CATALINA
RESOURCES PLC

Annual Report 2011

Company Number: 05837907

Contents

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
Financial Advisers:	Loeb Aron & Company Ltd Georgian House 63 Coleman Street London EC2R 5BB
Independent Auditors:	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers:	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

The Jiguata Project

The Jiguata Project is located approximately 150 km east-northeast of the city of Iquique in Region I of Chile and comprises the Jiguata 1-19 exploration concessions which cover an area of 5,600 hectares at elevations between 4,500 and 4,700 m.

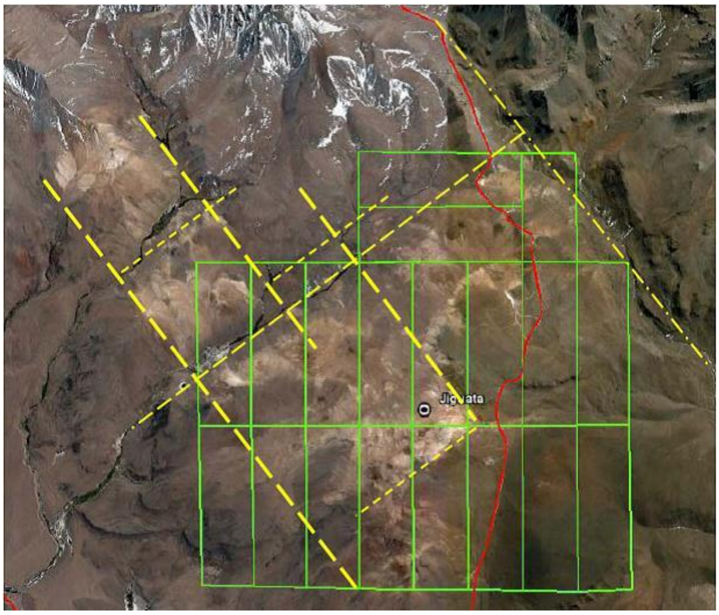

Figure 2: The Jiguata 1-19 Concessions

The concessions overlie part of a 35 km^2 area which displays an alteration pattern characteristic, if not typical, of high-sulphidation epithermal deposits. In Figure 2 note the NW- SE and NE–SW trending structures which appear to control the drainage pattern and the development of the light-coloured alteration at Jiguata.

The geology of the Jiguata area consists of a series of andesites, tuffs and volcanic breccias of probable Miocene-Pliocene age, unconformably overlain by a series of younger volcanics. The older volcanics crop out on the sides of hills and in the base of valleys below the younger cover sequence. The valleys expose a vertical interval of 50-100 m.

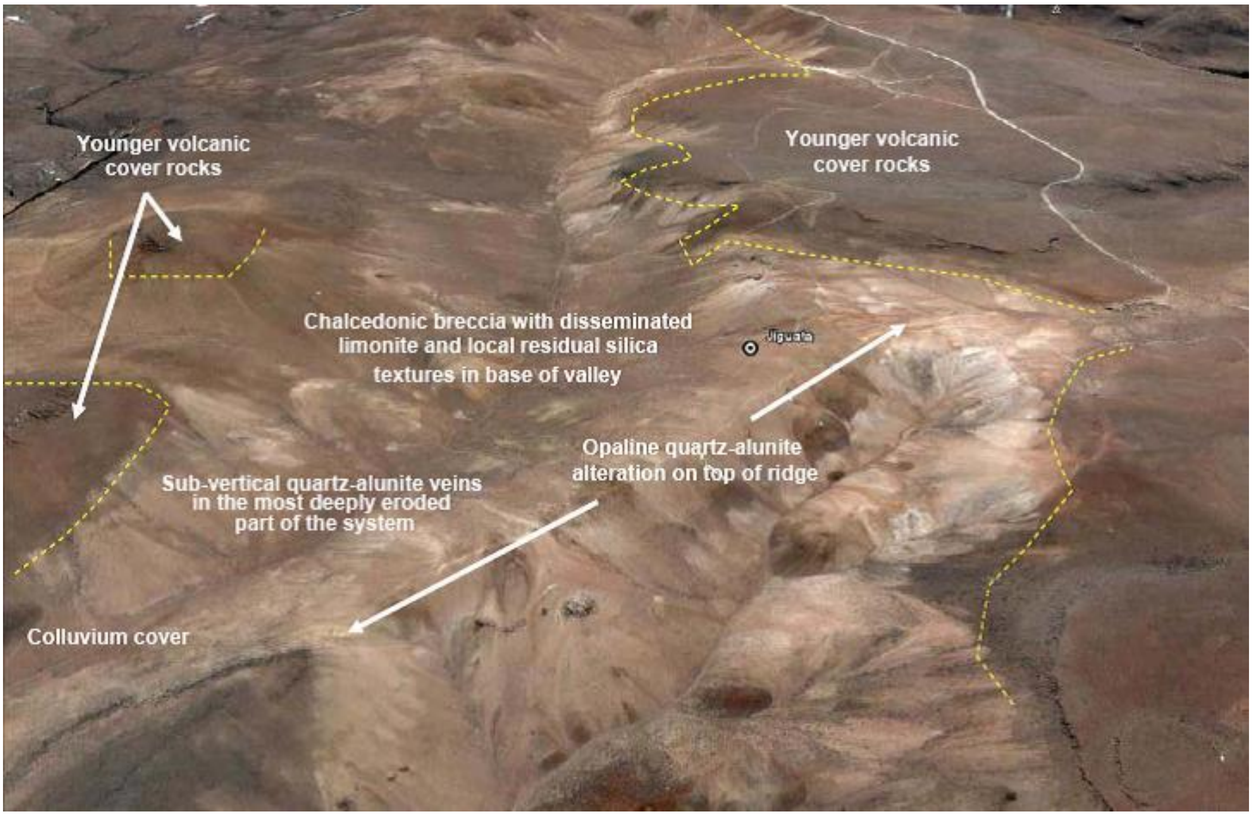

Figure 3: ***Oblique view of Jiguata showing the cover of younger volcanics (dark) overlying the widespread epithermal alteration in the older rocks.***

In the topographically higher areas, particularly towards the East, alteration is dominated by pervasive opaline quartz-alunite-kaolinite assemblages, typical of the "steam-heated zone" often developed above a high-sulphidation epithermal system. In the north there are numerous showings of native sulphur – an additional indicator of possible epithermal processes.

Below this assemblage, and with a more erratic distribution, shallow dipping outcrops of chalcedonic breccia with disseminated limonite and local residual silica textures can be recognised within the main host rock - a permeable lithic tuff. Exposure is poor with outcrop making up only 25% of the claim block. Bedrock in the remainder of the area is obscured by colluvium or the intermittent cover of younger volcanics.

The low formation temperature of chalcedonic silica, and other textures observed, supports the view that some of these breccia outcrops may have formed immediately below an old water table.

In the centre of the Jiguata claim block, a series of sub-vertical quartz-alunite vein structures are seen in outcrop. These occur at the lowest elevation of any of the outcrops at Jiguata and represent the most deeply-eroded part of the proposed epithermal system.

Two vertical reverse circulation drillholes were drilled to the south and southwest of these outcrops over 13 years ago. No comprehensive geological records or assay data have been located so far though it is known that the work was done by Codelco, presumably exploring for porphyry copper mineralisation.

A programme of geological mapping and sampling was completed over the claim block in Q4 2010. A total of 148 samples were collected and analysed for a comprehensive suite of elements.

The most anomalous geochemistry is associated with outcrops in topographic lows, i.e. those areas where the deepest parts of the epithermal system are exposed at surface. However, as there are extensive areas within the concessions with either little or no outcrop and/or thick colluvial cover, there may be other areas with anomalous geochemistry yet to be found.

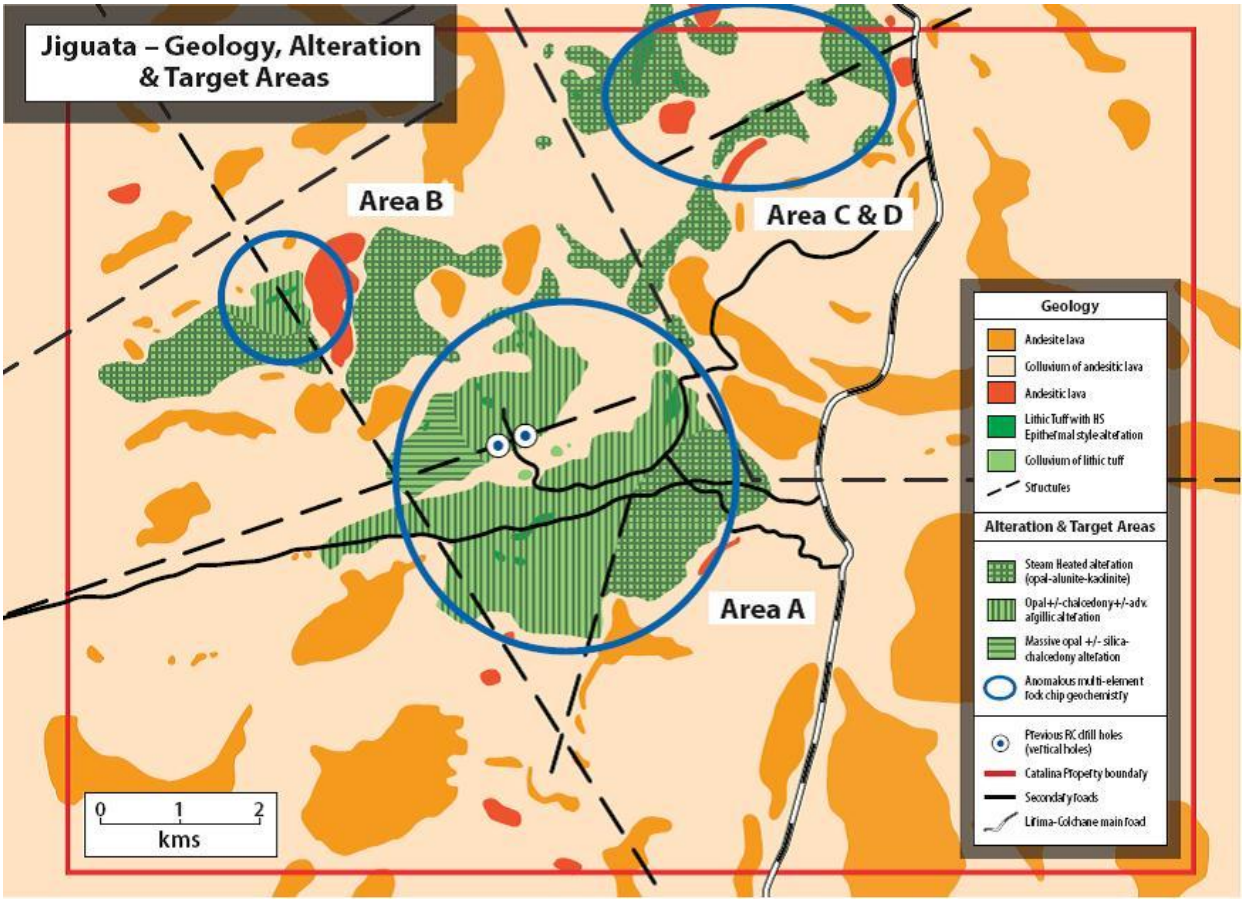

Figure 4: Geology, Alteration and Target Areas

The anomalous results occur in four discrete areas A-D on Figure 4:

Area A is anomalous in all elements and is a very obvious target. It contains the main quartz-alunite veins structures and is the most deeply eroded. The zone of interest is open to in all directions.

Areas B, C & D display distinctly different geochemistry. Area B shows anomalous antimony, bismuth, lead and molybdenum whereas Area C shows anomalous levels of tellurium, selenium and silver – none of which are seen in Area B. Area D (topographically the highest) has anomalous arsenic, barium, tellurium and selenium.

Jiguata – a summary

Alteration at Jiguata, which is characteristic if not typical of high-sulphidation epithermal deposits, is developed over an area measuring 5 km N-S and 7 km E-W which also displays distinctly anomalous and characteristic geochemistry.

The Jiguata claim block may represent the uppermost part of a high-sulphidation epithermal system developed at depth and exposed in a “window” in the younger volcanics and volcanoclastic cover. Consequently, any geochemical response (particularly of precious metals) in the higher ground at Jiguata is likely to be muted.

Bedrock exposure is poor. Colluvial sediments, the extensive younger volcanics and the geochemically inert steam-heated cap obscure much of the underlying geology. The only outcrops of interest and areas with anomalous geochemistry are in the base of valleys.

Consequently, although the area of alteration is extensive there is no guarantee that the most promising targets at depth have a surface expression. Additional unexposed targets may lie in areas covered by colluvium and younger volcanics.

A geophysical survey (Induced Polarisation and/or Magneto-Telluric) is planned to identify targets for a subsequent RC or diamond drilling programme.

The Toculla Project

The Toculla Gold Project is located approximately 140 km northeast of the city of Iquique – see Figure 1 above. The project area comprises eight concessions covering an area of 2,100 hectares at elevations between 3,700 and 3,900 m.

Figure 5: ***The Toculla Concessions.***

The Toculla concessions overlie the eastern part of an extensive area of altered, volcanic rocks again exposed in a "window" where the otherwise ubiquitous cover of younger volcanics has been stripped away.

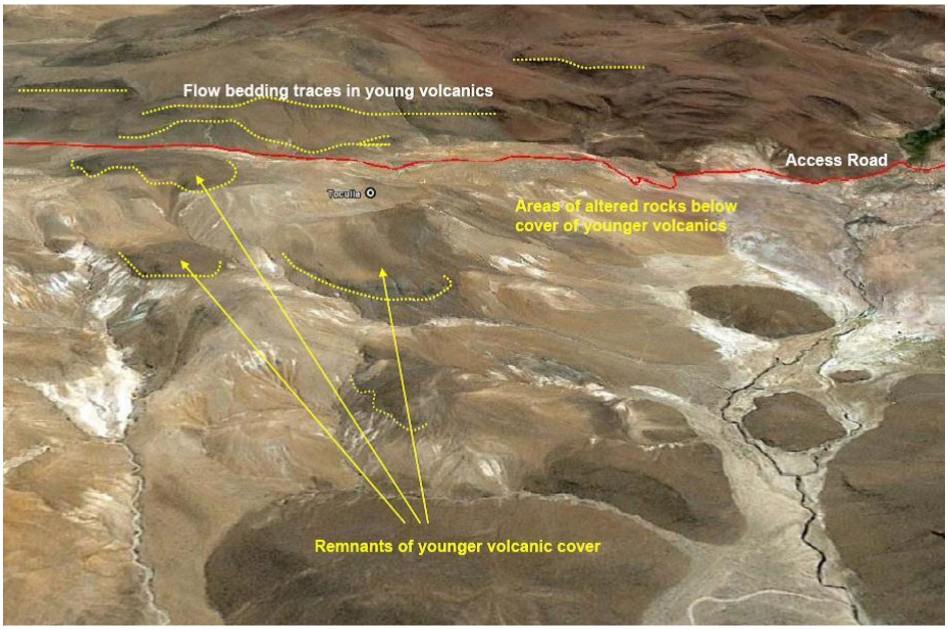

Figure 6: ***Oblique view of the Toculla area.***

Toculla lies on a major, regional-scale NW-SE trending structure which marks the north-eastern limit to the alteration at Toculla and has a profound control on hydrothermal systems developed in the region - some of which have been investigated for their geothermal potential. Although partially obscured by extrusives from the recent Cerro Blanco volcanic complex, Figure 7 below shows that this structural trend hosts the hot spring hydrothermal systems at Toculla, Uscana Norte, Uscana Sur, Huancure, Tuja and Puchuldiza.

Figure 7: ***NW-SE control of hydrothermal systems near Toculla. Part of the NW-SE alignment is obscured by young volcanics from the younger Cerro Blanco volcanic Complex.***

At Puchuldiza-Tuja, some 30 km to the southeast of Toculla a "non-JORC" resource of ~1 million oz. of gold and other precious metals is reported in a series of veins and stockworks developed in explosion breccias and silicified zones. There are also reports of a large, higher-grade feeder system at depth but published details on the geology are sparse.

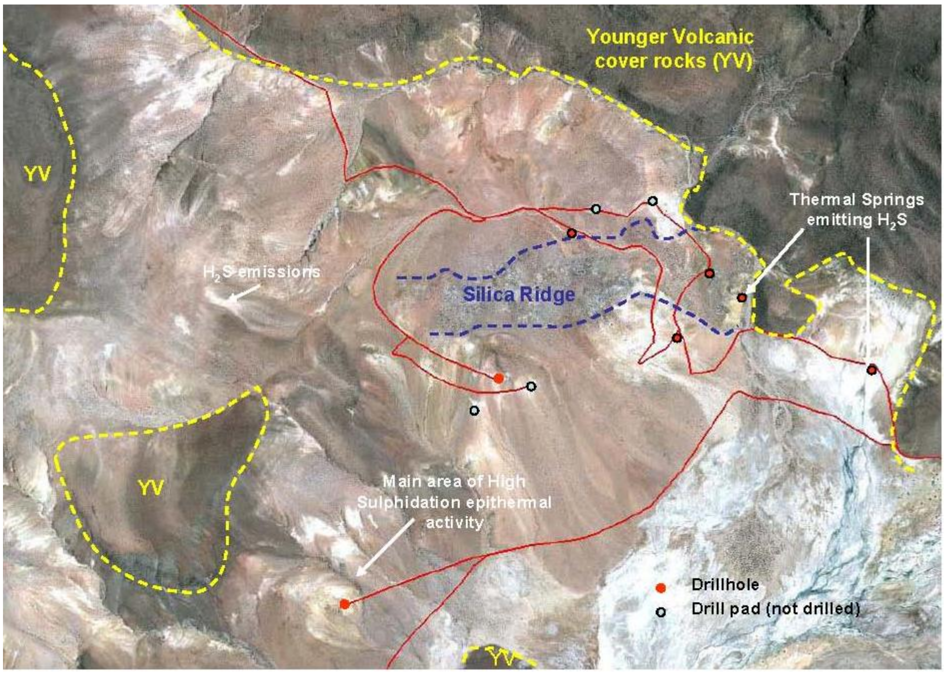

Figure 8: ***The main geological features of the Toculla area.***

In the northern part of the Toculla concessions, an extensive zone of silicified outcrops (Silica Ridge), can be traced for over 1,100 m, is ~200 m wide and is flanked by argillic alteration. Most of Silica Ridge is composed of chalcedonic flood silica which is opaline in places. It exhibits considerable brecciation, re-cementation, fracturing and chalcedonic veining. The brecciation, which appears to be related to a number of explosive events, is best seen where the ridge is breached by a river and the 20 m high valley walls expose structures typical of explosive hot spring activity. Thermal springs flowing from uncapped boreholes are shown in Figure 8 above.

Figure 9 below shows a 3-4 m wide fracture zone in-filled with 1-2 m wide irregular-shaped blocks of silica within a chaotic, fine and coarse-grained mix cemented with silica. The size of the clasts (some several metres across) attests to the violence of the explosive events.

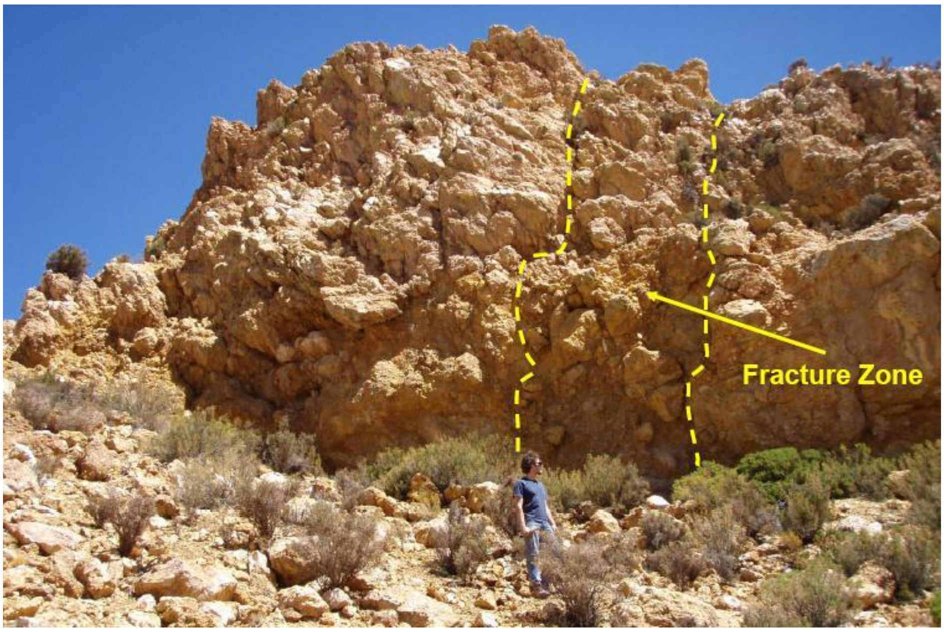

Figure 9: A cross-section of Silica Ridge. The whole face is part of a fracture zone which is cut by even younger breccia zones.

Samples from the silicified outcrops confirm that it is low-temperature silica, weakly anomalous in barium.

Figure 10: Thermal Springs at the foot of Trench Hill.

The thermal springs at Toculla are between 50 – 55^{0}C and occur at the eastern limit of Silica Ridge. They emit varying amounts of hydrogen sulphide (H_2S). The hotter the thermal spring waters, the higher the H_2S emission. The emissions from the spring shown in Figure 10 above are such that standing in the vicinity rapidly becomes uncomfortable.

Sampling at the western end of Silica Ridge (see Figure 8) some 1,800 m to the west of the easternmost thermal spring, also found traces of H_2S suggesting a structural continuity along the axis of the ridge extending over almost 2 km. It is reported (not verified) that the thermal springs are located on the sites of uncased RC drillholes.

Trench Hill lies 350 m east of Silica Ridge. A number of trenches on the hill expose a <0.5 m wide hydrothermal breccia which trends towards the explosion breccias at the eastern end of Silica Ridge. The structure carries clasts of grey to light grey, very fine-grained cherty silica hosting very finely disseminated sulphide. Samples from this breccia returned low precious metal values.

However, 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.

Recent exploration in an area 1 km to the south of Silica Ridge has revealed a system of veins and other features which are indicative of a high-sulphidation epithermal system which may carry gold and/or silver. This extends towards and may be intersected by the structures projected to lie beneath Silica Ridge. The juxtaposition of epithermal systems is very promising and will be the focus of future exploration.

Toculla – a summary

Toculla and the geothermal areas to the southeast all lie on a prominent regional-scale NW-SE structural trend. These areas all display a similar geological, stratigraphic and structural setting and there is a clear structural relationship between them.

The discovery of a substantial amount of precious metal mineralisation in systems of veins, veinlets and stockworks developed in explosion breccias and silicified zones at Puchuldiza-Tuja increases the prospectivity of Toculla.

Catalina's Toculla concessions represent the only exposed section of the major regional-scale NW-SE trending structure (the regional control on both geothermal activity and the associated Puchuldiza-Tuja gold mineralisation) which lies outside the Volcan Isluga National Park.

Toculla thus represents an attractive exploration target with the potential for a million oz. precious-metal deposit in veins and stockworks.

Corporate

The past year has been one of consolidation and re-structuring following the loss of the La Falda Project.

No significant fund-raisings have taken place.

In July 2011 an Option-to-Purchase Agreement with Mariana Resources Limited was completed on the Jiguata area and work on this project proceeds in conjunction with Mariana. The option is exercisable by 1 December 2014, with progressive payments totalling up to US$300,000. The option exercise price is US$1,200,000, with Catalina retaining a 2% royalty on Net Smelter Returns.

The Company is seeking a joint venture partner or additional funding to advance the Toculla Project to a point where it can be used as a Qualifying Project in an application for Listing on a recognised Exchange.

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 2011.

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 14. The Directors do not recommend the payment of a dividend.

Share capital

On 25 November 2010 the Company issued 1,000 ordinary shares of £1.00 each at £2.00 per share to Gavin Jacobs in consideration for services provided and 1,800 ordinary shares of £1.00 each at £3.00 per share to Loeb Aron & Company Ltd in part-consideration for services provided.

On 22 July 2011 the Company issued 1,500 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 23.

Mr A J Shaw, 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.

Special Business: Under the Companies Act 2006 ("the Act") there is no longer a mandatory requirement for newly registered companies to have an Authorised Share Capital ("ASC"). Existing companies that wish to retain their ASC need take no further action as the relevant clause in the Memorandum of Association will continue to take effect as an Article. However, the Company, which already has, in its Articles of Association, an Article (3.1) prescribing its ASC, now proposes, in line with the Act, to remove the requirement altogether. The Directors' authority to issue shares and to dis-apply pre-emption rights will continue to be set by the limits in Resolutions 6 and 7. Accordingly, the Directors seek shareholder approval for the following resolutions, of which 5 and 7 will be proposed as Special resolutions.

Resolution 4: Pursuant to paragraph 42(2) of Schedule 2 to the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008 to remove the ASC clause of the Memorandum of Association thereby dis-applying its effect as an Article under the provisions of the said Act.

Resolution 5: Pursuant to paragraph 42(4) of Schedule 2 to the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008 to adopt new Articles of Association containing no Article prescribing ASC.

Resolutions 6 and 7: 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 25 October 2011 the Directors were aware of the following substantial interests, apart from their own beneficial holdings as set out on page 11, in the share capital of the Company:

Shareholder	**Ordinary Shares of £1 Fully paid**	**%**
Phipps & Company Limited	75,679	11.06%
Soc. de Inversiones Iugetanuma SA	61,636	9.01%
John Drinkwater	51,214	7.49%
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.

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 42 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 36 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 26 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 25 October 2011:

	Ordinary Shares of £1 each	
Director	**30 June 2011**	**25 October 2011**
	Fully paid	**Fully paid**
Peter Sinclair Bridges See note 1 below	101,525	101,525
Andrew Jack Shaw See note 1 below	88,536	88,536
Ceri Lewis Phipps See note 2 below	-	-

Notes:

1. *Mr Bridges' and Mr Shaw's interests in 1,400 and 700 Series A Warrants, respectively, lapsed on 22 September 2010.*
2. *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 2011 - 75,679 and 25 October 2011 - 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 represent 53 days outstanding (2010 - 92 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
25 October 2011

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 2011 set out on pages 14 to 22. 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 sections 495 and 496 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 12, 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 2011 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

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25 October 2011

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 2011

	Notes	**2011** **£**	2010 £
Operating income	2	**30,154**	-
Exploration costs written-off	3	**(302,509)**	(225,351)
Amortised goodwill	3	**(33,339)**	-
Administrative expenses	3	**(85,816)**	(163,053)
Total administrative expenses		**(421,664)**	(388,404)
Operating loss	5	**(391,510)**	(388,404)
Interest received		**302**	283
Interest paid		**(4,073)**	(4,082)
Loss on ordinary activities before taxation		**(395,281)**	(392,203)
Tax on loss on ordinary activities	7	**-**	-
Loss for the year	14	**(395,281)**	(392,203)

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.

Group Balance Sheet

At 30 June 2011

	Notes	2011 £	2010 £
Fixed assets			
Intangible assets	8	**301,453**	911,874
Tangible assets	9	**1,228**	-
		302,681	911,874
Current assets			
Bank & cash		**31,036**	105,102
Debtors	11	**1,567**	4,840
		32,603	109,942
Current liabilities			
Creditors: amounts falling due within one year	12	**(61,169)**	(85,173)
Net current assets		**(28,566)**	24,769
Total assets less current liabilities		**274,115**	936,643
Non-current liabilities			
Creditors: amounts falling due after one year	12	**(188,026)**	(462,673)
Net assets		**86,089**	473,970
Capital and reserves			
Called up share capital	13	**682,651**	679,851
Share premium	14	**787,820**	783,220
Profit and loss account	14	**(1,384,382)**	(989,101)
Equity shareholders' funds	15	**86,089**	473,970

Approved by the Board
and authorised for issue on
25 October 2011

P S Bridges
Director

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

Company Balance Sheet

At 30 June 2011

	Notes	2011 £	2010 £
Fixed assets			
Investment in subsidiary undertaking	10	**633,699**	1,033,760
Tangible assets	9	**1,228**	-
		634,927	1,033,760
Current assets			
Bank		**28,243**	95,397
Debtors		**817**	4,840
Other debtors		**408,661**	298,968
		437,721	399,205
Current liabilities			
Creditors: amounts falling due within one year		**(53,355)**	(79,147)
Net current assets		**384,366**	320,058
Total assets less current liabilities		**1,019,293**	1,353,818
Non-current liabilities			
Creditors: amounts falling due after one year		**(188,026)**	(53,315)
Net assets		**831,267**	1,300,503
Capital and reserves			
Called up share capital	13	**682,651**	679,851
Share premium	14	**787,820**	783,220
Profit and loss account	14	**(639,204)**	(162,568)
Equity shareholders' funds	15	**831,267**	1,300,503

Approved by the Board
and authorised for issue on
25 October 2011

P S Bridges
Director

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

CATALINA RESOURCES PLC

Group Statement of Cash Flows

For the year ended 30 June 2011

	Notes	**2011 £**	2010 £
Net cash inflow/(outflow) from operating activities	16	**58,625**	(288,913)
Returns on investments and servicing of finance			
Interest received		**302**	283
Interest paid		**(4,073)**	(4,082)
Net cash outflow from investments and servicing of finance		**(3,771)**	(3,799)
Capital expenditure			
Payments to acquire fixed assets		**(136,320)**	(285,199)
Net cash outflow from capital expenditure		**(136,320)**	(285,199)
Net cash outflow before management of liquid resources and financing		**(81,466)**	(577,911)
Financing			
Joint Venture: Capital contribution		**-**	280,260
Issue of ordinary share capital		**7,400**	371,460
Less share issue costs		**-**	(20,246)
Net cash inflow from financing		**7,400**	631,474
(Decrease)/increase in cash in year	17/18	**(74,066)**	53,563

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.

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, amortised goodwill and the write down of aborted project costs in Chile following the relinquishment of the La Falda licence. The latter is stated net of the contributions paid by a former joint-venture partner.

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 £476,636.

5 Operating loss

	2011	2010
The Group operating loss is stated after charging/crediting:	**£**	£
Fees payable to the Group's auditor for the audit of group accounts	**2,640**	2,750
Foreign exchange gain	**(2,585)**	(441)

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:	**2011**	2010
	£	£
Peter S Bridges*	**40,200**	26,800
Andrew J Shaw*	**40,200**	26,800
Ceri L Phipps**	**-**	-

* *For the period ending 30 June 2011, 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 £34,161 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 (2010 – nil) due to the loss for the year.

Reconciliation of tax charge	**2011**	2010
	£	£
Result for the year	**(395,281)**	(392,203)
Corporation tax at 27.75% (2010 - 28%)	**(109,690)**	(109,817)
Adjusted for the effects of:		
Unutilised losses	**81,494**	109,817
Accelerated capital allowances	**(426)**	-
Provisions	**19,370**	-
Amortisation of goodwill	**9,252**	-
Charge per the accounts	**-**	-

The Group has trading losses available for offset against future trading profits.

8 Intangible fixed assets

	Goodwill	Exploration & Evaluation	Total
Cost	£	£	£
At 1 July 2010	166,687	745,187	911,874
Additions	-	134,786	134,786
Less terminated joint-venture credits offset	-	(409,359)	(409,359)
Less amortised goodwill	(33,339)	-	(33,339)
Less amounts written off	-	(302,509)	(302,509)
At 30 June 2011	**133,348**	**168,105**	**301,453**

9 Tangible fixed assets

	Computers
Cost	£
At 1 July 2010	-
Additions	1,535
Less depreciation	(307)
At 30 June 2011	**1,228**

10 Subsidiary undertakings

	Holding	Country of incorporation	Country of operations
Minera Catalina SA	100%	Chile	Chile
La Falda Resources Limited	100%	Jersey	Jersey
Minera La Falda SA	100%	Chile	Chile

11 Debtors

	2011	2010
	£	£
Trade debtors	**1,567**	4,840

12 Creditors

	2011	2010
Amounts falling due within one year	**£**	£
Trade creditors	**-**	22,878
Accruals	**16,014**	21,213
Loan	**45,155**	41,082
	61,169	85,173
Amounts falling due after one year		
Trade creditors	**12,511**	-
Loans	**47,675**	53,314
Accruals	**127,840**	-
Joint Venture: Capital contribution from Minera IRL	**-**	409,359
	188,026	462,673

All loans are repayable within 5 years.

13 Share capital

	2011	2010
	£	£
Authorised		
1,500,000 ordinary shares of £1 each	**1,500,000**	1,500,000
Allotted, called up and fully paid		
682,651 ordinary shares of £1 each	**682,651**	679,851

13 Share capital (continued)

Details of shares issued by the Company during the year are set out in the Directors' report on page 10.

As at 30 June 2011 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 2010 - 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 2010 – 1,000).

Additionally, as at 30 June 2011 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 2010 - 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 2010 - 7,623).

On 22 September 2010 share warrants (designated Series A) over 28,650 ordinary shares of £1 each (30 June 2010 - 28,650) lapsed.

14 Reserves

	Share premium £	Profit and loss account £
At 1 July 2010	783,220	(989,101)
Shares issued during the year	4,600	-
Loss for the year	-	(361,942)
At 30 June 2011	**787,820**	**(1,351,043)**

The loss dealt with in the accounts of the parent company is £476,636 (2010 – loss £50,364)

15 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Shareholders' funds at 1 July	**473,970**	514,959
Shares issued during the period	**7,400**	351,214
Loss for the financial period	**(361,942)**	(392,203)
Shareholders' funds at 30 June	**119,428**	473,970

16 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2011 £	2010 £
Operating loss	**(395,281)**	(388,404)
Fixed assets written down	**302,509**	225,351
Amortised goodwill	**33,339**	-
Terminated joint-venture credits offset	**409,359**	-
Depreciation	**307**	-
Decrease in debtors	**3,273**	33,653
Decrease in creditors	**(298,652)**	(159,513)
Net cash inflow/(outflow) from operating activities	**58,625**	(288,913)

17 Analysis of net funds

	1 July 2010 £	Cash flow £	**30 June 2011 £**
Net cash:			
Cash at bank and in hand	105,102	(74,066)	**31,036**
Net funds	105,102	(74,066)	**31,036**

18 Reconciliation of net cash flow to movement in net funds

	2011 £	2010 £
(Decrease)/increase in cash in year	**(74,066)**	53,563
Movement in net funds in the year	**(74,066)**	53,563
Opening net funds	**105,102**	51,539
Closing net funds	**31,036**	105,102

19 Capital commitments

The Company had no capital commitments at 30 June 2011.

20 Contingent liabilities

There were no contingent liabilities at 30 June 2011.

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 2011, including accrued interest was £45,155 (2010 - £41,082).

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 (2010 - £4,000).

CATALINA RESOURCES PLC

Notice of Annual General Meeting

Notice is hereby given that the fourth Annual General Meeting of Catalina Resources PLC will be held at 3 St Peter's Rd, Malvern, Worcestershire WR14 1QS on Thursday, 24 November 2011 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report and Financial Statements for the year ended 30 June 2011 together with the Auditors' Report.

2. To re-elect Mr A J Shaw 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 clause 6 of the Company's Memorandum of Association, prescribing the maximum amount of shares that may be allotted by the Directors as the Authorised Share Capital of the Company which, since 1 October 2009, takes effect as a provision of the Articles pursuant to paragraph 42(2) of Schedule 2 to the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008, be revoked.

5. **Special Resolution:** That clause 3.1 of the Articles of Association, prescribing the maximum amount of shares that may be allotted by the Directors as the Authorised Share Capital of the Company, be revoked pursuant to paragraph 42(4) of Schedule 2 to the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008 and that new Articles of Association be and are hereby adopted to take account of such revocation.

6. **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 £815,849.

7. **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 £815,849.

By order of the Board

Christopher Bate
Company Secretary
25 October 2011

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.