



AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

**ANNUAL REPORT
30 JUNE 2012**

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONTENTS

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	12
Financial Report	13
Directors' Declaration	49
Independent Auditor's Report	50
Corporate Governance Statement	52
Additional information for Shareholders	57

CORPORATE DIRECTORY

Directors

Brian Thomas – Non Executive Director
William Hayden – Non Executive Director
Phillip O'Neill – Non Executive Director

Company Secretary

Jay Stephenson

Registered office

Level 4, 66 Kings Park Road
West Perth WA 6005
Telephone 08 6141 3530
Facsimile 08 6141 3599
Website: www.condotoplatinum.com.au
Email: info@condotoplatinum.com.au

Auditor

Bentleys
Level 1, 12 Kings Park Road
West Perth WA 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Securities Exchange Listing

Australian Securities Exchange Limited
Exchange Plaza
Level 8, 2 The Esplanade
Perth WA 6000

ASX Code – CPD

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of Condoto Platinum NL ("the Company") and its controlled entity Condoto Platinum Limited ("the Group") for the financial year ended 30 June 2012.

Directors

The names of Directors in office at any time during or since the end of the year are:

Mr Ed Nealon – Non Executive Chairman (appointed 22 March 2011) (resigned 21 October 2011)

Mr Brian Thomas – Non Executive Director (appointed 21 May 2008)

Mr William Hayden - Non Executive Director (appointed 22 March 2011)

Mr Phillip O'Neill – Non Executive Director (appointed 18 May 2011)

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

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Jay Stephenson — Chartered Secretary (FCIS) Master of Business Administration (MBA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD), Fellow of the Chartered Institute of Secretaries.

Mr Stephenson was appointed as Company Secretary for the Company on 1 July 2009.

Principal Activities

The Company is primarily involved in the exploration of gold and platinum at its Condoto platinum project in Colombia.

Review of Operations

During the year ended 30 June 2012, the Company continued its development of the Novita Platinum Project in Colombia. Specific achievements include the following:

The Company hired Mr Frank Aimola to be the Manager of Alluvial Operations at the Condoto precious metals project in Colombia. Mr Aimola previously managed alluvial gold mining operations in Ecuador, Venezuela, and in the Yukon, Canada. Mr Aimola has the Canadian "Red Seal" Heavy Duty Equipment Technician designation and is familiar with the operation and maintenance of all heavy duty equipment and machinery.

The Company began discussions with local alluvial mining operators in the region aimed at a cooperation agreement covering bulk sampling activities at these local operations. The Company believes it will be able to come to terms on a cooperation agreement with one or more of these operators in the near future.

As of the end of June, the Company's Novita base camp has taken delivery of 2 Knelson centrifugal concentrators, 2 Gemini tables, and 2 gravel pumps. The Company is having 1 trommel manufactured in Medellin and expects to take delivery of the trommel by the end of August 2012.

This equipment will be assembled over the next few months and should be functional to coincide with the potential signing of a cooperation agreement with local alluvial operators. The bulk sampling process enabled by this equipment will provide invaluable information with regards to grade control of the alluvial deposits in the region.

The Company has commenced regional scale exploration to the south and west of the Novita base camp in the area centred on the Cerro Torra intrusive, currently interpreted as a granodiorite. This includes sampling of

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

stream sediments, along with sampling of rock outcrop and float. In total, such sampling has covered an area of 22 by 15 kilometres, with a total of 186 stream sediment samples, along with 168 rock samples, collected. These samples have been sent to Inspectorate Laboratories for analysis for not only gold and platinum, but also silver and copper as it is believed that this area may be prospective for deposits of these metals. Many of the above-mentioned samples were collected in areas hosting local, artisanal mining.

Results of Operations

The consolidated loss for the year amounted to \$4,229,527 (2011: the loss for the Company for the year amounted to \$1,976,842).

Financial Position

The net assets of the Group have increased by \$3,128,984 to \$12,118,111 at 30 June 2012. The major components of this movement were:

- Proceeds from share issue raising \$4,168,500; and
- The issue of the third tranche of shares at \$1,800,000 to obtain the final 25% interest held by Smart Kingdom Investments in Condoto Platinum Limited.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2012.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- i. On 12 December 2011, the Company granted 1,000,000 options to key management personnel,
- ii. On 14 December 2011 the Company issued 6,000,000 shares at \$0.30 (Third Tranche, per sale agreement) to Smart Kingdom Investments as a result of the Company spending a total of \$2,000,000 USD on exploration expenditure. The transaction resulted in the Company acquiring the remaining Non-Controlling interest of 25% from Smart Kingdom Investments in Condoto Platinum Limited, and
- iii. On 15 February 2012, the Company issued 5,955,000 shares at \$0.70 to provide working capital to fund primarily the Group's exploration program.

Changes in controlled entities:

- i. Acquired the remaining 25% of Condoto Platinum Limited as noted above.

No other significant changes in the nature of the Company's activities have occurred during the year.

Events after the reporting period

On 5 September 2012 the Company issued 4,500,000 shares to Smart Kingdom Investments. This was the fourth and final tranche of shares to be issued under the terms of the original sale and purchase agreement between Smart Kingdom and the Company.

Other than those matters noted there have been no other matters or circumstances since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

Proceedings on Behalf of Company

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

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

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.
- No indemnity has been paid to auditors.

Environmental Regulations

In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

Future Developments, Prospects and Business Strategies

Other than those matters noted elsewhere in this financial report, likely developments, future prospects and business strategies of operations have not been included in this report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

Information on Directors

Mr William "Bill" Hayden	— Chairman and Non Executive Director - appointed 22 March 2011
Qualifications	— Bachelor of Science (Hons) in Geology
Experience	— Bill is a geologist with over 36 years experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. Bill was the founder and President of Ivanhoe Nickel and Platinum Ltd. (Ivanplats), a Canadian company which has assembled extensive mineral holdings in South Africa, Zambia, and the Democratic Republic of Congo. Since 1986 Bill has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Bill served as former president of Ivanhoe Philippines, Inc. (an Ivanhoe Mines wholly owned subsidiary), and President of GoviEx Uranium Inc.. He is a director of Sky Alliance Resources, Ivanplats Ltd, Asia Pacific Mining Limited, ASX listed Globe Metals & Mining, TSX listed Sunward Resources Ltd, and HKSE listed China Polymetallic Mining Ltd.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

Information on Directors

Interest in Shares and Options — 2,000,000 options

Special Responsibilities — None

Directorships held in other listed entities — Globe Metals & Mining Limited (since November 2009)
Sunward Resources Limited (TSX Listed) (since September 2010)
China Polymetallic Mining Limited (HKSE Listed) (since November 2011)

Mr Philip O'Neill

— Managing Director - appointed 18 May 2011

Qualifications — Bachelor of Applied Science degree (Honours Program)

Experience — Phil is a director and former CEO of TSX listed Sunward Resources, a director of Asia Pacific Mining Limited, and a director of Notela Resource Advisors. He brings to the company an extensive knowledge of capital markets and substantial experience in the negotiation and acquisition of mineral projects in Colombia. In 2006, Phil founded MP1 Capital as an investment vehicle for high growth opportunities in the natural resource sector. Prior to establishing MP1 Capital, Phil worked as a research consultant for Casey Research. He holds a Bachelor of Applied Science degree, Honours Program, from the University of Guelph.

Interest in Shares and Options — 1,000,000 options

Special Responsibilities — None

Directorships held in other listed entities — Sunward Resources Ltd. (TSX Listed since March 2010)
Atlas Minerals (TSXV Listed October 2006 – October 2009)

Mr Ed Nealon

— Non Executive Chairman – appointed 22 March 2011, resigned 21 October 2011

Qualifications — Masters degree in Geology and member of Australasian Institute of Mining and Metallurgy

Experience — Ed is a geologist with respected track records of working in platinum and in Colombia. He has 37 years of experience and previously worked with companies such as Anglo American and Rio Tinto. Ed is the Founder of Aquarius Platinum Ltd and the main driver in bringing Sylvania Resources Ltd into the platinum industry.

Interest in Shares and Options — 2,000,000 options

Special Responsibilities — None

Directorships held in other listed entities — Ferrum Crescent Limited (1 November 2010)

Mr Brian Thomas

— Non Executive Director - appointed 21 May 2008

Qualifications — BSc, MBA, SAFin, MAusIMM, MAICD

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

Information on Directors

- Experience — Brian is a geologist and mineral economist with extensive experience as both an Executive and Non Executive Director with small to mid market capitalisation publicly listed resources companies. He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group. This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector.
- Interest in Shares and Options — 30,001 ordinary Shares.
 1,000,000 options
- Special Responsibilities — None
- Directorships held in other listed entities — Aragon Resources Ltd (appointed June 2005, resigned May 2011)
 White Cliff Nickel Ltd (appointed August 2007, resigned February 2010)
 Pacific Niugini Ltd (formerly Chrome Corporation Ltd) (appointed November 2004, resigned November 2009)
 Noble Mineral Resources Ltd. (since April 2010)
 Potash Minerals Limited (formerly Transit Holdings Ltd). (since June 2010)
 Parker Resources NL (since January 2011)
 Charter Pacific Corporation Ltd (since March 2011) (resigned November 2011)
 Strickland Resources Ltd (since March 2011)

Meetings of Directors

The number of Directors' meetings and meetings of Committee of Directors held during the year and the number of meetings attended by each of the Directors of the Company during the year are:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS					
			DUE DILIGENCE COMMITTEE		REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Ed Nealon (resigned 21 October 2011)	1	1	-	-	-	-	-	-
Brian Thomas	4	4	-	-	-	-	-	-
William Hayden	4	4	-	-	-	-	-	-
Phillip O'Neill	4	4	-	-	-	-	-	-

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

Options

Unissued ordinary shares of Condoto Platinum NL under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
30 November 2014	\$1.50	5,250,000
30 November 2014	\$1.01	1,000,000
1 July 2015	\$0.20	2,000,000
2 September 2015	\$0.20	1,000,000
18 April 2016	\$ 0.80	1,110,000
		<hr/>
		10,360,000
		<hr/>

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

No options were exercised during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Non-audit service fees related to the period amounted to \$3,900 for taxation services for the year ended 30 June 2012.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 12 of the financial report.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Condoto Platinum NL, and Key Management Personnel receiving the highest remuneration.

A. Key Management Personnel Remuneration Policy

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

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

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The board reviews executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

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

The Non-Executive Directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Non-Executive Directors have been provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and Directors and executives performance. Currently, this is facilitated through the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors and executives interests in options at year end, refer to Note 8 of the financial statements.

B. Details of Remuneration for Year Ended 30 June 2012

The Key Management Personnel of Condoto Platinum NL include the Directors and Company Secretary of the Company. There are no other Key Management Personnel as at 30 June 2012.

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

2012

Group Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	% of remuneration as options
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
Directors:	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Ed Nealon (resigned 21 October 2011)	10,000	-	-	-	-	-	-	895,217	905,217	98.9%
Brian Thomas	40,000	-	-	-	3,600	-	-	447,608	491,208	98.1%
William Hayden	65,000	-	-	-	5,850	-	-	895,217	966,067	92.7%
Phillip O'Neill	65,000	-	-	-	-	-	-	184,275	249,275	73.9%
Company Secretary:										
Jay Stephenson	-	-	-	90,000 ³	-	-	-	111,902	201,902	55.4%
	180,000	-	-	90,000	9,450	-	-	2,534,219	2,813,669	

2011

Group Key Management Personnel	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	% of remuneration as options
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other	Equity	Options		
Directors:	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Ed Nealon	10,968	-	-	4,583 ¹	987	-	-	81,383	97,921	83.1%
Brian Thomas	70,968	-	-	8,344 ²	4,050	-	-	40,692	124,054	32.8%
William Hayden	10,000	-	-	-	987	-	-	81,383	92,370	88.1%
Phillip O'Neill	5,274	-	-	-	-	-	-	-	5,274	-
Matthew Atkins (resigned 7 April 2011)	9,583	-	-	-	900	-	-	-	10,483	-
Anna Aaron (resigned 7 April 2011)	11,667	-	-	-	1,088	-	-	-	12,755	-
Company Secretary:										
Jay Stephenson	-	-	-	112,781 ³	-	-	-	10,173	122,954	-
	118,460	-	-	125,708	8,012	-	-	213,631	465,811	

¹ This was paid to Sylvania Resources Limited, a company in which Ed Nealon has an interest in, for reimbursement of corporate expenses.

² This was paid to BD Thomas & Associates, a company in which Brian Thomas has an interest in, for reimbursement of corporate expenses.

³ This was paid to Wolfstar Group Pty Ltd for Jay Stephenson's corporate secretarial and accounting services.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

C. Service Agreements

There are no service agreements.

D. Options and Rights Granted

	Date	No.	FV per option at grant date	No. vested during the year	% of grant vested	% of grant forfeited	Expiry date
<i>Directors:</i>							
Ed Nealon (Resigned 21 October 2011)	31/05/2011	2,000,000	\$0.4883	2,000,000	100	-	30 November 2014
Brian Thomas	31/05/2011	1,000,000	\$0.4883	1,000,000	100	-	30 November 2014
William Hayden	31/05/2011	2,000,000	\$0.4883	2,000,000	100	-	30 November 2014
Phillip O'Neill	12/12/2011	1,000,000	\$0.3159	-	-	-	30 November 2014
<i>Company secretary:</i>							
Jay Stephenson	31/05/2011	125,000	\$0.4883	125,000	100	-	30 November 2014
		<u>6,125,000</u>					

The options have been granted to Key Management Personnel (KMP) to provide a market-linked incentive package in their capacity as KMP and for future performance by them in their roles. The KMP options will vest 12 months after the issue date and if the KMP is continually employed by the Company during that 12 months.

The value of options granted as remuneration and as shown in the table above has been determined in accordance with applicable accounting standards.

The dollar value of the percentage vested during the period has been reflected in the Table of Benefits and Payments on the previous page.

All options were issued by Condoto Platinum NL and entitle the holder to one ordinary share in Condoto Platinum NL for each option exercised.

For details of Directors and executives interests in options at year end, refer to Note 6 of the financial statements.

E. Loans to Directors and Executives

No loans have been made to Directors or executives of the Company during or since, the year ended 30 June 2012.

F. Company performance, shareholder wealth and Directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and Directors and executives' performance. This will be facilitated through the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

End of Remuneration Report

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

DIRECTORS' REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Brian Thomas

Director

Dated 27 September 2012

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Condoto Platinum NL and Controlled Entities for the financial year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 27th day of September 2012

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012	2011
		\$	\$
Revenue	2	155,728	127,433
Other Income	2	75,360	-
Accounting fees		(114,214)	(91,132)
Audit fees		(48,220)	(17,300)
Legal and consulting fees		(44,816)	(61,547)
Directors fees		(179,892)	(118,024)
Depreciation expense		(73,148)	-
Employee benefits expense	3	(33,677)	(26,447)
Insurance expense		(17,733)	(13,993)
Share-based payment expense	18	(3,331,152)	(1,567,298)
Share registry and listing fees		(34,461)	(30,470)
Exploration expense not capitalised		(425,899)	(87,688)
Travel and accommodation expenses		(71,569)	(78,907)
Lease expense		(32,223)	-
Other administrative expenses		(53,611)	(11,469)
Loss before income tax		(4,229,527)	(1,976,842)
Income tax expense	4	-	-
Loss for the year from continuing operations		(4,229,527)	(1,976,842)
Other comprehensive income:			
Exchange differences on translating foreign controlled entity		66,371	16,153
Other comprehensive income for the year, net of tax		66,371	16,153
Total comprehensive income for the year		(4,163,156)	(1,960,689)
Loss attributable to:			
Members of the parent entity		(4,229,527)	(1,948,316)
Non-controlling interest		-	(28,526)
		(4,229,527)	(1,976,842)
Total comprehensive loss attributable to:			
Members of the parent entity		(4,163,156)	(1,936,201)
Non-controlling interest		-	(24,488)
		(4,163,156)	(1,960,689)
Basic loss per share (\$ per share)	8	(0.09)	(0.08)

The accompanying notes form part of these financial statements.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012**

	Note	2012	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9	3,732,628	2,763,372
Trade and other receivables	10	66,863	5,889
Other assets	11	191,471	-
TOTAL CURRENT ASSETS		3,990,962	2,769,261
NON-CURRENT ASSETS			
Property, plant and equipment	12	837,689	286,299
Exploration and evaluation assets	13	7,423,175	6,140,977
TOTAL NON-CURRENT ASSETS		8,260,864	6,427,276
TOTAL ASSETS		12,251,826	9,196,537
CURRENT LIABILITIES			
Trade and other payables	14	133,715	106,014
Borrowings	15	-	101,396
TOTAL CURRENT LIABILITIES		133,715	207,410
TOTAL LIABILITIES		133,715	207,410
NET ASSETS		12,118,111	8,989,127
EQUITY			
Issued capital	16	13,417,328	7,678,134
Reserves	17	5,071,774	1,670,213
Accumulated losses		(6,370,991)	(2,012,633)
Parent interest		-	7,335,714
Non-controlling interest	22	-	1,653,413
TOTAL EQUITY		12,118,111	8,989,127

The accompanying notes form part of these financial statements.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2012

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulat- ed Losses	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	3,219	-	-	(64,317)	-	(61,098)
Loss attributable to members of the Company	-	-	-	(1,948,316)	(28,526)	(1,976,842)
Other comprehensive income	-	-	12,115	-	4,038	16,153
Total comprehensive income for the year	-	-	12,115	(1,948,316)	(24,488)	(1,960,689)
Transactions with owners, recognised directly in equity						
Options issued during the year	-	1,658,098	-	-	-	1,658,098
Shares issued during the period	8,099,947	-	-	-	-	8,099,947
Capital raising costs	(425,032)	-	-	-	-	(425,032)
Recognition of non-controlling interest	-	-	-	-	1,677,901	1,677,901
Balance at 30 June 2011	7,678,134	1,658,098	12,115	(2,012,633)	1,653,413	8,989,127
Balance at 1 July 2011	7,678,134	1,658,098	12,115	(2,012,633)	1,653,413	8,989,127
Loss for the year	-	-	-	(4,229,527)	-	(4,229,527)
Other comprehensive income	-	-	66,371	-	-	66,371
Total comprehensive income for the year	-	-	66,371	(4,229,527)	-	(4,163,156)
Transactions with owners, recognised directly in equity						
Options issued during the year	-	3,331,152	-	-	-	3,331,152
Shares issued during the year	5,968,500	-	-	-	-	5,968,500
Capital raising costs	(229,306)	-	-	-	-	(229,306)
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interest without a change in control	-	-	4,038	(128,831)	(1,653,413)	(1,778,206)
Balance at 30 June 2012	13,417,328	4,989,250	82,524	(6,370,991)	-	12,118,111

The accompanying notes form part of these financial statements.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and for exploration expenditure		(2,544,409)	(385,584)
Interest received		128,601	127,433
Net cash (used in)/from operating activities	19	<u>(2,415,808)</u>	<u>(258,151)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for subsidiary, net of cash acquired	22	-	(976,130)
Purchase of property, plant and equipment		(624,538)	(286,299)
Net cash used in investing activities		<u>(624,538)</u>	<u>(1,262,429)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,168,500	4,499,947
Payments for share issue costs		(229,306)	(334,233)
(Repayment)/Proceeds from loan		-	(28,604)
Net cash from financing activities		<u>3,939,194</u>	<u>4,137,110</u>
Net increase in cash and cash equivalents		898,848	2,616,530
Cash and cash equivalents at the beginning of the financial year		2,763,372	130,688
Effect of exchange rate fluctuations on cash and cash equivalents held		70,408	16,154
Cash at the end of the financial year	9	<u><u>3,732,628</u></u>	<u><u>2,763,372</u></u>

The accompanying notes form part of these financial statements

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

This financial report includes the consolidated financial statements and notes of Condoto Platinum NL ("the Company") and its controlled entity ("the Consolidated Group" or "the Group"). Condoto Platinum NL is a company domiciled in Australia.

The separate financial statements of the parent entity, Condoto Platinum NL, have not been presented with this financial report as permitted by the Corporations Act 2001.

The financial report was issued by the board of directors on 27 September 2012 by the directors of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian interpretations) adopted by the Australian Accounting Standard Board ("AASB") and the Corporations Act 2001. The financial statements of the Group also complies with the International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

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

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Condoto Platinum NL at the end of the reporting period. A controlled entity is any entity over which Condoto Platinum NL has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

A list of controlled entities is contained in Note 22 to the financial statements.

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

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(a) Principles of Consolidation (continued)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

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

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

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

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). The Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the *full goodwill method*, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 22 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(b) Income Tax

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

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

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

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

(c) Plant and equipment

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

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(c) Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of Fixed Asset	Useful Life
Motor Vehicles	4 years
Plant and Equipment	3 – 4 years
Buildings	5 years

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal is determined by comparing proceeds with the carrying amount. These amounts are included in the statement of comprehensive income.

(d) Exploration and Evaluation Assets

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

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

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

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

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

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

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(e) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

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

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by Key Management Personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

(iii) Held-to-maturity investments

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

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

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

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

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(e) Financial Instruments (continued)

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group has no material financial guarantees.

Impairment

At the end or each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

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

(f) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the statement of financial position.

(h) Revenue and Other Income

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

(i) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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

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

(j) Employee Benefits

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

Equity-settled compensation

The Group operates a share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services can not be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that will eventually vest.

(k) Borrowing Costs

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

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

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(l) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative figures

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

(n) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

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

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognized other comprehensive Income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed of.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(o) Critical Accounting estimates and judgements

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

Key Estimates

Impairment

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 18.

Taxation

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

Key Judgements

Environmental Issues

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

Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(d). The carrying value of capitalised expenditure at the end of the reporting period is \$7,423,174.

Business Combination

In determining the value of the acquisition of Condoto Platinum Limited, the Directors applied the partial goodwill method to the Non-Controlling Interest at the reporting period ended 30 June 2011. Per note 1(p) during the reporting period ended 30 June 2012 the Group elected to change the accounting policy on the recognition of Non-controlling interests to the full goodwill method to better reflect the fair value of the purchase transaction relating to the acquisition of Condoto Platinum Limited. Refer also note 22.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

(p) Change in accounting policy

The Group has changed the accounting policy relating to the measurement of Non-Controlling Interest for the period ending 30 June 2012. Accordingly the Group has retrospectively changed the comparatives for the year ended 30 June 2011. Non-controlling interests were previously recognised by the Group through the application of the partial goodwill method. The Group has elected to use the full goodwill method as the Group believes this better represents the fair value of the purchase transaction relating to the Condoto Platinum acquisition. This change has been implemented as management is of the opinion that the full goodwill method provides a more accurate value of the interests of non-controlling entities.

	30 June 2011		
	Previously Reported	Adjustment	Restated
Effect on Statement of Comprehensive Income	-	-	-
Effect on Statement of Financial Position			
- Exploration and evaluation assets	4,576,227	1,564,750	6,140,977
- Non-controlling interests	88,663	(1,564,750)	1,653,413

	Note	2012	2011
		\$	\$
NOTE 2: REVENUE AND OTHER INCOME			
Revenue from continuing operations			
Other revenue:			
Interest received, non-related parties		155,728	127,433
Total Revenue		155,728	127,433
Other Income:			
Gain on debt forgiveness		75,360	-
		75,360	-

	Note	2012	2011
		\$	\$
NOTE 3: LOSS FOR THE YEAR			
Loss before income tax from continuing operations includes the following specific expenses:			
Employee benefits expense:			
Superannuation expense		7,224	8,200
		7,224	8,200

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
NOTE 4: INCOME TAX			
(a) Income tax expense		-	-
Current tax		-	-
Deferred tax		-	-
		<hr/>	<hr/>
Deferred income tax expense included in income tax expense comprises:		(24,677)	(134,360)
(Increase) in deferred tax assets		24,677	134,360
Increase in deferred tax liabilities		-	-
		<hr/>	<hr/>
(b) The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating profit at 30% (2011: 30%)		(1,268,858)	(593,053)
Add / (Less)			
-Share-based payments		999,346	470,189
-Other		460	60,478
Tax effect of:			
Deferred tax asset not brought to account		269,052	62,386
Income tax attributable to operating loss		-	-
		<hr/>	<hr/>
The applicable weighted average effective tax rates are as follows:		Nil%	Nil%
Balance of franking account at year end		Nil	Nil
Deferred tax assets			
Tax Losses		531,903	249,686
Provisions and Accrual		-	-
Other		176,460	155,615
		<hr/>	<hr/>
Unrecognised deferred tax asset		708,363	405,301
Set-off deferred tax liabilities		(159,037)	(134,360)
Net deferred tax assets		549,326	270,941
Less deferred tax assets not recognised		(549,326)	(270,941)
Net Assets		<hr/>	<hr/>
		-	-
Deferred tax liabilities			
Exploration expenditure		134,360	133,137
Other		24,677	1,223
		<hr/>	<hr/>
		159,037	134,360
Set-off deferred tax assets		(159,037)	(134,360)
Net deferred tax liabilities		<hr/>	<hr/>
		-	-
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised		1,773,009	832,286
		<hr/>	<hr/>

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: INCOME TAX (CONTINUED)

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2012 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTE 5: RELATED PARTY TRANSACTIONS

Other than transactions with Key Management Personnel and their related entities (refer Note 6), there were no other related party transactions during the year.

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2012.

The totals of remuneration paid to KMP during the year are as follows:

	2012	2011
	\$	\$
Short-term employee benefits	180,000	118,025
Post employment benefits	9,450	8,447
Equity Settled	2,534,219	213,631
Other payments	90,000	125,708
Total KMP Compensation	2,813,669	465,811

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2012	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Ed Nealon (resigned 21 October 2011)	2,000,000	-	-	-	2,000,000	2,000,000	-
Brian Thomas	1,000,000	-	-	-	1,000,000	1,000,000	-
William Hayden	2,000,000	-	-	-	2,000,000	2,000,000	-
Phillip O'Neill	-	1,000,000	-	-	1,000,000	-	1,000,000
Jay Stephenson	125,000	-	-	-	125,000	125,000	-
Total	5,125,000	1,000,000	-	-	6,125,000	5,125,000	1,000,000

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

	Balance at the start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
30 June 2011							
Ed Nealon	-	2,000,000	-	-	2,000,000	-	2,000,000
Brian Thomas	-	1,000,000	-	-	1,000,000	-	1,000,000
William Hayden	-	2,000,000	-	-	2,000,000	-	2,000,000
Matthew Atkins	-	-	-	-	-	-	-
Anna Aaron	-	-	-	-	-	-	-
Jay Stephenson	-	250,000	-	(125,000)	125,000	-	125,000
Total	-	5,250,000	-	(125,000)	5,125,000	-	5,125,000

KMP Shareholdings

The number of ordinary shares in Condoto Platinum NL held by each KMP of the Group during the financial year is as follows:

	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
30 June 2012					
Ed Nealon (resigned 21 October 2011)	-	-	-	-	-
Brian Thomas	30,001	-	-	-	30,001
William Hayden	-	-	-	-	-
Phillip O'Neill	-	-	-	-	-
Jay Stephenson	20,000	-	-	-	20,000
Total	50,001	-	-	-	50,001

	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
30 June 2011					
Ed Nealon	-	-	-	-	-
Brian Thomas	1	-	-	30,000	30,001
William Hayden	-	-	-	-	-
Phillip O'Neill	-	-	-	-	-
Matthew Atkins	-	-	-	1,330,000	1,330,000
Anna Aaron	-	-	-	125,000	125,000
Jay Stephenson	-	-	-	20,000	20,000
Total	1	-	-	1,505,000	1,505,001

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP (including loans), refer to Note 5: Related Party Transactions.

NOTE 7: AUDITOR'S REMUNERATION

	2012	2011
	\$	\$
Remuneration of the auditor of the Group for:		
- Auditing or reviewing the financial reports	29,675	17,300
- taxation services provided by related practice of auditor	3,900	-
	-	-
Remuneration of the auditor of the Overseas Subsidiary:		
- Auditing or reviewing the financial reports	8,820	-
- taxation services provided by related practice of auditor	-	-
	-	-

NOTE 8: BASIC LOSS PER SHARE

Reconciliation of earnings to profit or loss:

	2012	2011
	\$	\$
Loss used in calculation of basic EPS	(4,229,527)	(1,976,846)
Loss attributable to non-controlling equity interest	-	28,526
	(4,229,527)	(1,948,320)

Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share

	45,190,086	23,946,304
--	------------	------------

Diluted loss per share is not shown as the result is anti-dilutive in nature.

NOTE 9: CASH AND CASH EQUIVALENTS

Cash at bank	3,732,628	2,763,372
Total cash and cash equivalents in the statement of cash flows	3,732,628	2,763,372

NOTE 10: OTHER RECEIVABLES

CURRENT

GST receivable	4,450	5,392
Other receivable	62,413	497
	66,863	5,889

NOTE 11: OTHER ASSETS

CURRENT

Prepayments	191,471	-
	191,471	-

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: PLANT AND EQUIPMENT

	2012	2011
	\$	\$
Computer equipment	41,564	15,615
Accumulated Depreciation	(15,264)	-
	<hr/>	<hr/>
	26,300	15,615
	<hr/>	<hr/>
Plant and equipment	492,884	41,211
Accumulated depreciation	(42,051)	-
	<hr/>	<hr/>
	450,833	41,211
	<hr/>	<hr/>
Motor vehicles	80,887	56,417
Accumulated depreciation	(14,155)	-
	<hr/>	<hr/>
	66,372	56,417
	<hr/>	<hr/>
Buildings	295,502	173,056
Accumulated depreciation	(1,678)	-
	<hr/>	<hr/>
	293,824	173,056
	<hr/>	<hr/>
Total property, plant and equipment at cost	910,837	286,299
Total accumulated depreciation	(73,148)	-
	<hr/>	<hr/>
	837,689	286,299
	<hr/>	<hr/>

Movements in carrying amounts

Movements in carrying amounts for each class of plant and equipment between the beginning and end of the current financial year.

	Computer equipment	Plant and equipment	Motor vehicles	Buildings	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2011	15,615	41,211	56,417	173,056	286,299
Additions	25,949	451,673	24,470	122,446	624,538
Depreciation charge	(15,264)	(42,051)	(14,155)	(1,678)	(73,148)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at 30 June 2012	26,300	450,833	66,732	293,824	837,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13: EXPLORATION ASSETS

Note	2012	2011
	\$	\$

NON-CURRENT

Balance at the beginning of the year	6,140,977	-
Additions through business combination	-	5,801,427
Exploration of tenements	1,282,198	339,550
	<u>7,423,175</u>	<u>6,140,977</u>

The value of the Group interest in exploration expenditure is dependent upon:

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

NOTE 14: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	95,854	30,058
Accrued expenses	26,320	72,118
Other payables	11,541	3,838
	<u>133,715</u>	<u>106,014</u>

NOTE 15: BORROWINGS

CURRENT

Unsecured loans	-	101,396
	<u>-</u>	<u>101,396</u>

During the financial year outstanding loans were forgiven.

NOTE 16: ISSUED CAPITAL

(a) Share Capital

45,655,000 (2011:33,700,004) fully paid ordinary shares	14,128,449	8,159,949
6,000,000 (2011:6,000,000) partly paid ordinary shares issued at \$0.20 paid to \$0.001 *	600	600
Transaction costs relating to share issues	(711,721)	(482,415)
	<u>13,417,328</u>	<u>7,678,134</u>

* Partly paid shares were issued to promoters of the Company. Each partly paid share is at a price of 20 cents of which 0.01 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time within 5 years of issue. The partly paid shares will allow on a pro-rata basis permit the holder to vote at general meetings and to participate in dividends.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16: ISSUED CAPITAL (CONTINUED)

(b) Movements in fully paid Ordinary Capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2011	300,002	2,619
Shares issued at \$0.20	31 August 2010	17,500,000	3,500,000
Shares issued at \$0.30 (i)	28 February 2011	566,668	-
Shares issued at \$0.30 (ii)	15 March 2011	3,333,334	999,947
Shares issued at \$0.30 (iii)	21 March 2011	6,000,000	1,800,000
Shares issued at \$0.30 (iv)	20 June 2011	6,000,000	1,800,000
Transaction costs relating to share issues		-	(425,032)
Balance at end of the reporting period	30 June 2011	33,700,004	7,677,534
Balance at beginning of the reporting period	1 July 2011	33,700,004	7,678,134
Shares issued at \$0.30 (v)	14 December 2011	6,000,000	1,800,000
Shares issued at \$0.70	15 February 2012	5,955,000	4,168,500
Transaction costs relating to share issues		-	(229,306)
Balance at end of the reporting period	30 June 2012	45,655,004	13,416,728

(c) Movements in partly paid Ordinary Capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2011	6,000,000	600
Balance at end of the reporting period	30 June 2011	6,000,000	600
Balance at beginning of the reporting period	1 July 2011	6,000,000	600
Balance at end of the reporting period	30 June 2012	6,000,000	600

- (i) 566,668 fully paid ordinary shares of \$0.30 per share were issued as repayment of loans for exploration programs;
- (ii) 3,333,334 fully paid ordinary shares of \$0.30 per share were issued to raise \$999,947 to fund the development of the exploration project;
- (iii) 6,000,000 fully paid ordinary shares of \$0.30 per share were issued to Smart Kingdom Investments as part of first tranche settlement to acquire the Condoto Platinum Limited which owns tenements and rights to explore platinum in the Condoto area of the Choco Province in Colombia in exchange for 51% interest Condoto Platinum Limited;
- (iv) 6,000,000 fully paid ordinary shares of \$0.30 per share were issued to Smart Kingdom Investments as part of second tranche settlement to acquire an additional 24% interest in Condoto Platinum Limited; and
- (v) 6,000,000 fully paid ordinary shares of \$0.30 per share were issued to Smart Kingdom Investments as part of the third tranche settlement to acquire the remaining 25% interest in Condoto Platinum Limited.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16: ISSUED CAPITAL (CONTINUED)

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

(d) Options

- For information relating to the Condoto Platinum NL employee option plan, including details of options
- i. issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 18: Share-based Payments.
 - ii. For information relating to share options issued to Key Management Personnel during the year, refer to Note 18.

(e) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2012 and 30 June 2011 are as follows:

	2012	2011
	\$	\$
Cash and cash equivalents	3,732,628	2,763,372
Other receivables	66,863	5,889
Trade and other payables	(133,715)	(106,014)
Loan payable	-	(101,396)
	3,665,776	2,561,851

The Group is not subject to any externally imposed capital requirements.

NOTE 17: RESERVES

a) Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

b) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 18: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2012:

- i. On 2 September 2010, 1,000,000 share options were granted to lead broker Patersons Securities Limited for no consideration to acquire 1 share in the Company exercisable at \$0.20 on or before the 5 year anniversary of the date of quotation on ASX being 2 September 2015. The options hold no dividend or voting rights and are transferrable.
- ii. On 15 March 2011, 2,000,000 share options were granted to Veritas Securities to act as corporate advisor pursuant to the acquisition of Condoto Platinum Limited. The share options were exercisable at \$0.20 per option on or before 1 July 2015. The options hold no dividend or voting rights and are transferrable.
- iii. On 18 April 2011, 1,100,000 share options were granted to employees under the Condoto Platinum NL employee option plan to take up ordinary shares at an exercise price of \$0.80 on or before the 18 April 2016. The options hold no dividend or voting rights and are not transferrable.
- iv. Options granted to Key Management Personnel are as follow:

Grant Date	Number
31 May 2011	5,250,000
12 December 2011	1,000,000

These options vest over a 12 month period. Further details of these options are provided in the directors report. The options hold no voting of dividend rights and are unlisted. The options do not lapse when a director ceases their employment with the Group. During the financial year 5,250,000 options vested with Key Management Personnel (2011: nil).

A summary of the movements of all company options issued is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2010	-	-
Granted	9,360,000	\$1.00
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	9,360,000	\$1.00
Granted	1,000,000	\$1.00
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2012	10,360,000	\$1.00
Options exercisable as at 30 June 2012	9,360,000	\$1.00
Options exercisable as at 30 June 2011	3,000,00	\$0.20

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 18: SHARE BASED PAYMENTS (CONTINUED)

No options were exercised during the year.

The weighted average remaining contractual life of options outstanding at year-end was 3 years. The exercise of outstanding share options at the end of the reporting period was \$1.00.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was \$1.00 (2011: \$1.00). These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price:	\$1.01
Weighted average life of the option:	3 years
Expected share price volatility:	50%
Risk-free interest rate:	3.95%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

NOTE 19: CASH FLOW INFORMATION

Loss after income tax	(4,229,527)	(1,976,842)
Non-cash flows in loss after income tax		
Share-based payment expense	3,331,152	1,567,298
Depreciation expense	73,148	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(252,444)	(5,791)
(Increase)/decrease in exploration expenditure	(1,264,441)	113,053
Increase/(decrease) in payables	(73,696)	44,131
Cash flow from operations	<u>(2,415,808)</u>	<u>(258,151)</u>

Credit Standby Facilities

The Group has no credit standby facilities.

Non-Cash investing and financing activities

During the period ended 30 June 2012 the Group elected to change the accounting policy in relation to the treatment of non-controlling interests 1(p). The non-cash flow effect on the change in accounting policy is \$1,782,444.

On 14 December 2011, the Company acquired an additional 24% interest in Condoto Platinum Limited via the issuance of 6,000,000 fully paid ordinary shares of \$0.30 per share, this share based payment equated to \$1,800,000.

During the period ended 30 June 2012 the Group had a gain in debt forgiveness of \$75,360. Other amounts of \$26,036 were settled through non-cash transactions where amounts due to the Group to external parties were forgiven.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the Directors.

The Group is currently operative in Australia (2012: predominately Corporate) and Colombia (predominately Exploration).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets

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

Segment liabilities

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

Unallocated items

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

- Income tax expense
- Deferred tax assets and liabilities
- Depreciation expense

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: OPERATING SEGMENTS (CONTINUED)

	Australian Exploration \$	Colombian Exploration \$	Corporate \$	Total \$
30 June 2012				
REVENUE				
Interest revenue	-	-	155,728	155,728
Total segment revenue			155,728	155,728
Reconciliation to net loss:	-	(485,790)	(3,670,589)	(4,156,379)
Depreciation expense				(73,148)
Loss before income tax				(4,229,527)
As at 30 June 2012				
Segment assets	-	8,514,746	3,737,080	12,251,826
Segment asset increases for the period:				
- Exploration expenditure	-	1,282,197	-	1,282,197
- Capital expenditure	-	551,390	-	551,390
	-	1,833,587	-	1,833,587
Segment liabilities	-	62,025	71,690	133,715

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: OPERATING SEGMENTS (CONTINUED)

	Australian Exploration \$	Colombian Exploration \$	Corporate \$	Total \$
30 June 2011				
REVENUE				
Interest revenue	-	-	127,433	127,433
Total segment revenue			127,433	127,433
Reconciliation to net loss:	(7,256)	(80,432)	(1,889,154)	(1,976,842)
Depreciation expense				-
Loss before income tax				<u>(1,976,842)</u>
As at 30 June 2011				
Segment assets	5,489	6,427,676	2,763,372	9,196,537
Segment asset increases for the period:				
- Additions through business combination	-	1,988,427	-	1,988,427
- Exploration expenditure	-	339,550	-	339,550
- Capital expenditure	-	286,299	-	286,299
	-	2,614,276	-	2,614,276
Segment liabilities	106,014	101,396	-	207,410

Segment information by geographical region:

The analysis of the location of total assets is as follows:

	2012 \$	2011 \$
Australia	3,758,258	2,751,839
Colombia	8,493,568	6,444,698
Total Assets	<u>12,251,826</u>	<u>9,196,537</u>

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20 – FINANCIAL INSTRUMENTS

Financial Risk Management Policies

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

The main purpose of non-derivative financial instruments is to raise finance for Group's operations. The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below:

	2012	2011
	\$	\$
Financial assets		
Cash and cash equivalents	3,732,628	2,763,372
Other receivables	66,863	5,889
Total financial assets	3,799,491	2,769,261
Financial liabilities		
Trade and other payables	133,715	106,014
Borrowings	-	101,396
Total financial liabilities	133,715	207,410

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk (including fair value interest rate risk and price risk) and cash flow interest rate risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

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

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to 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.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2012	2011
		\$	\$
Cash and cash equivalents			
- AA Rated	9	3,732,628	2,763,372

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20 – FINANCIAL INSTRUMENTS (CONTINUED)

Specific Financial Risk Exposures and Management

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(c) Cash flow and fair value interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Floating Interest Rate \$	Non- interest bearing \$	2012 Total \$	Floating Interest Rate \$	Non- interest bearing \$	2011 Total \$
Financial assets						
<i>- Within one year</i>						
Cash and cash equivalents	3,732,628	-	3,732,628	2,763,372	-	2,763,372
Other receivables	-	66,863	66,863	-	5,889	5,889
Total financial assets	3,732,628	66,863	3,799,491	2,763,372	5,889	2,769,261
<i>Weighted average interest rate</i>	3.85%			4.61%		
Financial Liabilities						
<i>- Within one year</i>						
Trade and other Payables	-	133,715	133,715	-	106,014	106,014
Borrowings	-	-	-	101,396	-	101,396
Total financial liabilities	-	133,715	133,715	101,396	106,014	207,410
Net financial assets	3,732,628	(66,852)	3,665,776	2,661,976	(100,125)	2,561,851

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20 – FINANCIAL INSTRUMENTS (CONTINUED)

Specific Financial Risk Exposures and Management

Sensitivity Analysis

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

	Profit	Equity
Year ended 30 June 2012	\$	\$
+/-1% in interest rates	37,326	37,326
Year ended 30 June 2011		
+/-1% in interest rates	27,634	27,634

(d) Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is not exposed to securities price risk as it has no investments as held for trading or for medium to longer terms.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is minimal as the Group only holds small sums of money in the Subsidiary bank account in Colombian Pesos, the majority of the Group's funds are held in Australian dollars, however the Board continues to monitor this exposure.

(e) Net fair Value of financial assets and liabilities

Fair value estimation

The net fair values of financial assets and financial liabilities are the same as the carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: PARENT ENTITY DISCLOSURES

(a) Financial Position of Condoto Platinum NL

	Note	2012	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,758,258	2,751,839
Loan to subsidiary		1,090,162	181,733
Other receivables		7,122	5,488
TOTAL CURRENT ASSETS		4,855,542	2,939,060
NON-CURRENT ASSETS			
Investments		7,334,258	4,576,130
TOTAL NON-CURRENT ASSETS		7,334,258	4,576,130
TOTAL ASSETS		12,189,800	7,515,190
CURRENT LIABILITIES			
Trade and other payables		71,690	106,014
Loan payable		-	-
TOTAL CURRENT LIABILITIES		71,690	106,014
TOTAL LIABILITIES		71,690	106,014
NET ASSETS / (DEFICIENCY)		12,118,110	7,409,176
EQUITY			
Issued capital		13,417,328	7,678,134
Reserves		4,989,250	1,658,098
Accumulated losses		(6,288,468)	(1,927,056)
TOTAL EQUITY		12,118,110	7,409,176
(b) Financial Performance of Condoto Platinum NL			
Loss for the year		4,361,412	1,862,739
Other comprehensive income		-	-
Total comprehensive income		4,361,412	1,862,739

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 21: PARENT ENTITY DISCLOSURES (CONTINUED)

(c) Guarantees entered into by Condoto Platinum NL for the debts of its subsidiary

There are no guarantees entered into by Condoto Platinum Limited for the debts of its subsidiary as at 30 June 2012 (2011: none).

(d) Contingent liabilities of Condoto Platinum NL

There were no contingent liabilities as at 30 June 2012 (2011: 1,000,000 USD).

(e) Commitments by Condoto Platinum NL

There were no commitments as at 30 June 2012 (2011: none).

(f) Loans to and Investments in Controlled Entities

Loans are provided by the Parent Entity to its controlled entities for their respective operating activities. Amounts receivable from controlled entities are non-interest bearing with no fixed term of repayment. The carrying value of investments in controlled entities are recognised as an asset in the Parent Entity. The future successful commercial application of these projects or the sale to third parties supports the recognition and recoverability of these assets held in the Parent Entity.

NOTE 22: CONTROLLED ENTITIES CONSOLIDATED

(a) Subsidiaries of Condoto Platinum NL:

Controlled entity	Country of Incorporation	Class of Shares	Percentage Owned	
			2012	2011
Condoto Platinum Limited	British Virgin Islands	Ordinary	100%	75%

Investment in subsidiary is accounted for at cost.

(b) Acquisition of controlled entity

On 12 November 2010, the Company announced that it had reached agreement with Smart Kingdom Investments Limited (Smart Kingdom) to acquire Condoto Platinum Limited which owns tenements and rights to explore platinum in the Condoto area of the Choco Province in Colombia. The settlement of the acquisition was in tranches as follows:

- First tranche settlement which was completed on 21 March 2011 via the issuance of 6,000,000 fully paid ordinary shares of \$0.30 per share in the Company for no consideration and cash payment of USD500,000 to Smart Kingdom in exchange for 51% interest in Condoto Platinum Limited.
- Second tranche settlement was completed on 20 June 2011 via the issuance of 6,000,000 fully paid ordinary shares of \$0.30 per share in the Company for no consideration and concession expenditure payment of USD500,000 in exchange for an additional 24% interest in Condoto Platinum Limited.
- Third tranche settlement was completed on the 14 December 2011 via the issuance of 6,000,000 ordinary shares (consideration shares) in the Company, subject to the Company spending an additional concession expenditure of USD1,000,000 within 24 months of the first tranche settlement in exchange for the remaining 25% interest in Condoto Platinum Limited. Upon the completion of the Third tranche settlement, the Company will own 100% interest in Condoto Platinum Limited.
- Fourth tranche settlement via the issuance of 4,500,000 ordinary shares in the Company on 2 September 2012 subject to the issue of the Third tranche consideration shares and completion of the relevant Third tranche expenditure requirements.

The completion of the first and second tranche settlements resulted in the Company obtaining 75% control of Condoto Platinum Limited at 30 June 2011. The remaining 25% interest was treated as a transaction with owners as control had already been established at the end of 30 June 2011.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 22: CONTROLLED ENTITIES CONSOLIDATED (CONTINUED)

	Note	Acquiree's carrying amount \$	Fair value \$
Purchase consideration:			
— Cash			976,130
— 6,000,000 ordinary shares issued at \$0.30 per share			1,800,000
— 6,000,000 ordinary shares issued at \$0.30 per share			1,800,000
	21(a)		<u>4,576,130</u>
Less: Fair value of identifiable net assets			
Cash and cash equivalents		1,862	1,862
Receivables		829	829
Plant and equipment		583	583
Exploration expenditure		457,577	6,259,004
Payables		(8,247)	(8,247)
Non-controlling interest (i)		(113,151)	(1,677,901)
Identifiable assets acquired and liabilities assumed		<u>339,453</u>	<u>4,576,130</u>
Excess consideration over fair value of identifiable net assets			<u><u>-</u></u>

(i) Per note 1(a) the Group elected to use the full-goodwill method in recognition of non-controlling interest.

NOTE 23: CAPITAL COMMITMENTS

	2012 \$	2011 \$
Capital expenditure commitments:		
Capital expenditure commitments for:		
Mining concession commitments	<u>208,027</u>	-
Payable:		
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	152,743	-
Longer than 5 years	55,284	-
	<u>208,027</u>	-

The concessions relate to the mining exploration of the subsidiary the cost of future commitments will be in USD and equate to \$208,027.

NOTE 24: CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2012 (2011: none).

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

On the 5 September 2012 the Company issued 4,500,000 shares to Smart Kingdom Investments. This was the fourth and final tranche of shares to be issued under the terms of the original sale and purchase agreement between Smart Kingdom and the Company.

Other than those matters noted there have been no other matters or circumstances since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 26: COMPANY DETAILS

The principal place of business and registered office of the Company is:

Level 4, 66 Kings Park Road

West Perth WA 6005

Telephone 08 6141 3530

Facsimile 08 6141 3599

Website: www.condotoplatinum.com.au

Email: info@condotoplatinum.com.au

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 27: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

AASB Reference	Title and Description	Effective date (i.e. annual reporting periods ending on or after)
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 101]</i></p> <p>This standard requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).</p>	30 June 2013
AASB 2011-4	<p><i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]</i></p> <p>This standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.</p>	30 June 2014
AASB 9	<p><i>Financial instruments</i></p> <p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on</p> <ul style="list-style-type: none">(1) the objective of the entity's business model for managing the financial assets;(2) the characteristics of the contractual cash flows. <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none">- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)- The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11</p>	31 December 2013

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 27: NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

AASB Reference	Title and Description	Effective date (i.e. annual reporting periods ending on or after)
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.</p> <p>The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 127.</p>	31 December 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.</p>	31 December 2013
AASB 13	<p><i>Fair Value Measurement</i></p> <p>AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-8.</p>	31 December 2013

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 48, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Group.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



BRIAN THOMAS

Director

Dated 27 September 2012

Perth WA

Independent Auditor's Report

To the Members of Condoto Platinum NL

We have audited the accompanying financial report of Condoto Platinum NL ("the Company") and Controlled Entity ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2012, and 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.

Bentleys Audit & Corporate
(WA) Pty Ltd

Level 1, 12 Kings Park Road
West Perth WA 6005
Australia

PO Box 44
West Perth WA 6872
Australia

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. The financial report of Condoto Platinum NL and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company and Consolidated Entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report of 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

In our opinion, the Remuneration Report of Condoto Platinum NL for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.



BENTLEYS
Chartered Accountants



CHRIS WATTS CA
Director

DATED at PERTH this 27th day of September 2012

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

COPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Condoto Platinum NL ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Promote ethical and responsible decision-making;
4. Safeguard integrity in financial reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of shareholders;
7. Recognise and manage risk;
8. Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Management should establish and disclose functions reserved to the Board and delegated to management.*

Roles and Responsibilities:

The roles and responsibilities carried out by the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

Recommendation 1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the year.

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors.* - All Directors are independent. Refer general comment below.

Recommendation 2.2: *The Chairperson should be an independent Director.* – The Chairman is independent. Refer general comment below.

Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*

Recommendation 2.4: *Establishment of a Nomination Committee.*

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

COPORATE GOVERNANCE STATEMENT

Recommendation 2.5: *Disclose the process for performance evaluation of the Board, its Committees and individual Directors, and key executives.*

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

General Comments:

Membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of two Non-Executive Directors. Refer to the Directors' Report for details of each Director's profile. The majority of the Board is independent.

Chairman and Managing Director

The roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Company.

Nomination Committee

The Company has a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members, and Board performance.

Skills

The Directors bring a range of skills and background to the Board including mineral exploration and geology.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board endeavours to meet at least bi-monthly on a formal basis, although the Board regularly meets informally.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 *The practices necessary to maintain confidence in the Company's integrity;*

3.1.2 *The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;*

3.1.2 *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

Recommendation 3.2: *Disclose the policy concerning trading in Company securities by Directors, officers, and employees.*

Standards

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

COPORATE GOVERNANCE STATEMENT

Recommendation 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.*

The Company believes that the promotion of diversity on Boards, in senior management and within the organisation generally broadens the pool for recruitment of high quality Directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

The Company is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the Company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Company. Diversity within the Company means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its Board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.

Recommendation 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.*

Currently there are women employees in the whole organisation but not in senior executive positions or on the Board. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

Recommendation 3.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its Share Trading Policy are included on the Company's website.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The Board should establish an Audit Committee.*

Recommendation 4.2: *Structure the Audit Committee so that it consists of:*

- *Only Non-Executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.3: *The Audit Committee should have a formal charter. – Refer to Recommendation 4.1.*

General Comments:

Integrity of Company's Financial Condition

The Company's Financial Controller and Company Secretary report in writing to the Board that the financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards.

Audit Committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

COPORATE GOVERNANCE STATEMENT

5. Make timely and balanced disclosure.

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules that the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders receive a copy of the Company's annual report.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

General Comments:

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Bentleys, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The Board or appropriate Board Committee should establish policies on risk oversight and management.*

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

7.2.1 *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.*

7.2.2 *The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.*

Recommendation 7.3: *The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

General Comments:

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824

ANNUAL REPORT 30 JUNE 2012

COPORATE GOVERNANCE STATEMENT

The Financial Controller and Company Secretary state in writing to the Board that:

- The statement given in accordance with best practice recommendation 4 (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.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *Clearly distinguish the structure of Non-Executive Directors' remuneration from that of executives.*

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

General Comments:

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The Remuneration Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee

Members of the Remuneration Committee are the Board members.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report and Note 6 to the financial statements.

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

ADDITIONAL INFORMATION FOR SHAREHOLDERS

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only.

Shareholding as at 19 September 2012

Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 – 1,000	13
1,001 – 5,000	49
5,001 – 10,000	160
10,001 – 100,000	220
100,001 – and over	49
	<hr/>
	491
	<hr/>

The number of shareholdings held in less than marketable parcels is 11.

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

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

20 Largest Shareholders — Ordinary Shares as at 19 September 2012.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Smart Kingdom Investments Limited	22,500,000	44.86
2. Nutsville Pty Ltd <Indust Electric CO S/F A/C>	1,472,556	2.94
3. HSBC Custody Nominees (Australia) Ltd	1,404,121	2.8
4. Osterley Enterprises Limited	1,366,668	2.72
5. MIMO Strategies Pty Ltd <MIMO A/C>	1,085,500	2.16
6. Inswinger Holdings Pty Ltd <CMSS Superannuation Fund A/C>	1,000,000	1.99
7. Aspic Capital	710,000	1.42
8. Bluestar Management Pty Ltd	700,000	1.40
9. P Ford Superannuation Pty Ltd <Patrick Ford Super Fund A/C>	660,000	1.32
10. Delfam Pty Ltd <BFT A/C>	600,000	1.20
11. Mr Adam Stuart Davey <The Davey Investment A/C>	575,000	1.15
12. JP Morgan Nominees Australia Limited <Cash Income A/C>	558,700	1.11
13. Argento Pty Ltd <Murphy Family A/C>	510,000	1.02

CONDOTO PLATINUM NL AND ITS CONTROLLED ENTITY

ABN 43 131 213 824
ANNUAL REPORT 30 JUNE 2012

ADDITIONAL INFORMATION FOR SHAREHOLDERS

14.	Mr A G Jenzen + Mrs E Jenzen <A & E Jenzen P/L NO2 S/F A/C>	350,000	0.70
15.	Mr A S Davey + Mrs M Davey <The Davey Super Fund A/C>	343,770	0.69
16.	Mr R A De Souza + Mrs K L De Souza <De Souza Super Fund>	325,000	0.65
17.	Mckell Place Nominees Pty Ltd	320,000	0.64
18.	Gregorach Pty Ltd	307,500	0.61
19.	Ferncastle Holdings Pty Ltd <N J Pinner Super Fund A/C>	300,000	0.60
20.	Clodene Pty Ltd	290,000	0.58
		35,378,815	70.54

The name of the Company Secretary is Jay Richard Stephenson.

The address of the principal registered office in Australia is Level 4, 66 Kings Park Road, West Perth 6005.
Telephone: 08 6141 3500

Registers of securities are held at the following addresses

Western Australia
Computershare Registry Services
Level 2, 45 St Georges Terrace
PERTH WA 6000

Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

Unquoted Securities

Options over Unissued Shares

A total of 10,360,000 options are on issue of which 3,000,000 options are on issue to three Directors.

Use of Funds

The Company has used its funds in accordance with its initial business objectives.

TENEMENT SCHEDULE

Area	Project	Condoto Platinum NL %
Colombia	JAF 16261	100%
Colombia	JAF 16301	100%
Colombia	JAF 14162	100%