pty Ltd		-	3,500,000
Proceeds from sale of investments		3,024,535	-
Net cash from investing activities		2,429,323	2,809,068
Cash flows from financing activities			
Repayment of borrowings		-	(3,122)
Net cash used in financing activities		-	(3,122)
Net increase in cash and cash equivalents		2,051,676	2,657,143
Cash and cash equivalents at the beginning of the financial year		3,893,514	1,236,371
Cash and cash equivalents at the end of the financial year	9	5,945,190	3,893,514

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards and amendments to standards affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Planet Metals Limited ('company' or 'parent entity') as at 30 June 2012 and the results of all subsidiaries and special purpose entities for the year then ended. Planet Metals Limited, its subsidiaries and special purpose entities together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of concentrates
Revenue from the sale of concentrates is recognised upon the delivery of the concentrates to the customer.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Significant accounting policies (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Planet Metals Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Joint ventures
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Income earned from joint venture entities is recognised as revenue in the parent entity's profit or loss, whilst in the consolidated financial statements they reduce the carrying amount of the investment.

Investments and other financial assets
Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Note 1. Significant accounting policies (continued)

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	20-33%
Motor vehicles	20%

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

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 1. Significant accounting policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Planet Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2012. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 1. Significant accounting policies (continued)

AASB 10 Consolidated Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation – Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)
These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

Note 1. Significant accounting policies (continued)

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20
This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions 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.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Environmental provision
A provision has been made for the present value of anticipated costs of the remediation work that will be required to comply with environmental and legal obligations. The provision is estimated based on currently available facts, technology expected to be available at the time of the clean up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity has determined its operating segments based on the internal reports that are reviewed and used by both management and the Board of Directors in assessing performance and allocation of resources. As the consolidated entity is still in the exploration phase, the chief operating decision makers review the operations as a whole and therefore consider one segment to be appropriate.

Note 4. Revenue

	Consolidated	
	2012	**2011**
	$	**$**
From continuing operations		
Other revenue		
Interest	277,899	47,321
Revenue from continuing operations	277,899	47,321

Note 5. Other income

	Consolidated	
	2012	**2011**
	$	**$**
Net fair value gains on financial assets at fair value through profit or loss	135,795	-
Other income	5,004	2,288
Option fee	-	460,000
Other income	140,799	462,288

Note 6. Expenses

	Consolidated	
	2012	**2011**
	$	**$**
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	-	757
Motor vehicles	-	28,152
Total depreciation	-	28,909
Finance costs		
Interest and finance charges paid/payable	3,952	2,849
Rental expense relating to operating leases		
Minimum lease payments	21,176	22,606

Note 6. Expenses (continued)

	Consolidated 2012 $	Consolidated 2011 $
Write off of assets		
Plant and equipment	4,366	55,100
Employee benefit expense		
Amounts paid to employees - continuing operations	160,136	302,347
Amounts paid to Directors	92,650	92,650
Employee options expense	163,445	20,850
Total employee benefit expense	416,231	415,847

Note 7. Income tax expense

	Consolidated 2012 $	Consolidated 2011 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing	(1,327,810)	(395,032)
Profit before income tax expense from discontinued operations	-	3,115,383
	(1,327,810)	2,720,351
Tax at the statutory tax rate of 30%	(398,343)	816,105
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible expenses	58,540	26,191
	(339,803)	842,296
Current year tax losses not recognised	266,628	1,388,457
Current year temporary differences not recognised	112,246	9,216
Deductible capital raising costs	(39,071)	(130,256)
Project pool deductions	-	(762,963)
Tax adjustment on sale of subsidiary	-	(1,346,750)
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	16,578,971	16,312,343
Potential tax benefit @ 30%	4,973,691	4,893,703

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Income tax expense (continued)

	Consolidated 2012 $	Consolidated 2011 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Timing differences	4,028,919	3,916,673
Total deferred tax assets not recognised	4,028,919	3,916,673

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Discontinued operations

Description

2011

In May 2011 the sale of the Wolfram Camp project was successfully completed for a total contracted sale price of $7 million, comprising an initial $3.5 million in cash and the balance of $3.5 million payable via a deferred settlement arrangement. Deutsche Rohstoff AG was given an option (expiring 31 July 2011) to settle the outstanding balance either by the issuance to Planet Metals of 180,500 shares in Deutsche Rohstoff AG (the company is listed on the Frankfurt Stock Exchange) which were worth $3.5m on signing, or by a further $3.5m cash payment. A further condition stated that if the market value of the agreed number of shares to be worth less than $2.8m on settlement, then Deutsche Rohstoff AG would be required to pay a top up cash payment, so that the balance consideration was not below $2.8m. Planet Metals Limited sold these shares in the 2012 financial year.

Subsequent to 30 June 2011, Deutsche Rohstoff AG advised the company that it intended to exercise its option and wished to settle the outstanding balance by issuing 180,500 shares to Planet. On settlement (1 September 2011), the company received these shares, but due to significant equity market fluctuations since signing the sale contract, an impairment loss of $611,260 has been recognised in the statement of comprehensive income for the year ended 30 June 2012.

Financial performance information

	Consolidated 2012 $	Consolidated 2011 $
Administration expenses	-	(133,473)
Total expenses	-	(133,473)
Loss before income tax expense	-	(133,473)
Income tax expense	-	-
Loss after income tax expense	-	(133,473)
Gain on sale before income tax	-	3,248,856
Income tax expense	-	-
Gain on disposal after income tax expense	-	3,248,856
Profit after income tax expense from discontinued operations	-	3,115,383

Note 8. Discontinued operations (continued)

Cash flow information

	Consolidated	
	2012	2011
	$	$
Net cash used in operating activities	-	(133,473)
Net decrease in cash and cash equivalents from discontinued operations	-	(133,473)

Carrying amounts of assets and liabilities

	Consolidated	
	2012	2011
	$	$
Property, plant and equipment	-	2,193,216
Exploration and evaluation assets	-	1,538,599
Security deposits	-	836,956
Total assets	-	4,568,771
Rehabilitation provision	-	817,627
Total liabilities	-	817,627
Net assets	-	3,751,144

Details of the disposal

	Consolidated	
	2012	2011
	$	$
Total sale consideration	-	7,000,000
Carrying amount of net assets sold	-	(3,751,144)
Gain on disposal before income tax	-	3,248,856
Income tax expense	-	-
Gain on disposal after income tax	-	3,248,856

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2012	2011
	$	$
Cash on hand	50	50
Cash at bank	345,140	893,464
Cash on deposit	5,600,000	3,000,000
	5,945,190	3,893,514

Note 10. Current assets - trade and other receivables

	Consolidated 2012 $	Consolidated 2011 $
Trade receivables	-	6,834
Deferred sales proceeds - Wolfram Camp Mining Pty Ltd	-	3,500,000
Interest receivable	66,195	-
BAS receivable	18,513	-
	84,708	3,506,834

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2012 $	Consolidated 2011 $
Motor vehicles - at cost	-	31,473
Less: Accumulated depreciation	-	(27,107)
	-	4,366

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment $	Motor vehicles $	Total $
Consolidated			
Balance at 1 July 2010	2,448	85,927	88,375
Disposals	(1,691)	(53,409)	(55,100)
Depreciation expense	(757)	(28,152)	(28,909)
Balance at 30 June 2011	-	4,366	4,366
Write off of assets	-	(4,366)	(4,366)
Balance at 30 June 2012	-	-	-

Note 12. Non-current assets - exploration and evaluation

	Consolidated 2012 $	Consolidated 2011 $
Exploration and evaluation phase - at cost	2,021,212	1,793,657

Note 12. Non-current assets - exploration and evaluation (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration & evaluation $	Total $
Consolidated		
Balance at 1 July 2010	1,569,200	1,569,200
Additions	424,141	424,141
Disposals	(199,684)	(199,684)
Balance at 30 June 2011	1,793,657	1,793,657
Additions	595,212	595,212
Write off of assets	(367,657)	(367,657)
Balance at 30 June 2012	2,021,212	2,021,212

Note 13. Current liabilities - trade and other payables

	Consolidated 2012 $	Consolidated 2011 $
Trade payables	16,578	30,834
BAS payable	-	3,534
Other payables	76,604	45,289
	93,182	79,657

Refer to note 16 for further information on financial instruments.

Note 14. Current liabilities - provisions

	Consolidated 2012 $	Consolidated 2011 $
Annual leave	13,846	12,658

Note 15. Equity - issued capital

	Consolidated 2012 Shares	Consolidated 2011 Shares	Consolidated 2012 $	Consolidated 2011 $
Ordinary shares - fully paid	59,717,114	59,717,114	49,349,433	49,349,433

There were no movements in ordinary share capital during the 2012 and 2011 financial years.

Note 15. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern and fund its operations. The consolidated entity's capital comprises ordinary share capital, reserves and accumulated losses as disclosed in the statement of changes in equity. The consolidated entity has no debt. In common with many other exploration companies, the parent raises finance for the consolidated entity's exploration and appraisal activities in discrete tranches.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2011 Financial Report.

The consolidated entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital of the consolidated entity at 30 June 2012 was $5,922,870 (2011: $7,308,033).

Note 16. Financial instruments

Financial risk management objectives
Risk management is carried out under policies set by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas.

The board monitors and manages the financial risk relating to the operations of the consolidated entity. The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Price risk
The consolidated entity is not exposed to any significant price risk.

Note 16. Financial instruments (continued)

Interest rate risk
The economic entity's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

As at the reporting date, the consolidated entity had the following variable rate investments:

	2012		2011	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Consolidated				
Cash and cash equivalents	5.38	5,945,190	5.80	3,893,514
Net exposure to cash flow interest rate risk		5,945,190		3,893,514

Sensitivity

At 30 June 2012, if interest rates had increased/decreased by 200 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been $118,904 lower/higher (2011 changes of 200 bps: $77,870 lower/higher), mainly as a result of higher/lower interest income from cash and cash equivalents.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity does not have any significant exposure to credit risk from trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 16. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2012	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	16,578	-	-	-	16,578
Other payables	-	76,604	-	-	-	76,604
Total non-derivatives		93,182	-	-	-	93,182

Consolidated - 2011	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	30,834	-	-	-	30,834
BAS payable	-	3,534	-	-	-	3,534
Other payables	-	57,947	-	-	-	57,947
Total non-derivatives		92,315	-	-	-	92,315

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

	2012		**2011**	
Consolidated	**Carrying amount $**	**Fair value $**	**Carrying amount $**	**Fair value $**
Assets				
Cash on hand	50	50	50	50
Cash at bank	345,140	345,140	893,464	893,464
Cash on deposit	5,600,000	5,600,000	3,000,000	3,000,000
Trade receivables	-	-	6,834	6,834
Other receivables	84,708	84,708	-	-
Deferred sales proceeds	-	-	3,500,000	3,500,000
	6,029,898	6,029,898	7,400,348	7,400,348
Liabilities				
Trade payables	16,578	16,578	30,834	30,834
Other payables	76,604	76,604	57,947	57,947
BAS payable	-	-	3,534	3,534
	93,182	93,182	92,315	92,315

Note 17. Key management personnel disclosures

Directors
The following persons were directors of Planet Metals Limited during the financial year:

D K Barwick
A L Gillies (resigned 31 July 2012)
B L Kelly

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:
J K Haley
B O'Donovan (appointed a director of Planet Metals Limited on 31 July 2012)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2012	**2011**
	$	**$**
Short-term employee benefits	271,432	397,001
Post-employment benefits	55,807	31,496
Share-based payments	163,445	20,850
	490,684	449,347

Shareholding
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2012	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
D K Barwick	-	-	150,000	-	150,000
A L Gillies	-	-	2,261,934	-	2,261,934
B L Kelly	-	-	126,286	-	126,286
J K Haley	-	-	144,100	-	144,100
B O'Donovan	210,500	-	665,367	-	875,867
	210,500	-	3,347,687	-	3,558,187

2011	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
B O'Donovan	160,500	-	50,000	-	210,500
	160,500	-	50,000	-	210,500

Note 17. Key management personnel disclosures (continued)

Option holding
The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2012	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
D K Barwick	-	1,000,000	-	-	1,000,000
A L Gillies	-	1,000,000	-	-	1,000,000
B L Kelly	-	1,000,000	-	-	1,000,000
J K Haley	-	1,000,000	-	-	1,000,000
B O'Donovan	1,500,000	1,000,000	-	-	2,500,000
	1,500,000	5,000,000	-	-	6,500,000

2012	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
D K Barwick	1,000,000	-	1,000,000
A L Gillies	1,000,000	-	1,000,000
B L Kelly	1,000,000	-	1,000,000
J K Haley	1,000,000	-	1,000,000
B O'Donovan	2,500,000	-	2,500,000
	6,500,000	-	6,500,000

2011	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
B O'Donovan	1,500,000	-	-	-	1,500,000
	1,500,000	-	-	-	1,500,000

2011	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
B O'Donovan	1,500,000	-	1,500,000
	1,500,000	-	1,500,000

Related party transactions
Related party transactions are set out in note 20.

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Queensland Partnership, the auditor of the company, and unrelated firms:

	Consolidated 2012 $	Consolidated 2011 $
Audit services - Grant Thornton Queensland Partnership		
Audit or review of the financial statements	50,204	45,253
Other services - Grant Thornton Queensland Partnership		
Taxation services	-	2,200
	50,204	47,453
Other services - unrelated practices		
Other assurance services	-	1,400
	-	1,400

Note 19. Commitments

	Consolidated 2012 $	Consolidated 2011 $
Rental		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	16,788	31,585
One to five years	15,295	126,340
	32,083	157,925
Mining exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	283,000	120,000
One to five years	596,000	480,000
	879,000	600,000

The consolidated entity has certain commitments imposed by the Queensland Department of Natural Resources and Mines to perform minimum exploration work on the tenements. These obligations, which may be varied from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations of the consolidated entity.

The rental operating lease commitments relate to mining tenements.

Certain tenements held by the consolidated entity may be the subject of future Native Title claims. The Directors of the Company expect that existing operations will not be materially affected by any potential claims.

Note 20. Related party transactions

Parent entity
Planet Metals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Joint ventures
Interests in joint ventures are set out in note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2012	**2011**
	$	**$**
Payment for other expenses:		
Rent on-charge paid to related party - Metallica Minerals Limited	15,381	12,165
Fixed asset charge paid to related party - Metallica Minerals Limited	4,061	3,384
On-charge of wages, fees and expenses paid to related party - Metallica Minerals Limited	9,396	74,501

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2012	**2011**
	$	**$**
Current payables:		
Trade payables - Metallica Minerals Limited	695	-

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent 2012 $	Parent 2011 $
Loss after income tax	(1,327,493)	(2,146,510)
Total comprehensive income	(1,327,493)	(2,146,510)

Statement of financial position

	Parent 2012 $	Parent 2011 $
Total current assets	6,029,898	7,400,348
Total assets	10,329,986	9,061,436
Total current liabilities	107,030	92,316
Total liabilities	107,030	92,316
Equity		
Issued capital	49,349,433	49,349,433
Share-based payments reserve	343,057	177,221
Accumulated losses	(39,469,534)	(40,557,534)
Total equity	10,222,956	8,969,120

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2012 and 30 June 2011.

Contingent liabilities
The parent entity had no contingent liabilities at 30 June 2012 and 30 June 2011.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 30 June 2012 and 30 June 2011.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 22. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding 2012 %	Equity holding 2011 %
Mt Cannindah Mining Pty Limited	Australia	100.00	100.00
Wolfram Camp Marketing Pty Ltd	Australia	100.00	100.00

Note 23. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures is set out below:

Joint venture	Principal activities	Consolidated Percentage interest 2012 %	Consolidated Percentage interest 2011 %
Mt Cannindah Project*	Exploration	100.00	100.00

*The company entered into a farm-in agreement with Drummond Gold Limited (Drummond) whereby Drummond can earn up to a 75% interest of the Mount Cannindah copper-gold project by spending, in stages, $6.75 million over 4 years and 9 months.

Note 24. Events after the reporting period

On 25 July 2012, shareholders passed a resolution authorising the company to reduce its capital by $3,881,612. On 9 August 2012, shareholders received a capital return of 6.5 cents for each share held. The impact of the return of capital was a reduction in the cash reserves and paid capital of the consolidated entity.

On 13 August 2012, Metallica Minerals Limited disposed of its entire 36.96% interest in Planet Metals Limited. Prior to the disposal of its shares, Metallica Minerals Limited was the largest shareholder in Planet Metals Limited. Existing shareholders, directors and new investors acquired Metallica's shares.

No other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 25. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2012 $	2011 $
Profit/(loss) after income tax expense for the year	(1,327,810)	2,720,351
Adjustments for:		
Depreciation and amortisation	-	28,909
Write off of property, plant and equipment	4,366	55,100
Share-based payments	165,836	20,850
Write off of exploration and evaluation expenditure	367,657	199,684
Gain on sale of discontinued operation	-	(3,248,856)
Net fair value gains on financial assets through profit or loss	(135,795)	-
Impairment of deferred sales proceeds - Wolfram Camp Mining Pty Ltd	611,260	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(62,363)	49,274
Decrease in other operating assets	-	19,429
Increase/(decrease) in trade and other payables	(1,986)	6,456
Increase in employee benefits	1,188	-
Net cash used in operating activities	(377,647)	(148,803)

Note 26. Earnings per share

	Consolidated	
	2012 $	2011 $
Earnings per share from continuing operations		
Loss after income tax attributable to the owners of Planet Metals Limited	(1,327,810)	(395,032)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	59,717,114	59,717,114
Weighted average number of ordinary shares used in calculating diluted earnings per share	59,717,114	59,717,114
	Cents	**Cents**
Basic earnings per share	(2.223)	(0.662)
Diluted earnings per share	(2.223)	(0.662)

Note 26. Earnings per share (continued)

	Consolidated 2012 $	Consolidated 2011 $
Earnings per share from discontinued operations		
Loss after income tax attributable to the owners of Planet Metals Limited	-	3,115,383

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	59,717,114	59,717,114
Weighted average number of ordinary shares used in calculating diluted earnings per share	59,717,114	59,717,114

	Cents	Cents
Basic earnings per share	-	5.217
Diluted earnings per share	-	5.217

	Consolidated 2012 $	Consolidated 2011 $
Earnings per share for profit/(loss)		
Profit/(loss) after income tax attributable to the owners of Planet Metals Limited	(1,327,810)	2,720,351

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	59,717,114	59,717,114
Weighted average number of ordinary shares used in calculating diluted earnings per share	59,717,114	59,717,114

	Cents	Cents
Basic earnings per share	(2.223)	4.555
Diluted earnings per share	(2.223)	4.555

Potential ordinary shares
The share options are antidilutive as their conversion to ordinary shares would decrease the loss per share from continuing operations.

Note 27. Share-based payments

The company granted the following options during the current financial year:
(a) 1,000,000 options to the CEO on 8 August 2011 for no consideration. The first 500,000 options are exercisable at 11 cents per share and the second 500,000 options are exercisable at 12.5 cents per share. The options vest on grant date and expire on 31 August 2013. The options are unlisted, hold no voting rights or dividend rights and are not transferable. The fair value of the options granted was $36,380.
(b) 4,000,000 options to Directors (excluding the CEO) and the CFO/Company Secretary on 11 November 2011 for no consideration. The options provide the Directors and CFO with reward and incentive for future services that they will provide to the company to further the progress of the company. The first 2,000,000 options are exercisable at 11 cents per share and the second 2,000,000 options are exercisable at 12.5 cents per share. The options vest on grant date and expire on 11 November 2013. The options are unlisted, hold no voting rights or dividend rights and are not transferable. The fair value of the options granted was $127,065.

Set out below are summaries of options granted:

2012

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/10	01/03/13	$0.100	500,000	-	-	-	500,000
01/03/10	01/03/13	$0.125	250,000	-	-	-	250,000
01/03/10	01/03/13	$0.150	750,000	-	-	-	750,000
08/08/11	31/08/13	$0.110	-	500,000	-	-	500,000
08/08/11	31/08/13	$0.125	-	500,000	-	-	500,000
11/11/11	11/11/13	$0.110	-	2,000,000	-	-	2,000,000
11/11/11	11/11/13	$0.125	-	2,000,000	-	-	2,000,000
			1,500,000	5,000,000	-	-	6,500,000
Weighted average exercise price			$0.13	$0.12	$0.00	$0.00	$0.12

2011

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/03/10	01/03/13	$0.100	500,000	-	-	-	500,000
01/03/10	01/03/13	$0.125	250,000	-	-	-	250,000
01/03/10	01/03/13	$0.150	750,000	-	-	-	750,000
			1,500,000	-	-	-	1,500,000
Weighted average exercise price			$0.13	$0.00	$0.00	$0.00	$0.13

All options have vested and are exercisable at the end of the respective reporting periods.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.18 years (2011: 1.67 years).

On 25 July 2012, shareholders passed a resolution authorising the company to reduce its capital by $3,881,612. On 9 August 2012, shareholders received 6.5 cents for each share held. In accordance with the ASX listing rules, the exercise price for each of the existing options on issue at 2 August 2012 will be reduced by the same amount returned in relation to each ordinary security. The exercise prices shown in the tables in this note reflect the exercise prices at 30 June 2012 and do not take into account the reduction in exercise price that has occurred post 30 June 2012.

Note 27. Share-based payments (continued)

The fair value of options granted during the current financial year has been independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
08/08/11	31/08/13	$0.080	$0.110	100.33%	0.00%	3.77%	$0.0370
08/08/11	31/08/13	$0.080	$0.125	100.33%	0.00%	3.77%	$0.0350
11/11/11	11/11/13	$0.083	$0.110	85.86%	0.00%	3.52%	$0.0330
11/11/11	11/11/13	$0.083	$0.125	85.86%	0.00%	3.52%	$0.0305

The total expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was $163,445 (2011: $20,850).

Planet Metals Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

David K Barwick Chairman	Barry Kelly Director

28 August 2012
Brisbane

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Planet Metals Limited

Grant Thornton Queensland Partnership
ABN 13 131 589 059

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Report on the financial report

We have audited the accompanying financial report of Planet Metals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

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

Auditor's responsibility

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

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

Grant Thornton

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Auditor's opinion
In our opinion:

1 The financial report of Planet Metals Limited is in accordance with the Corporations Act 2001, including:

   a giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   b complying with Australian Accounting Standards and the Corporations Regulations 2001; and

2 The financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report
In our opinion, the remuneration report of Planet Metals Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON QUEENSLAND PARTNERSHIP
Chartered Accountants

Damian Carroll

D J Carroll
Partner – Audit & Assurance

Brisbane, dated 28 August 2012

Planet Metals Limited
Shareholder information
30 June 2012

The shareholder information set out below was applicable as at 21 August 2012.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	514
1,001 to 5,000	369
5,001 to 10,000	125
10,001 to 100,000	197
100,001 and over	81
	1,286
Holding less than a marketable parcel	1,062

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
Jien Mining Pty Ltd	6,570,892	11.00
Chivas Group Pty Ltd	4,915,715	8.23
Peplon Nominees Pty Ltd	2,500,000	4.19
Corporate Property Services Pty Ltd <K W Share A/C>	2,500,000	4.19
CBD Plaza (Aust) Pty Ltd	2,225,087	3.73
APC Management Services Pty Ltd <Colrain Super Fund A/C>	2,083,759	3.49
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	2,000,000	3.35
Clodene Pty Ltd	1,927,608	3.23
Golden Breed Pty Ltd	1,754,000	2.94
Mr Jeffrey Howard Latimer & Mrs Judith Ann Latimer <Latimer S/F A/C>	1,200,000	2.01
Mr Bernard Francis O'Neill <Wynflo Superannuation A/C>	1,055,001	1.77
B2B Holdings Pty Limited	1,000,000	1.67
Mr Michael Sean Hobbs	1,000,000	1.67
Calama Holdings Pty Ltd <Mambat Super Fund A/C>	996,247	1.67
Tardis Victoria Pty Ltd	883,054	1.48
Mr Brett O'Donovan	875,867	1.47
Burrell Securities Ltd <BSMART2 A/C>	661,996	1.11
Lawrence Crowe Consulting Pty Ltd <L C C Super Fund A/C>	660,000	1.11
Mrs Lili Dai	610,060	1.02
Rickirk Pty Ltd	521,450	0.87
	35,940,736	60.20

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	6,500,000	5

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Jien Mining Pty Ltd	6,570,892	11.00
Chivas Group Pty Ltd	4,915,715	8.23

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.