CATALINA
RESOURCES PLC

Annual Report 2012

Company Number: 05837907

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Corporate Information

Company Registration Number (England):	05837907
Registered and UK Office:	Catalina Resources PLC 3 St Peter's Road Malvern Worcestershire WR14 1QS
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Website:	www.catalinaresourcesplc.co.uk
Directors:	Peter S Bridges Andrew J Shaw Ceri L Phipps
Secretary and Solicitor:	Christopher M Bate Bryn-y-Môr Bangor Gwynedd LL57 2HG
Broker:	Hybridan LLP Warnford Court 29 Throgmorton Street London EC2N 2AT
Independent Auditors:	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Banker:	Bank of Scotland 600 Gorgie Road Edinburgh EH11 3XP

Through its wholly-owned Chilean subsidiary, Minera Catalina SA, the Company holds the Jiguata and Toculla concessions in two areas in northern Chile.

Figure 1: Location of the Jiguata and Toculla Projects

Jiguata

The Jiguata concessions lie 150 km east-northeast of Iquique in Northern Chile at an elevation of 4,700 m and cover 5,440 ha. Applications made for an additional 1,800 ha during the year are still pending.

Jiguata encompasses a 20 square km volcanic–hosted “steam-heated” alteration zone identified from satellite mapping and reconnaissance. The area is mostly Miocene-Pliocene andesites and volcanic breccias. Potential host rocks are mostly covered by younger volcanics and colluvium except for exposures in valley floors. Rock chip sampling has identified four potential target areas.

Previous exploration has been limited to mapping and sampling by Catalina and the completion of trenching and drilling by the National Copper Corporation of Chile (Codelco) some years ago when two steeply inclined Reverse Circulation drillholes were drilled as part of a reconnaissance exploration programme for porphyry copper deposits.

Mariana Resources Limited completed a minor amount of exploration under an Option-to-Purchase Agreement on Jiguata between July 2011 and October 2012 but relinquished its option when a corporate strategic review led it to enter into a large new exploration area in Peru.

During its option period Mariana completed geological mapping over a part of the Jiguata area, covering some 7 square km and identified alteration patterns ranging from widespread advanced argillic, localised alunite-argillic and variable argillic-pyritic associated with features such as sheeted quartz veins and veinlets, previously sampled by Catalina.

The mapping also revealed that the altered sector exposed at Jiguata comprises a shallowly-eroded intrusive or porphyry-related lithocap with potential for high sulphidation (“HS”) gold-silver deposits at intermediate level, possibly underlain by deeper porphyry type copper-gold-molybdenum mineralisation.

In addition, two minor occurrences of Au or Au-Cu type porphyry veining were identified, introducing an additional target type. They appear to be strongly structurally controlled with subsequent overprinting by advanced-argillic alteration.

The feldspar-biotite porphyritic host may reflect a high-level intrusive origin to these veins and the spatial association of high Mo values in rock geochemistry with outcrops of this unit lends some support to this hypothesis. Additional minor outcrops of similar porphyry appear to have been unroofed further upstream in the valley hosting the main occurrence; one strongly altered example of which hosts very minor possible porphyry veinlets.

Figure 2: ***Close up of advanced-argillic (alunitic) and acid-leached overprint on earlier porphyry-style banded veins. Note corroded texture parallel to vein banding. (Photo: N. Callan)***

The rather shallow erosion over much of the property, which may not significantly expose levels of precious metal deposition, makes drill target selection problematic as it can only be based on surface mapping and geochemical survey.

More detailed alteration mapping, geochemistry, ground magnetics and particularly resistivity surveys (CSAMT, IP/resistivity) to locate prospective resistive horizons at depth are under consideration.

Toculla

The Toculla concessions lie 140 km northeast of Iquique in Northern Chile at an elevation of 4,000 m and cover 2,100 ha. Applications made for an additional 1,200 ha during the year are still pending.

The concessions are wholly-owned by Catalina Resources.

Toculla was defined as a potential target for epithermal gold and silver mineralisation during a remote sensing study of Region I in Chile during 2010 and early 2011. It lies on a regional-scale, NW-SE trending structure (the Toculla-Puchuldiza Fault) which hosts a number of active hydrothermal and geothermal systems.

One such system, at Puchuldiza, some 30 km to the southeast, is reported to host a resource of 686,000 oz. of gold (at a 0.50 g/t cut-off) developed in veins and stockworks within phreatic breccias and silicified zones. Toculla is in a similar geological, stratigraphic and structural setting to Puchuldiza and may well have developed similar precious metal mineralisation.

This NW-SE trend of the regional-scale structure is significant. In both Argentina and Chile, prominent sets of NW-SE lineaments strike across the Cordillera from east of the Puna to the Chilean coast. There has been much discussion on their possible control on the localisation of copper and gold mineralisation. Repeated reactivation of these left-lateral strike-slip systems can create loci for mineral deposition.

Catalina’s concessions at Toculla overlie the eastern part of an extensive area of altered volcanic rocks exposed in a “window” in an otherwise ubiquitous cover of younger volcanics - which at Toculla has been stripped away – see Figure 2. One, possibly two, HS epithermal complexes are evident in the eastern and central part of the concession area.

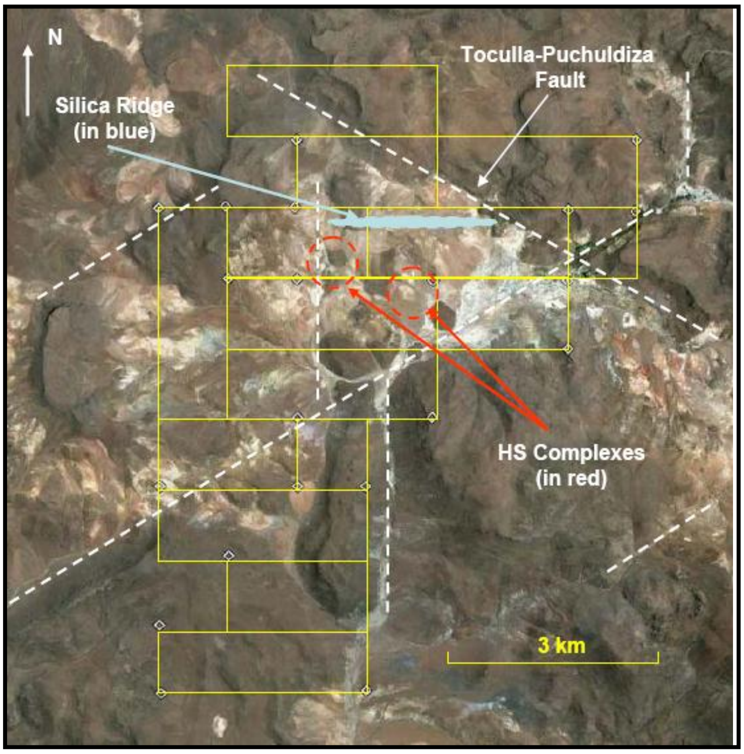

Figure 3: The Toculla Concessions.

Some 500 m to the north of the HS centres, an extensive zone of silicification (Silica Ridge) extends for over 1,100 m in length and approximately 200 m in width. It is flanked by argillic alteration and is associated with thermal springs, hydrothermal breccias and sinters aligned along the NW-SE structure. The proximity of the HS system/s and the hot spring/silicification zone raises the intriguing possibility of interaction between the two and the possible remobilisation and re-concentration of precious metal mineralisation.

The orientation of Silica Ridge suggests that it is a tensional structure, possibly developed in response to episodic movement on the NW-SE Toculla-Puchuldiza Fault. It has been intruded by a number of hydrothermal breccias which are cut by veins and veinlets. Rock samples from Silica Ridge confirm that it was formed at low temperatures and shows anomalous geochemistry.

Samples from hydrothermal breccias returned low precious metal values but anomalous gold pathfinder geochemistry is developed in structures over 40 m wide. Arsenic and barium are anomalous; lead, antimony, tellurium, zinc and cadmium are elevated and molybdenum values are high. Mercury is particularly high with a maximum value of 23 ppm in a breccia hosting clasts of light-grey, cherty silica carrying very finely disseminated sulphide.

Silica Ridge shows many similarities with Puchuldiza which has been described as “a large epithermal gold deposit of geothermal/hot spring origin, located in a geological setting similar to ore deposits and prospects in New Zealand, Papua New Guinea, Japan and the USA”.

Toculla is the only unexplored area on the Toculla-Puchuldiza Fault which lies outside the Volcán Isluga National Park and thus represents an attractive exploration target with the potential for a multi-million ounce precious-metal deposit in veins and stockworks.

Detailed plans for a comprehensive exploration programme involving more detailed mapping, geochemistry, geophysics and diamond core drilling have been prepared and costed.

Review of Operations

Corporate

No significant fund-raisings have taken place during the year.

In the summer of 2012, the Company completed a Letter of Engagement with Hybridan LLP concerning:

a) the appointment of Hybridan LLP as sole broker to the Company,

b) a fundraising of up to £3 million and, depending on market circumstances,

c) the possibility of obtaining a listing and admission to AIM

As AIM brokers and advisers, Hybridan, founded in 2006, is dedicated to fund raising, share price support and providing market-driven corporate finance advice. It raises capital for companies in the most efficient manner possible whether by straight equity or otherwise.

The completion of the Letter of Engagement with Hybridan provides Catalina with an opportunity to achieve a number of long-held objectives. Success in the fundraising and, further down the line, an AIM admission will allow us to expand and develop our operations in Chile and complete the planned geophysical surveys and scout drilling programme at Catalina's Toculla project in Northern Chile.

Operating Risks and Uncertainties

In addition to the project-specific risks discussed above, the Group also faces a number of generic risks including:

- susceptibility to political and socio-economic risks;
- exploration, development and financing risks;
- operational and environmental risks;
- risks associated with fluctuations in mineral prices;
- co-investor risks;
- dependence on key personnel and infrastructure; and
- dependence on successful diversification.

Many significant aspects of these risks are beyond the Group's control but where it can, the Group is putting in place appropriate mechanisms to minimise or mitigate them.

Directors' Report

The Directors present their report together with the audited Group financial statements for the year ended 30 June 2012.

Principal activity

The Company is the parent undertaking of a group which is involved in the exploration for and the development of gold, copper and other metals and minerals in Chile, either alone or in joint venture.

Financial results

Details of the results are set out in the Group Profit and Loss Account on page 11. The Directors do not recommend the payment of a dividend.

Share capital

On 22 July 2011 and 12 January 2012 the Company issued 1,500 and 1,000 ordinary shares of £1.00 each at £2.00 per share to Gavin Jacobs in consideration for on-going services.

Annual General Meeting

Notice of the Annual General Meeting is set out on page 20.

Mr P S Bridges, who retires by rotation and being eligible, offers himself for re-election.

It is proposed to re-appoint Kendall Wadley LLP as auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to set their remuneration.

Resolutions 4 and 5: The Company is seeking shareholder approval to renew the authorities of the Directors to issue shares and to dis-apply pre-emption rights.

Substantial shareholdings

At 4 December 2012 the Directors were aware of the following substantial interests, apart from their own beneficial holdings as set out on page 8, in the share capital of the Company:

Shareholder	**Ordinary Shares of £1 Fully paid**	**%**
Phipps & Company Limited	75,679	11.05%
Soc. de Inversiones Iugetanuma SA	61,636	9.00%
John Drinkwater	51,214	7.47%
Peter Finnegan	25,600	3.74%
Lee Morton	24,363	3.56%
Howard Appleby	23,363	3.41%

Phipps & Co has an option to purchase 5,500 ordinary shares of £1 at a price of £1 per share exercisable (other than in certain exceptional circumstances) until 6 February 2014. Mr C L Phipps has a non-controlling interest in Phipps & Co.

Electronic Communications

The majority of shareholders have opted for shareholder communications to be made electronically, (typically, via email or posted on the Company's website). Certain shareholders have opted out as they wish to receive communications in hard copy format.

Going concern

The Directors consider that they have every reasonable expectation that the Group will have adequate resources to continue its operations for the foreseeable future. On 26 November 2012 £50,000 was received by way of a loan from Phipps & Co and it is anticipated that the Company will issue further equity and apply for an AIM listing during 2013.

The Bribery Act 2010

The Company has adopted procedures to prevent persons associated with it bribing another person on its behalf. The Company has adopted, at Board level, a risk-based approach to managing bribery risks proportionate with the Company's operations and in accordance with the Bribery Act 2010 guidelines.

Directors

The present Directors of the Company, all of whom served throughout the year, are Mr P S Bridges, Mr A J Shaw and Mr C L Phipps.

Peter Bridges (UK), Managing Director, has 43 years experience in mining and mineral exploration including 16 years experience as a Director, later Chief Executive, of Greenwich Resources plc - a British listed public company. He is a Fellow of the Geological Society of London, a Fellow of the Institute of Materials, Minerals and Mining, a Chartered Engineer, a Euro Engineer and a Chartered Geologist.

Andrew Shaw (UK & Chile), Exploration Director, has 37 years experience in mineral exploration with the British Geological Survey and with Greenwich Resources plc – mainly in South America and Europe. He was heavily involved in the discovery of several mineral deposits in Venezuela and the Sappes epithermal Gold deposit in Greece. He speaks fluent Spanish and is resident in Chile.

Ceri Phipps (UK), Non-Executive Director, has 27 years experience working initially as a geologist with TMOC Resources then Greenwich Resources plc, before holding various roles within the power industry. He currently holds a number of non-executive roles within the Phipps & Co group.

The services of Mr Bridges are provided through Torridon Investments Limited.

Secretary

Christopher Bate has acted as Legal Adviser and in most cases as Company Secretary to the Robertson Group plc, Greenwich Resources plc, Highland Energy Holdings Limited, RWE Dea (UK) Limited and Caledonia Oil and Gas Limited. He specialises in business law with particular experience in natural resource companies.

Directors' interests

The Directors held the following beneficial interests in the share capital of the Company at the end of the period and at 4 December 2012:

	Ordinary Shares of £1 each	
Director	**30 June 2012**	4 **December 2012**
	Fully paid	**Fully paid**
Peter Sinclair Bridges	101,525	101,525
Andrew Jack Shaw	88,536	88,536
Ceri Lewis Phipps See note below	-	-

Note:
Mr Phipps holds a 25% equity interest in Phipps & Co. The interests of Phipps & Co are shown under the paragraph headed 'Substantial Shareholdings' (30 June 2012 - 75,679 and 4 December 2012- 75,679).

Directors' Indemnities

Under the Articles of Association of the Company the Directors are, in certain circumstances when acting as Directors of the Company, entitled to be indemnified out of the assets of the Company.

Creditor payment policy

Liabilities are recognised for amounts to be paid in the future for 'services received'. Trade accounts are normally settled within 30 days. Deferred terms have been agreed with certain of the creditors extant at the balance sheet date. Amounts due to trade creditors represent 28 days outstanding (2011 - 53 days).

Political and charitable donations

The Group made no political or charitable donations throughout the year.

Health and safety

The Company has a Health and Safety Policy that seeks to adhere to best practice.

Share option schemes

The Company continues to review the timing for introduction of appropriate schemes for rewarding executives and proposals will be laid before shareholders once a final decision is taken.

Environmental policy

The Company has adopted an environmental policy designed to comply with relevant environmental laws and implement best practice in its activities. It is designed to ensure that employees and third party contractors are aware of the impact of exploration activities on the environment and know how to avoid, manage and minimise any adverse effects.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and to be satisfied that the financial statements give a true and fair view. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

Christopher Bate
Company Secretary
4 December 2012

Registered Office:
3 St Peter's Road
Malvern
Worcestershire WR14 1QS

Independent Auditors Report to the Shareholders of Catalina Resources PLC

We have audited the financial statements of Catalina Resources PLC for the year ended 30 June 2012 set out on pages 11 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's and Group affairs as at 30 June 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

M A Ashworth FCA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

....
4 December 2012

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire WR14 2JS

CATALINA RESOURCES PLC

Group Profit and Loss Account

For the year ended 30 June 2012

	Notes	**2012** **£**	2011 £
Operating income	2	**25,585**	30,154
Exploration costs written off	3	**-**	(302,509)
Amortised goodwill	3	**(33,337)**	(33,339)
Administrative expenses	3	**(95,460)**	(85,816)
Total administrative expenses		**(128,797)**	(421,664)
Operating loss	5	**(103,212)**	(391,510)
Interest received		**29**	302
Interest paid		**(4,540)**	(4,073)
Loss on ordinary activities before taxation		**(107,723)**	(395,281)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year	14	**(107,723)**	(395,281)

All transactions except exploration costs written-off arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

CATALINA RESOURCES PLC

Group Balance Sheet

At 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	8	**352,479**	301,453
Tangible assets	9	**1,006**	1,228
		353,485	302,681
Current assets			
Bank & cash		**5,165**	31,036
Debtors	11	**909**	1,567
		6,074	32,603
Current liabilities			
Creditors: amounts falling due within one year	12	**(168,180)**	(61,169)
Net current assets		**(162,106)**	(28,566)
Total assets less current liabilities		**191,379**	274,115
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(208,013)**	(188,026)
Net (liabilities)/assets		**(16,634)**	86,089
Capital and reserves			
Called up share capital	13	**685,151**	682,651
Share premium	14	**790,320**	787,820
Profit and loss account	14	**(1,492,105)**	(1,384,382)
Equity shareholders' funds	15	**(16,634)**	86,089

Approved by the Board
and authorised for issue on
4 December 2012

P S Bridges
Director

Company Registration No. 05837907

The accompanying accounting policies and notes form an integral part of these financial statements.

Company Balance Sheet

At 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Investment in subsidiary undertaking	10	**437,156**	633,699
Tangible assets	9	**1,006**	1,228
		438,162	634,927
Current assets			
Bank		**2,977**	28,243
Debtors	11	**909**	817
Other debtors	11	**507,466**	408,661
		511,352	437,721
Current liabilities			
Creditors: amounts falling due within one year	12	**(163,980)**	(53,355)
Net current assets		**347,372**	384,366
Total assets less current liabilities		**785,534**	1,019,293
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(208,013)**	(188,026)
Net assets		**577,521**	831,267
Capital and reserves			
Called up share capital	13	**685,151**	682,651
Share premium	14	**790,320**	787,820
Profit and loss account	14	**(897,950)**	(639,204)
Equity shareholders' funds	15	**577,521**	831,267

Approved by the Board
and authorised for issue on
4 December 2012

P S Bridges
Director

Company Registration No. 05837907

The accompanying accounting policies and notes form an integral part of these financial statements.

Group Statement of Cash Flows

For the year ended 30 June 2012

	Notes	**2012** **£**	2011 £
Net cash inflow from operating activities	16	**58,003**	58,625
Returns on investments and servicing of finance			
Interest received		**29**	302
Interest paid		**(4,540)**	(4,073)
Net cash outflow from investments and servicing of finance		**(4,511)**	(3,771)
Capital expenditure			
Payments to acquire fixed assets		**(84,363)**	(136,320)
Net cash outflow from capital expenditure		**(84,363)**	(136,320)
Net cash outflow before management of liquid resources and financing		**(30,871)**	(81,466)
Financing			
Issue of ordinary share capital		**5,000**	7,400
Less share issue costs		**-**	-
Net cash inflow from financing		**5,000**	7,400
Decrease in cash in year	17/18	**(25,871)**	(74,066)

The accompanying accounting policies and notes form an integral part of these financial statements.

1 Accounting policies

The principal accounting policies of the Group, applied throughout the period, are set out below.

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

These financial statements present information about the Company as the parent undertaking of a group.

Basis of consolidation
The Group accounts incorporate the results and assets and liabilities of Company and its subsidiary undertakings for the year ended 30 June.

Going concern
The financial statements have been prepared on a going concern basis.

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Fixtures, fittings and equipment - 20% reducing balance.

Intangible fixed assets
The Group uses the full-cost method of accounting for mining operations. The costs of exploring for and developing mineral reserves, which include acquisition costs, geological and geophysical costs, costs of drilling, costs of mine production facilities, and an appropriate share of directly attributable administrative costs, are treated as intangible fixed assets.

The capitalised mineral expenditure is accumulated in one or more full-cost pools as determined from time to time by the nature and scope of the Group's operations. Currently, these are reviewed on a global basis.

Expenditure in each pool is amortised using a unit-of-production basis when commercial production commences.

The aggregate amount of mineral expenditure subject to amortisation and carried forward in each pool is stated at not more than the assessed value of commercially recoverable reserves in that pool.

The Group compares the carrying value of capitalised mineral expenditure with its recoverable amount (net realisable value) on a regular basis. Any permanent impairment arising is charged to the profit and loss account.

Goodwill is amortised on a straight-line basis over 5 years.

Fixed asset investments
Fixed asset investments are included at cost less amounts written off.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transactions. Exchange differences thus arising are dealt with in the profit and loss account.

For consolidation purposes, the accounts of those overseas subsidiary undertakings which are considered to be integrated foreign operations are translated on the following basis:

- Revenue and expenditure at average exchange rate cost for the period.
- Current and other monetary assets and liabilities at the rate prevailing at the balance sheet date.
- Other assets and liabilities at rates prevailing when acquired or incurred.

This basis gives rise to translation gains or losses, the net amounts of which are included in the profit and loss account.

2 Operating income

Operating income comprises fees for services, which are recognised when the service is provided, and option payments received, which are recognised in accordance with a staged agreement.

3 Administrative expenses

Costs include the overheads of the UK parent company, currency gains and amortised goodwill. No exploration costs have been written off during the year (2011 - £302,509).

4 Loss attributable to the holding company

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial period dealt with in the accounts of the Company was £258,746.

5 Operating loss

	2012	2011
The Group operating loss is stated after charging/crediting:	**£**	£
Fees payable to the Group's auditor for the audit of group accounts	**2,455**	2,640
Foreign exchange loss/(gain)	**1,291**	(2,585)

6 Directors and employees

There were no employees of the company during the year other than the Directors. The Directors were remunerated by way of consultancy fees for technical services provided as follows:

Director:	**2012**	2011
	£	£
Peter S Bridges*	**40,200**	40,200
Andrew J Shaw*	**40,200**	40,200
Ceri L Phipps**	-	-

* *For the period ending 30 June 2012, under deeds dated 30 June 2009 and 27 February 2010, Mr P S Bridges and Mr A J Shaw have deferred payment of the above fees and, additionally, certain expenses and the repayment of loans amounting to £13,513 and £35,223 respectively.*

***Phipps & Co has an option to purchase 5,500 ordinary shares of £1 at a price of £1 per share exercisable (other than in certain exceptional circumstances) until 6 February 2014.*

7 Taxation

There is no charge to corporation tax on the result for the year (2011 – nil) due to the loss for the year.

Reconciliation of tax charge	**2012**	2011
	£	£
Result for the year	**(107,723)**	(395,281)
Corporation tax at 25.5% (2011 – 27.75%)	**(27,469)**	(109,690)
Adjusted for the effects of:		
Unutilised losses	**18,968**	81,494
Accelerated capital allowances	**-**	(426)
Provisions	**-**	19,370
Amortisation of goodwill	**8,501**	9,252
Charge per the accounts	**-**	-

The Group has trading losses of £204,000 (2011 – £176,000) available for offset against future trading profits.

8 Intangible fixed assets	Goodwill	Exploration & Evaluation	Total
Cost	£	£	£
At 1 July 2011	133,348	168,105	301,453
Additions	-	84,363	84,363
Less amortised goodwill	(33,337)	-	(33,337)
At 30 June 2012	**100,011**	**252,468**	**352,479**

9 Tangible fixed assets	Computers
Cost	£
At 1 July 2011	1,535
Additions	-
At 30 June 2012	1,535
Depreciation	
At 1 July 2011	307
Charge for the year	222
At 30 June 2012	529
Net book amount	
At 1 July 2011	1,228
Net book amount	
At 30 June 2012	**1,006**

10 Subsidiary undertakings	Holding	Country of incorporation	Country of operations
Minera Catalina SA	100%	Chile	Chile
Minera La Falda SA	100%	Chile	Chile

La Falda Resources Limited, the Group's wholly-owned Jersey subsidiary was dissolved on 26 April 2012. During the year a provision of £230,000 was made in the Company's accounts against the carrying value of the investment in Minera Catalina SA.

11 Debtors	2012	2011
Group	**£**	£
Trade debtors	**909**	1,567
Company	**£**	£
Trade debtors	**909**	817
Other debtors	**507,466**	408,661
Other debtors represent amounts due from the Company's subsidiary Minera Catalina SA	**508,375**	409,478

12 Creditors	2012	2011
Amounts falling due within one year	**£**	£
Trade creditors	**14,394**	-
Accruals	**55,354**	16,014
Loans	**98,432**	45,155
All loans are repayable within 5 years.	**168,180**	61,169
Amounts falling due after one year		
Trade creditors	**-**	12,511
Loans	**-**	47,675
Accruals	**208,013**	127,840
Accruals represent amounts due to the Directors and Officers of the Company over which settlement has been informally deferred until such time as funds permit.	**208,013**	188,026

13 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
685,151 ordinary shares of £1 each	**685,151**	682,651

Details of shares issued by the Company during the year are set out in the Directors' report on page 7.

As at 30 June 2012 share options over 5,500 ordinary shares of £1 each were outstanding at £1 each exercisable (other than in certain exceptional circumstances) until 6 February 2014 (30 June 2011 - 5,500), and share options over 1,000 ordinary shares of £1 each were outstanding at £1.80 exercisable (other than in certain exceptional circumstances) until 7 April 2017 (30 June 2011 - 1,000).

Additionally, as at 30 June 2012 share warrants (designated Series B) over 49,062 ordinary shares of £1 each were outstanding at £4.20 each exercisable until 22 September 2013 (30 June 2011 - 49,062), and share warrants (designated Series C) over 7,623 ordinary shares of £1 each were outstanding at £2 each exercisable until 25 February 2015 (30 June 2011 - 7,623).

14 Reserves

	Share premium	Profit and loss account
	£	£
At 1 July 2011	787,820	(1,384,382)
Shares issued during the year	2,500	-
Loss for the year	-	(107,723)
At 30 June 2012	**790,320**	**(1,492,105)**

The loss dealt with in the accounts of the parent company is £258,746 (2011 – loss £476,636)

15 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Shareholders' funds at 1 July	**86,089**	473,970
Shares issued during the period	**5,000**	7,400
Loss for the financial period	**(107,723)**	(395,281)
Shareholders' funds at 30 June	**(16,634)**	86,089

16 Reconciliation of operating loss to net cash inflow from operating activities

	2012	2011
	£	£
Operating loss	**(103,212)**	(391,510)
Fixed assets written down	**-**	302,509
Amortised goodwill	**33,337**	33,339
Terminated joint-venture credits offset	**-**	409,359
Depreciation	**222**	307
Decrease in debtors	**658**	3,273
Increase/(decrease) in creditors	**126,998**	(298,652)
Net cash inflow from operating activities	**58,003**	58,625

17 Analysis of net funds

	1 July 2011 £	Cash flow £	**30 June 2012 £**
Net cash:			
Cash at bank and in hand	31,036	(25,871)	**5,165**
Net funds	31,036	(25,871)	**5,165**

18 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
Decrease in cash in year	**(25,871)**	(74,066)
Movement in net funds in the year	**(25,871)**	(74,066)
Opening net funds	**31,036**	105,102
Closing net funds	**5,165**	31,036

19 Capital commitments

The Company had no capital commitments at 30 June 2012.

20 Contingent liabilities

There were no contingent liabilities at 30 June 2012.

21 Transactions with related parties

Other than disclosed above there are no related party transactions except as follows:

During the year Mr C L Phipps, through his 25% non-controlling equity holding in Phipps & Co, was interested in the Loan Agreement agreed between the Company and Phipps & Co on 15 September 2009 for the sum of £62,500. The balance at 30 June 2012, including accrued interest was £49,696 (2011 - £45,155).

Also during the year Mr P S Bridges, through his controlling interest in Torridon Investments Limited, was interested in an agreement to provide office services amounting to £6,000 (2011 - £6,000).

Notice of Annual General Meeting

Notice is hereby given that the fifth Annual General Meeting of Catalina Resources PLC will be held at 3 St Peter's Rd, Malvern, Worcestershire WR14 1QS on Friday, 28 December 2012 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report and Financial Statements for the year ended 30 June 2012 together with the Auditors' Report.

2. To re-elect Mr P S Bridges who, in accordance with the Company's articles, retires by rotation.

3. To re-appoint Kendall Wadley LLP as auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to set their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions:

4. **Ordinary Resolution:** That the Directors be and are hereby empowered, in accordance with the provisions of Section 551 of the Companies Act 2006, until the 2012 Annual General Meeting, to allot relevant equity securities up to a maximum nominal amount of £3,000,000.

5. **Special Resolution:** That the Directors be and are hereby empowered, in accordance with the provisions of Section 571 of the Companies Act 2006, until the 2012 Annual General Meeting, to dis-apply the statutory pre-emption rights and allot relevant equity securities for cash, other than to existing shareholders, up to a maximum nominal amount of £3,000,000.

By order of the Board

Christopher Bate
Company Secretary
4 December 2012

Registered Office:

3 St Peter's Road
Malvern
Worcestershire
WR14 1QS

Notes:

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy may not be a member of the Company. A proxy card is enclosed.