

PLANET METALS LIMITED

ABN 35 108 146 694

**HALF YEAR FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

PLANET METALS LIMITED

DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2013.

Directors

The names of the Company's Directors in office during the half year and until the date of this report are set out below. Except where stated, Directors held office for the whole of the period.

Thomas J Pickett – Appointed Chairman 4 September 2013
Laurie Johnson – Appointed as a Director 25 September 2013
John Hamilton – Appointed as a non- executive Director 25 September 2013
Adam Colrain – Appointed as a non- executive Director 3 October 2013
David K Barwick- Resigned as Chairman and Director 4 September 2013
Barry L Kelly- Resigned as a Non-Executive Director 25 September 2013
Brett O'Donovan- Resigned as Managing Director and Director 25 September 2013

Review of Operations

The loss for the consolidated entity for the half year ended 31 December 2013 was \$343,778, (2012: \$265,073). The increased loss for the period followed the one-off payment of employment expenses to the outgoing Managing Director.

The six month period to 31 December 2013 saw the appointment of a new Board of Directors for the Company and Mr Tom Pickett being appointed as Executive Chairman. The appointment of all Directors was confirmed by Shareholders at the Annual General Meeting held on 27 November 2013.

Exploration activities in the six months to 31 December 2013 focussed on adding value to the Company's exploration projects as a precursor to seeking new Joint Venture partners to assist in developing the projects.

Key exploration activities for the period included:

- Reacquiring 100% control over the Mt Cannindah project following partner Drummond Gold Limited's withdrawal from the Joint Venture with the Company.
- Site visits to the Company's Mt Cannindah and Mt Borium properties to conduct rehabilitation work, sampling activities and to consult with landowners.
- Conduct and analysis of soil sampling programs over the Arthur's Gully prospect aimed at extending the existing historic soil grid and testing the greenfields concept of mineralised porphyry in the area.
- Analysis of water samples taken from the Mt Borium project which revealed potential pathfinder indicators to gold within the system.
- Conduct and analysis of chip sampling program at Mt Cannindah focussed on the Appletree prospect.

Corporate activities during the period included:

- Discussions with potentially interested joint venture partners for the Company's projects:
- Exercise of 4 million options by previous Managing Director, Mr Brett O'Donovan providing the Company with an additional \$100,000 of cash
- New substantial shareholders John Hamilton (also a Director) with 9.1% of the Company's expanded share capital (following the exercise of 4 million options in November / December 2013) and Trojan Retirement Fund (12.5%) were welcomed to the Company's share register.
- Discussions with various parties in the search for new business opportunities for the Company.

Going Concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

Directors have a reasonable expectation, based on lower ongoing employee and director's costs than incurred in the half year period to 31 December 2013 and the Company's ability to significantly reduce its expenditure as required, that it has sufficient levels of working capital for its ongoing needs. The Directors believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

Subsequent Events

No other matters or circumstances have arisen since 31 December 2013, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

Signed in accordance with a resolution of the Directors pursuant to section 306(3) (a) of the *Corporations Act 2001*.



T.J. Pickett
Executive Chairman
Brisbane
6 March 2014

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**Auditor's Independence Declaration
To The Directors of Planet Metals Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Planet Metals Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



CDJ Smith
Partner - Audit & Assurance

Brisbane, 6 March 2013

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PLANET METALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
for the half year ended 31 December 2013

| | Note | Consolidated | |
|--|------|------------------|------------------|
| | | 2013 | 2012 |
| | | \$ | \$ |
| Revenue and Other Income | | | |
| Revenue | 2 | 17,976 | 49,411 |
| Other Income | 2 | - | 12,000 |
| Expenses | | | |
| Employee benefits expense | | (153,835) | (98,648) |
| Exploration & evaluation expenditure w/off | | (23,628) | (21,863) |
| Depreciation and amortisation expense | | (4,887) | - |
| Administrative expenses | | (179,404) | (205,973) |
| Loss before income tax expense | | (343,778) | (265,073) |
| Income tax expense | | - | - |
| Comprehensive Loss | | (343,778) | (265,073) |
| | | | |
| Basic earnings and diluted earnings per share (cents per share) | | (0.47) | (0.43) |

The accompanying notes form part of this financial report

PLANET METALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

| | Note | Consolidated 31 December 2013 \$ | 30 June 2013 \$ |
|--|------|---|-----------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 998,177 | 1,564,379 |
| Trade and other receivables | | 2,852 | 6,573 |
| Other assets | | 2,527 | 2,527 |
| Total Current Assets | | 1,003,556 | 1,573,479 |
| NON CURRENT ASSETS | | | |
| Financial assets | | 82,746 | 14,781 |
| Plant and equipment | | 22,862 | 27,750 |
| Exploration and evaluation expenditure | | 2,643,145 | 2,408,092 |
| Total non-Current Assets | | 2,748,753 | 2,450,623 |
| TOTAL ASSETS | | 3,752,309 | 4,024,102 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 25,892 | 35,020 |
| Provisions | | 3,933 | 22,820 |
| Total Current Liabilities | | 29,825 | 57,840 |
| TOTAL LIABILITIES | | 29,825 | 57,840 |
| NET ASSETS | | 3,722,484 | 3,966,262 |
| EQUITY | | | |
| Contributed equity | | 45,993,552 | 45,893,552 |
| Share option reserve | | 395,614 | 395,614 |
| Accumulated losses | | (42,666,682) | (42,322,904) |
| TOTAL EQUITY | | 3,722,484 | 3,966,262 |

The accompanying notes form part of this financial report

PLANET METALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2013

| | Note | Consolidated | | | Total |
|--|------|-------------------|----------------------|---------------------|------------------|
| | | Share Capital | Share Option Reserve | Accumulated Losses | |
| | | \$ | \$ | \$ | \$ |
| 2012 | | | | | |
| Balance at 1 July 2012 | | 49,349,433 | 343,057 | (41,748,408) | 7,944,082 |
| Shares issued during the period (net of costs) | | 466,935 | - | - | 466,935 |
| Capital return during the period | | (3,881,612) | - | - | (3,881,612) |
| Expired option costs reclassified to share capital | | 31,773 | (31,773) | - | - |
| Options issued | | - | 52,557 | - | 52,557 |
| Loss attributable to members of the company | | - | - | (265,073) | (265,073) |
| Balance at 31 December 2012 | | 45,966,529 | 363,841 | (42,013,481) | 4,316,889 |
| 2013 | | | | | |
| Balance at 1 July 2013 | | 45,893,552 | 395,614 | (42,322,904) | 3,966,262 |
| Shares issued during the period (net of costs) | | 100,000 | - | - | 100,000 |
| Loss attributable to members of the company | | - | - | (343,778) | (343,778) |
| Balance at 31 December 2013 | | 45,993,552 | 395,614 | (42,666,682) | 3,722,484 |

The accompanying notes form part of this financial report

PLANET METALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2013

| | Note | Consolidated 2013 \$ | 2012 \$ |
|--|------|----------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Interest received | | 20,852 | 113,463 |
| Receipts from customers | | - | - |
| Payments to suppliers and employees | | (385,233) | (284,051) |
| Net cash provided by (used in) operating activities | | (364,380) | (170,588) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Exploration and evaluation expenditure | | (301,822) | (321,490) |
| Proceeds from disposal of property plant and equipment | | - | 12,000 |
| Net cash provided by (used in) investing activities | | (301,822) | (309,490) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net proceeds from issue of shares | | 100,000 | 466,935 |
| Payment to shareholders for capital return | | - | (3,881,612) |
| Net cash provided by (used in) financing activities | | 100,000 | (3,414,677) |
| Net increase / (decrease) in cash and cash equivalents during the period | | (566,202) | (3,894,755) |
| Cash and cash equivalents at beginning of period | | 1,564,379 | 5,945,190 |
| Cash and cash equivalents at end of period | 3 | 998,177 | 2,050,435 |

The accompanying notes form part of this financial report

PLANET METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2013

1. Basis of Preparation and Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting standards.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Planet Metals Limited as at 30 June 2013, together with any public announcements made by Planet Metals Limited during the interim reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2013 annual report.

Going Concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

Directors have a reasonable expectation, based on lower ongoing employee and director's costs than incurred in the half year period to 31 December 2013 and the Company's ability to significantly reduce its expenditure as required, that it has sufficient levels of working capital for its ongoing needs. The Directors believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

| Consolidated | |
|---|---|
| Half year ended 31 December 2013 | Half year ended 31 December 2012 |
| \$ | \$ |

2. Revenue and other income

The following revenue and expense items are relevant in explaining the financial performance for the period:

Revenue

| | | |
|--------------------------------------|--------|--------|
| Interest received from other persons | 17,976 | 49,411 |
|--------------------------------------|--------|--------|

Other Income

| | | |
|---|---|--------|
| Profit on disposal of plant and equipment | - | 12,000 |
|---|---|--------|

PLANET METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2013

3. Cash and Cash Equivalents

| | 31 December 2013 | 30 June 2013 |
|--|-----------------------------|-------------------------|
| | \$ | \$ |
| Cash at bank and on hand | 998,177 | 364,379 |
| Cash on deposit | - | 1,200,000 |
| Total cash and cash equivalents | 998,177 | 1,564,379 |

4. Expenditure Commitments and Contingent Liabilities

There were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

5. Subsequent Events

No other matters or circumstances have arisen since 31 December 2013, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

PLANET METALS LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes:
 - a). comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Thomas J. Pickett
Executive Chairman
Brisbane
6 March 2014

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Independent Auditor's Review Report To the Members of Planet Metals Limited

We have reviewed the accompanying half-year financial report of Planet Metals Limited (“Company”), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of Planet Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Planet Metals Limited consolidated entity’s financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Planet Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Planet Metals Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



CDJ Smith
Partner - Audit & Assurance

Brisbane, 6 March 2014