INVESTIKA LTD

23 February 2007

Company Announcements
The Australian Securities Exchange Ltd.

Dear Sir

Re: Appendix 4E and Annual Report for year ended 31 December 2006

Attached are the appendix 4E and Annual Report for the year ended 31 December 2006.

Yours faithfully
INVESTIKA TLD

J B MAGUIRE
COMPANY SECRETARY

INVESTIKA LTD
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Investika Ltd

ABN 45 000 673 423

Appendix 4E

Results for announcement to the market
for the year to 31 December 2006

			31 December 2006 $
Revenue from ordinary activities	up	42% to	133,063
Gain on dilution of subsidiary	up	> 100% to	3,045,125
Profit from ordinary activities after tax attributable to members	down	86% to	349,048
Net profit for the period attributable to members	down	86% to	349,048

	31 December 2006	31 December 2005
Net Tangible Assets per security	180 cents	77 cents *

* adjusted for May 2006 1 : 100 share capital consolidation

Dividend
The Directors recommend that no dividend be paid. No dividends have been paid or declared during the period.

Comments by directors
The decrease in the consolidated entity's profit for the year ending 31 December 2006 is principally attributable to:

- In 2005, the Company generating a gain of $3,846,203 from the sale of certain of its investments whereas the gain generated in 2006 was $90,110.
- In 2006, the consolidated entity's shares were admitted to trading on AIM. Costs associated with the AIM admission amounted to $1,078,227.
- The consolidated entity's share of net losses of associates amounted to $823,577 (2005 : net profit $205,896).
- The effect of the above being offset by the recognition of a gain of $3,045,125 following the dilution of its interest in Belitung Zinc Corporation plc from 100% to 42.5%.

INVESTIKA LTD

2006 ANNUAL REPORT

INVESTIKA LTD
ABN 45 000 673 423

DIRECTORS:
J.A. Landels (Chairman)
C. Kyriakou (Chief Executive Officer)
M.R. Arnesen
S. Borg
R.A. Cleary
J.R. Reynolds

COMPANY SECRETARY:
J.B. Maguire

REGISTERED OFFICE:
Suite 107, 109 Pitt Street
Sydney NSW 2000
Phone (02) 9233 8011
Fax (02) 9233 1349

AUDITORS:
KPMG
10 Shelley Street
Sydney NSW 2000

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Phone (08) 9315 2333
Fax (08) 9315 2233

SECURITIES EXCHANGE:
The Company is listed on the Australian Securities Exchange.
The Home Exchange is Sydney.

The Company's shares are admitted to trading on the London Stock Exchange's AIM market.

OTHER INFORMATION:
Investika Ltd, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

INVESTIKA LTD
DIRECTORS' REPORT

The Directors present their report together with the financial report of Investika Ltd ("the Company") and of the consolidated entity, being the Company and its subsidiaries, for the year ended 31 December 2006 and the auditors' report thereon.

1. DIRECTORS AND COMPANY SECRETARY

The Directors of the Company at any time during or since the end of the financial year are:

Mr. John A. Landels, AC, (Chairman), Non-executive Director
Mr. Landels was Chairman and Chief Executive Officer of the Caltex Group of companies prior to his retirement from that organisation in 1992. Mr Landels was Chairman of QuikTrak Networks Ltd until his resignation from that board on 5 May 2004.
He was appointed a Director and Chairman of the Board on 9 July 1996.

Mr. Chrisilios Kyriakou, LLB, Executive Director
Mr. Kyriakou has extensive business interests including commercial properties, share investments and rural property. Mr Kyriakou was a director of QuikTrak Networks Ltd until his resignation from that board on 4 August 2005.
He was appointed to the Board on 29 June 1979 and is Chief Executive Officer of the Company.

Mr. Mark R. Arnesen, CA(SA), Non-executive Director
Mr Arnesen has extensive experience in the structuring and negotiation of finance for major resource projects. He was employed with the Billiton/Gencor group of companies between 1988 and 1998 and in 2000 he joined Ashanti Goldfields Company Limited as part of the then restructuring of the company. Mr Arnesen is a director of Moto Goldmines Ltd.
He was appointed to the Board on 2 November 2006.

Chev. Sydney J.P. Borg, FAICD, Non-executive Director
Mr. Borg is the Principal of PCS Australia Pty Ltd, a systems integration company facilitating networks in the corporate and government areas; Grand Prior Australasia of the Order of St John Knights of Malta; President of the Australian Maltese Chamber of Commerce; Patron of the MRLA; Council member Catholic Education Office of Parramatta and CEO of Mobile Entertainment Systems, a distribution company specialising in in-car entertainment systems. Mr Borg was Chairman of Zylotech Ltd until his resignation from that board on 5 September 2006.
He was appointed to the Board on 1 July 1999.

Mr. Robert A. Cleary, Non-executive Director
Mr. Cleary was employed for 18 years by the North Ltd/Energy Resources Australia Ltd group prior to his retirement. His last position with that organisation was Managing Director of Energy Resources of Australia Ltd from which position he resigned on 29 January 2004. Mr Cleary is Chairman of Crossland Uranium Mines Ltd.
He was appointed to the Board on 16 March 2005.

Mr. Jonathan R. Reynolds, B.Com (Hons), CA, F Fin, AICD, Executive Director
Mr Reynolds has been the Company's Chief Financial Officer since 2001. Prior to that he held the position of chief financial officer with a number of other listed entities and before that was a senior manager with an international firm of chartered accountants. He is a member of the Institute of Chartered Accountants in Australia, a fellow of the Financial Services Institute of Australasia and holds a Bachelor of Commerce (Honours) degree.
He was appointed to the Board on 7 June 2006.

Company Secretary
Mr John B. Maguire, Company Secretary, has held this position and been involved with the Company for the past 16 years.

2. DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings in which each Director participated during the financial year are:

Meetings of	Board		Audit Committee		Remuneration Committee		Nomination Committee	
Name	A	B	A	B	A	B	A	B
J.A. Landels	14	13	1	1	1	1	-	-
C. Kyriakou	14	10	-	-	-	-	-	-
M.R. Arnesen	2	2	-	-	-	-	-	-
S. Borg	14	11	1	1	1	1	-	-
R.A. Cleary	14	12	1	1	1	1	-	-
J.R. Reynolds	9	8	-	-	-	-	-	-

A - Number held whilst a Director B - Number participated in

3. PRINCIPAL ACTIVITIES OF THE CONSOLIDATED ENTITY

The principal activities of the consolidated entity during the course of the financial year consisted of investments in mineral exploration and development projects and companies.

4. DIVIDENDS

The Directors recommend that no dividend be paid. No dividends have been declared or paid during the period.

5. REVIEW OF OPERATIONS AND STATE OF AFFAIRS

During the 2006 financial year the Company:

- Continued to support its investment in Berong Nickel Corporation, which is developing the Berong nickel project on the island of Palawan Philippines, through expending $2,052,928 on project related expenses. The Berong nickel project achieved two key milestones, namely (i) was granted a Special Mines Permit by the Mines and Geosciences Bureau to commence commercial mining operations and (ii) commenced extraction of a bulk metallurgical sample of laterite nickel ore. The bulk sample will be used for metallurgical test purposes in the Chinese char-nickel process. The successful testing of this ore is expected to pave the way for a long term supply contract.

  By 31 December 2006, approximately 50,000 tons of ore was stockpiled at the coastal causeway ready for shipment. The bulk sample was extracted from the closest accessible ore within the Permit Area, whilst commercial operations will start from a separate area identified to have higher grades. Road access to the commercial mining area is under development.

  Activities currently underway or being programmed include the development of a new road and a trestle conveyor for the direct loading of ships without the use of barges. Both these developments are anticipated to significantly enhance operations. The new road will considerably shorten the distance from the mine to the coastal stockpile areas and has the advantage of being a dedicated road without community housing development along its route. The trestle conveyor will allow the loading of ships under most sea conditions, and at loading rates considerably faster than achievable using barges.

  Requests for laterite ore continue strongly, with demand far exceeding supply. The demand is across all grade ranges from around 1% nickel grade ore through to above 2% nickel grade ore. The Berong nickel project will be able to supply all grade ranges, with initial commercial development and sales concentrating on the high grade ore, and opportunistically selling the lower grade ore. Negotiations continue with BHP Billiton/QNI on the long term supply (4 years + annually for another 5 years) of up to 500,000 tonnes per year ore.

  Options analysis and metallurgical testing for future value added processing of the laterite ore continues. Processing options being considered include HPAL, vat leaching, ferro-nickel smelting, and the Chinese "blast furnace" process.

Activities undertaken on field exploration and evaluation include-

	Total program since commencement
Test Pits - Re-sampled	1,299
- # samples	8,763 (8,000 metres)
Test Pits - Re-deepened	414
- # samples	2,026 (1,543 metres)
Test Pits - New	157
- # samples	972 (986 metres)
Drilling - # Holes	640
- # samples	7,885 (7627 metres)
Lines Cleared - kms	95
GPR Survey - kms	55
Density Measurements - #	313

- Continued to support its investment in Tommy SA, which is developing the Las Pascualas and El Morado copper projects in Chile. A total of US$3.6 million has been expended on project related expenses by the joint venture parties, of which the Company's share was $371,296.

  Project Las Pascualas. An extensive drilling program was completed at Pascuala North as well as three scout drilling programs at Pascuala South and East, Llano Corredores and Breccia East. The Pascuala North drilling comprised 72 reverse circulation holes totalling 7,835 metres on a 100 x 100 metre grid pattern.

  A geological model of the Pascuala North deposit has been generated and given to SRK Consultants (Santiago, Chile) to undertake an external resource block model and ore estimate. This work is planned for completion in February 2007.

  A Scoping Study dealing with mining, processing, infrastructure and services and environmental aspects for the supergene (enrichment) zone of the Pascuala North deposit to confirm project viability has commenced and is due to be completed in March 2007.

  A metallurgical progress report from the University of La Serena on bacterial leaching (cultivation) was received. In summary, the test work to date has proved that the underground mine water at Pascuala North contains bacteria that can be successfully cultured and used in the leaching of the supergene ore and that the ore sample showed good bioleaching characteristics. A seven month leach test work program for both the supergene and oxide ores has commenced at a laboratory in Santiago.

  Project El Morado. Following examination of exploration results from the project, the Company resolved not to pay the second year option fee and as a result the option over the property has lapsed.

- Continued to support its investment in Belitung Zinc Corporation plc (BZC), which is developing the Kelapa Kampit zinc/lead project on the island of Belitung, Indonesia.

  Following the formation of BZC in late 2005, in January 2006 BZC raised £3 million (approximately $7 million) in equity from a group of UK investors leaving the Company with a reduced equity interest of 42.5% in BZC. This dilution resulted in the consolidated entity recognising a gain of $3,045,125.

  The required permit for the exploration of all base metals, including tin, within the Kelapa Kampit deposit was granted during the year.

  The rehabilitation of two adits was completed. Two bulk samples of material, weighing approx. 40kg each, were taken from the mineralized zones in the adits and delivered to a metallurgical laboratory in Tasmania for assaying of metal content and the assessment of recovery potential.

  Trenching and mapping of the central 2.5 km (Central Block) of the approximately 12 km long mineralised zone was completed during November 2006 and a start was made in December 2006 on cutting additional trenches to the east and west of the Central Block.

The mineralogical model of the Central block is expected to be completed by February 2007 and the in-fill diamond-core drilling of this zone is scheduled to commence later in the first quarter of 2007.

- Continued to support its investment in AIM listed UMC Energy plc (UMC) which finalised the acquisition of an 80% interest in a uranium exploration project in Madagascar.

  The exploration permits, which have been granted for 10 years expiring in 2015 and 2016 are located in the Morondava Basin which is infilled and layered with sediments, most notably the Karoo formation that hosts uranium mineralization.

  The areas were previously identified and explored during the uranium cycles of 1956 to 1963 and 1979 to 1982 by the United Nations (PUND) and the Office of National Mines and Strategic Industries (OMNIS), a Malagasy state body, respectively. Later, the French uranium company Cogema took on large permits and continued regional exploration that terminated in the late 1990s with the down-turn in uranium prices and demand.

  Included in the acquisition is the data base for the Morondava Basin that includes the results of airborne geophysical and radiometric surveys, drill logs for 790 drill holes (approximately 83,000 metres of drilling) with indicated uranium values, and visible uranium mineralization associated with targets picked from 7,000 radioactive anomalies, recorded and plotted.

  A geological field camp was established, in mid-November 2006, in the Folakara area of the Morondava Basin and a start was made on the drilling of approximately 12 diamond-core drill holes, in the area previously explored by Cogema in the 1960s, in order to verify the stratigraphy documented by the French and to establish the nature of the minerals present. Due to the onset of the rainy season, field operations were curtailed in early December 2006 and are scheduled to resume during the second quarter of 2007, once the water levels in the rivers have subsided sufficiently to permit vehicle access.

- Acquired an equity interest of 11.6% in the capital of AIM listed Toledo Mining Corporation plc (TMC) at a cost of $8,439,945. TMC owns a 56.1% economic interest in the Berong nickel project. In addition, it owns a (i) 52% economic interest in the Ipilan nickel project located on the island of Palawan, Philippines and which is being explored and is expected to be developed initially as a direct shipping operation; and (ii) 58% economic interest in the Ulugan nickel project located on the island of Palawan, Philippines and which will be subjected to exploration activities.
- Increased its holding in AIM listed Tarquin Resources plc to 32.6% following the acquisition of additional shares at a cost of $2,120,344. Tarquin Resources plc is the Company's joint venture partner in Tommy SA and holds a 51% interest in that entity.
- Acquired an interest in AIM listed Cambrian Oil and Gas plc at a cost of $495,078.
- Acquired an interest in AIM listed Irvine Energy plc at a cost of $148,251.
- Consolidated its share capital on the basis of 1 for 100.
- Undertook a successful 1 : 1 rights issue raising $13,034,249 through the issue of 6,517,124 ordinary shares (adjusted for the 1 : 100 consolidation).
- Raised $3,400,952 (net of costs) through placing 1,306,500 ordinary shares (adjusted for the 1 : 100 consolidation).
- Was admitted to the London Stock Exchange's AIM market on 22 August 2006.

Other than the matters referred to above, in the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review that are not otherwise disclosed in this report or the consolidated financial statements.

6. TRADING RESULTS

The profit after income tax of the consolidated entity for the year ended 31 December 2006 was $349,048 (2005 : $2,575,807).

7. SUBSEQUENT EVENTS

Between 1 January 2007 and the date of this report the following material transactions have occurred. The Company has:

- increased its interest in UMC Energy plc to 19.6% following the acquisition of further shares in that entity through the allotment of 500,000 ordinary shares in the Company.
- following shareholder approval at the January 2007 general meeting, granted to directors, employees and consultants 575,000 options over ordinary shares. The options have an exercise price of $3.80 per share and expire on 31 December 2012.
- effected the deregistration of its dormant subsidiary Kidz.Net National Pty Ltd.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the consolidated entity, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

8. LIKELY DEVELOPMENTS

It is anticipated that the consolidated entity will continue to support its portfolio of investments.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

9. OPTIONS

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in Investika Ltd, under a Participants' Option Incentive Scheme, to the following directors and to the following of the five most highly remunerated officers of the Company as part of their remuneration.

	Number of options Granted	Exercise price	Vesting Date	Expiry Date	% vested to 31/12/06	Total estimated value for future years $
Directors						
Executive:						
C Kyriakou	70,000	$3.80	31/01/2007	31/12/2012	-	211,085
J.R. Reynolds	70,000	$3.80	31/01/2007	31/12/2012	-	211,085
Non-Executive:						
J.A. Landels	25,000	$3.80	31/01/2007	31/12/2012	-	75,388
M.R. Arnesen	50,000	$3.80	31/01/2007	31/12/2012	-	150,775
S. Borg	35,000	$3.80	31/01/2007	31/12/2012	-	105,543
R.A. Cleary	70,000	$3.80	31/01/2007	31/12/2012	-	211,085
Officers						
Company:						
J.B. Maguire	20,000	$3.80	31/01/2007	31/12/2012	-	60,310

No options were exercised during the year.
No options were forfeited due to service criteria not being met during the year.
Since the end of the financial year, no shares were issued as a result of the exercise of options.

2005	Number of options Granted *	Exercise Price *	Vesting Date	Expiry Date	% vested to 31/12/05	Total estimated value for future years $
Directors						
Executive:						
C Kyriakou	150,000	$2.50	26/05/2005	30/06/2010	100	-
Non-Executive:						
J.A. Landels	50,000	$2.50	26/05/2005	30/06/2010	100	-
S. Borg	15,000	$2.50	26/05/2005	30/06/2010	100	-
R.A Cleary	120,000	$2.50	26/05/2005	30/06/2010	100	-
Officers						
Company:						
J.B. Maguire	80,000	$2.50	26/05/2005	30/06/2010	100	-
J.R. Reynolds	150,000	$2.50	26/05/2005	30/06/2010	100	-
J.R. Reynolds	150,000	$2.50	11/11/2005	30/06/2010	100	-

* adjusted for May 2006 1 : 100 share capital consolidation

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Expiry Date	Exercise price	Number of shares
30/06/2010	$2.50	620,000
31/12/2012	$3.80	575,000
21/8/2009	$3.15	136,547

10. CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the Australian Securities Exchange Corporate Governance Council recommendations, unless otherwise stated.

10.1 BOARD OF DIRECTORS

The Board of Directors is responsible for the corporate governance of the consolidated entity. It oversees the business and affairs of the consolidated entity, establishes the strategic and financial objectives to be implemented by management and monitors standards of performance.

The Board has established a framework for the management of the consolidated entity including internal controls, a business risk management process and the establishment of appropriate ethical standards.

The names of the Directors of the Company in office at the date of this Statement, together with details of their experience and qualifications, are set out in the Directors' Report.

The Board of Directors currently consists of two Executive Directors and four Non-Executive Directors. The majority of the non-executive directors are independent thus ensuring independence and objectivity. Responsibility for the operation and administration of the Company is delegated by the Board to the Executive Directors who are accountable to the Board. Each of the Executive Directors has a formal letter of appointment.

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates which are reviewed on a regular basis.

After consultation with the Chairman, each Director has the right to seek independent professional advice at the consolidated entity's expense.

The Constitution of the Company specifies the number of Directors shall be not less than three nor more than ten. The Board may at any time appoint a director to fill a casual vacancy and at each annual general meeting, one-third of directors together with any director appointed since the last annual general meeting retire from office and may stand for re-election.

The composition of the Board is reviewed regularly to ensure that the range of expertise and experience of Board members is appropriate for the activities and operations of the consolidated entity.

The Constitution specifies that the aggregate remuneration of Directors, other than salaries paid to Executive Directors, shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is divided between those Directors as they agree.

10.2 NOMINATION COMMITTEE

The Nomination Committee oversees the appointment of directors and the selection, appointment and succession planning of the Company's Chief Executive Officer. The committee makes recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position. Where, through whatever cause, it is considered that the Board would benefit from the services of a new director with particular skills, the Board would then appoint the most suitable candidate who must stand for re-election at a general meeting of shareholders.

The committee comprised the following members, all of whom were non-executive directors:

- Mr R.A. Cleary (appointed 21 July 2006) (Chairman) Non-Executive
- Mr M.R. Arnesen (appointed 2 November 2006) Independent Non-Executive
- Mr J.A. Landels (appointed 21 July 2006) Independent Non-Executive
- Mr S.J.P. Borg (appointed 21 July 2006) Independent Non-Executive

10.3 REMUNERATION COMMITTEE

Remuneration of senior management personnel is determined by a Remuneration Committee comprised of the Non-Executive Directors, taking into account information obtained via reputable industry remuneration surveys and / or independent consultant reports. This also includes responsibility for share option schemes, incentive performance packages, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The committee comprised the following members, all of whom were non-executive directors:

- Mr J.A. Landels (appointed 21 July 2006) (Chairman) Independent Non-Executive
- Mr M.R. Arnesen (appointed 2 November 2006) Independent Non-Executive
- Mr S.J.P. Borg (appointed 21 July 2006) Independent Non-Executive
- Mr R.A. Cleary (appointed 21 July 2006) Non-Executive

10.4 DIRECTOR DEALINGS IN COMPANY SHARES

Directors and senior management may acquire shares in the Company, but are prohibited from dealing in Company shares or exercising options whilst in the possession of price sensitive information that has not been made public. The Company has established a written code on share dealing.

10.5 AUDIT COMMITTEE

The Board has established an Audit Committee comprised of the Non-Executive Directors to oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information; review the effectiveness of the Company's internal financial control; ensure an independent audit process; recommend the appointment of the external auditor; assess the performance of the external auditor; and oversee the Company's compliance with acts and regulations in relation to financial reporting.

The committee comprised the following members, all of whom were non-executive directors:

- Mr S.J.P. Borg (appointed 21 July 2006) (Chairman) Independent Non-Executive
- Mr M.R. Arnesen (appointed 2 November 2006) Independent Non-Executive
- Mr R.A. Cleary (appointed 21 July 2006) Non-Executive
- Mr J.A. Landels (appointed 21 July 2006) Independent Non-Executive

10.6 EXTERNAL AUDITORS

The Board monitors the performance of the external auditors. The current external auditors were appointed in 1990. The external audit engagement partner was last rotated in 2003.

The external auditors are provided with the opportunity, at their request, to meet with the Board of Directors without management being present.

10.7 CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Details of director related entity transactions with the Company and consolidated entity are set out in note 22.

10.8 ETHICAL STANDARDS AND PERFORMANCE

The consolidated entity is not of sufficient size to warrant the preparation of a formal code of ethical business standards for the consolidated entity. The Board does, however, require of itself and its employees the highest ethical standards when carrying out their duties and when acting on behalf of the consolidated entity. In particular, any transactions with Directors of the consolidated entity are formally approved by the Board. The Director concerned does not participate in discussion or approval of the transaction.

10.9 INTERNAL CONTROL FRAMEWORK

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based upon policies and guidelines and the careful selection and training of qualified personnel. The Board believes the current control framework to be suitable for the Company's current operations. There is no internal audit function as the cost would significantly outweigh the benefits given the size of the current operations.

10.10 THE ROLE OF SHAREHOLDERS

The Board of Directors aims to ensure the shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- The annual report is distributed to all shareholders. The Board ensures that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. Half-year financial statements prepared in accordance with the requirements of Accounting Standards in Australia and the Corporations Act 2001 are lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange Ltd. The financial statements are sent to any shareholder who requests them.
- The external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals.

11. ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental regulations under Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The consolidated entity has:

(a) entered into an agreement indemnifying the Directors and Officers of the consolidated entity against all liabilities to another person (other than the consolidated entity or a related body corporate) that may arise from their position as Directors or Officers of the Company and its subsidiaries, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the consolidated entity will meet the full amount of any such liabilities, including costs and expenses;

(b) paid insurance premiums totalling $19,514 in respect of Directors' and Officers' Liability insurance contracts covering all the Company's Directors.

13. REMUNERATION REPORT

Remuneration of senior management personnel is determined by the remuneration committee comprised of the non-executive directors. The Board as a whole is responsible for making recommendations on remuneration policies and packages applicable to the Board members of the consolidated entity. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Constitution specifies that the aggregate remuneration of Directors, other than salaries paid to executive directors, shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is divided between those Directors as the Board agrees, taking into account information obtained via reputable industry remuneration surveys and / or independent consultant reports.

The Company currently has no performance-based remuneration arrangements in place. Options may be granted to Directors and executives in accordance with terms of Participants' Option Incentive Schemes approved by shareholders at the Company's annual general meeting held on 25 May 2005 and the general meeting held on 30 January 2007. The Company's service contracts do not contain terms dealing with duration, notice periods or termination payments.

Details of the nature and amount of each major element of the emoluments of each Director of the Company and the officers of the Company and consolidated entity receiving the highest emoluments are:

	Salary and Fees $	Non-cash Benefits $	Super-annuation Benefits $	Options Granted (i) $	Total $	Value of Options as a Proportion of Remuneration %
2006						
Directors						
Executive:						
C. Kyriakou (CEO)	218,182	41,973	-	-	260,155	-
J.R. Reynolds (CFO) (from 7/6/06)	46,098	-	-	-	46,098	-
Non-Executive:						
J.A. Landels (Chairman)	50,000	-	-	-	50,000	-
M.R. Arnesen (from 2/11/06)	3,823	-	344	-	4,167	-
S. Borg	22,936	-	2,064	-	25,000	-
R.A. Cleary	104,030	-	-	-	104,030	-
Officers						
Company:						
J.B. Maguire (Co Secretary)	144,000	-	-	-	144,000	-
J.R. Reynolds (CFO) (until 7/6/06)	22,254	-	-	-	22,254	-

	Salary and Fees $	Non-cash Benefits $	Super-annuation Benefits $	Options Granted (i) $	Total $	Value of Options as a Proportion of Remuneration %
2005						
Directors						
Executive:						
C. Kyriakou (CEO)	118,182	-	-	140,400	258,582	54
Non-Executive:						
J.A. Landels (Chairman)	50,000	-	-	46,800	96,800	48
S. Borg	22,936	-	2,064	14,040	39,040	36
R.A. Cleary (from 16/3/05)	58,024	-	-	112,320	170,344	66
Officers						
Company:						
J.B. Maguire (Co Secretary)	144,000	-	-	74,880	218,880	34
J.R. Reynolds (CFO)	83,655	-	2,250	30,450	116,355	26

(i) The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed above is the portion of the fair value of the options allocated to this reporting period.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant date	Expiry date	Fair value per option $	Exercise price $	Estimated Price of shares on grant date $	Estimated volatility %	Risk free Interest rate %	Dividend Yield %
26/5/05	30/6/2010	0.00936	0.025	0.017	70	5.63	0
11/11/05	30/6/2010	0.01094	0.025	0.014	123	5.63	0

Estimated volatility is based on the price of the Company's ordinary shares over the period 2 December 2004 to 26 May 2005 and 2 December 2004 to 11 November 2005, as traded on the Australian Stock Exchange. Each option entitles the holder to purchase one ordinary share in the Company. These options expire on the earlier of their expiry date and a date 90 days after the date the director or employee ceases to be employed by the Company. The options granted, vest on 26 May 2005 and 11 November 2005 respectively.

Options and rights over equity instruments granted as compensation

No options were granted during 2006. The following options were granted following the general meeting held on 30 January 2007:

	Number of options granted January 2007	Grant Date	Fair Value per Option at Grant date $	Exercise price per Option $	Expiry Date	Number of options vested during 2006
Directors						
J.A. Landels	25,000	30/1/07	3.0155	3.80	31/12/12	-
C Kyriakou	70,000	30/1/07	3.0155	3.80	31/12/12	-
M.R. Arnesen	50,000	30/1/07	3.0155	3.80	31/12/12	-
S. Borg	35,000	30/1/07	3.0155	3.80	31/12/12	-
R.A. Cleary	70,000	30/1/07	3.0155	3.80	31/12/12	-
J.R. Reynolds	70,000	30/1/07	3.0155	3.80	31/12/12	-
Executives						
J.B. Maguire	20,000	30/1/07	3.0155	3.80	31/12/12	-

	Number of options granted during 2005 *	Grant Date	Fair Value per Option at Grant date $ *	Exercise price per Option $ *	Expiry Date	Number of options vested during 2005 *
Directors						
J.A. Landels	50,000	26/5/05	0.936	2.50	30/6/10	50,000
C Kyriakou	150,000	26/5/05	0.936	2.50	30/6/10	150,000
S. Borg	15,000	26/5/05	0.936	2.50	30/6/10	15,000
R.A. Cleary	120,000	26/5/05	0.936	2.50	30/6/10	120,000
Executives						
J.B. Maguire	80,000	26/5/05	0.936	2.50	30/6/10	80,000
J.R. Reynolds	15,000	26/5/05	0.936	2.50	30/6/10	15,000
J.R. Reynolds	15,000	11/11/05	1.094	2.50	30/6/10	15,000

* adjusted for May 2006 1 : 100 share capital consolidation

The options were provided at no cost to the recipients. The options expire on the earlier of their expiry date and a date 90 days after the date the director or employee ceases to be employed by the Company.

Analysis of movements in options
No options were granted, exercised or lapsed during the year.

14. DIRECTORS' INTERESTS

The relevant interest of each director in the share capital of the Company, as notified by the directors to the Australian Securities Exchange in accordance with the Corporations Act 2001, at the date of this report is as follows:

Name of Director	Interest in Shares	Interest in Options
J.A. Landels	100,000	75,000
C. Kyriakou	4,574,298	220,000
M.R. Arnesen	-	50,000
S. Borg	56,259	50,000
R.A. Cleary	-	190,000
J.R. Reynolds	6,000	100,000

15. LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the year.

16. PAYMENTS TO AUDITOR FOR NON-AUDIT SERVICES

During the year ended 31 December 2006, the following payments were made to the Company's auditor, KPMG Australia, as remuneration for services other than audit services:

Taxation services $19,880

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Dated at Sydney this 23rd day of February 2007.

Signed in accordance with a resolution of the Directors:

J.A. Landels
Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To : The Directors of Investika Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2006, there have been :

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Linden Gulson
Partner

Sydney
23 February 2007

INVESTIKA LTD
INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

		Consolidated		The Company	
		2006	2005	2006	2005
	Note	$	$	$	$
Total revenue from services	2	133,063	93,743	133,063	93,743
Gain on sale of shares	2	90,110	3,846,203	90,110	3,846,203
Financial income	2	297,657	66,194	297,657	66,194
Personnel costs	3	(749,202)	(1,050,840)	(749,202)	(1,050,840)
Exploration expenditure		(199,396)	(240,431)	(199,396)	(240,431)
Exploration expenditure recovered		193,469	-	193,469	-
Costs associated with placement and rights issue		(65,873)	-	(65,873)	-
Costs associated with AIM admission		(1,078,227)	-	(1,078,227)	-
Depreciation and amortisation	3	(9,438)	(4,831)	(9,438)	(4,831)
Impairment losses on investments	3	-	-	-	(20,632)
Reversal of / (impairment) losses on trade and other receivables	3	64,772	11,823	64,772	11,823
Travel expenditure		(100,068)	(62,333)	(100,068)	(62,333)
Facilities	3	(63,250)	(63,250)	(63,250)	(63,250)
Audit fees		(116,762)	(69,063)	(116,762)	(69,063)
Other administrative expenses		(269,355)	(157,304)	(269,356)	(157,305)
Results from operating activities	3	(1,872,500)	2,369,911	(1,872,501)	2,349,278
Gain on dilution of subsidiary	9	3,045,125	-	-	-
Share of net (loss) / profit of associates	9	(823,577)	205,896	-	-
Profit / (loss) before tax	3	349,048	2,575,807	(1,872,501)	2,349,278
Income tax expense	5	-	-	-	-
Profit / (loss) for the year attributable to equity holders of the Company		349,048	2,575,807	(1,872,501)	2,349,278
Basic earnings per share (cents)	6	3.2	45.0		
Diluted earnings per share (cents)	6	3.0	45.0		

The accompanying notes on pages 19 to 41 form part of these financial statements.

INVESTIKA LTD
STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2006

		Consolidated		The Company	
		2006	2005	2006	2005
	Note	$	$	$	$
Change in fair value of equity securities available for sale net of tax	15	351,739	(159,416)	1,077,844	(315,409)
Net income / (expense) recognised directly in equity		351,739	(159,416)	1,077,844	(315,409)
Profit / (loss) for the year	16	349,048	2,575,807	(1,872,501)	2,349,278
Total recognised income and expense for the year attributable to equity holders of the Company	17	700,787	2,416,391	(794,657)	2,033,869

Other movements in equity arising from transactions with owners as owners are set out in Note 14

The accompanying notes on pages 19 to 41 form part of these financial statements.

INVESTIKA LTD
BALANCE SHEETS
AS AT 31 DECEMBER 2006

		Consolidated		The Company	
		2006	2005	2006	2005
	Note	$	$	$	$
ASSETS					
Current Assets					
Cash and cash equivalents		2,054,098	1,151,422	2,054,098	1,151,422
Trade and other receivables	7	29,978	4,615	29,978	4,619
Total Current Assets		2,084,076	1,156,037	2,084,076	1,156,041
Non-Current Assets					
Trade and other receivables	7	371,296	-	371,296	-
Exploration and evaluation expenditure – intangible	8	-	2,405,553	-	2,405,553
Investments accounted for using the equity method	9	6,298,654	1,771,019	-	-
Other investments	10	16,076,047	1,777,881	20,741,070	3,099,524
Plant and equipment	11	17,762	6,697	17,762	6,697
Total Non-Current Assets		22,763,759	5,961,150	21,130,128	5,511,774
Total Assets		24,847,835	7,117,187	23,214,204	6,667,815
LIABILITIES					
Current Liabilities					
Trade and other payables	12	211,662	175,804	211,659	175,804
Provisions	13	2,235	2,235	2,235	2,235
Total Current Liabilities		213,897	178,039	213,894	178,039
Non-current Liabilities					
Deferred tax liabilities	5	330,904	146,742	575,237	79,887
Total Non-current Liabilities		330,904	146,742	575,237	79,887
Total Liabilities		544,801	324,781	789,131	257,926
NET ASSETS		24,303,034	6,792,406	22,425,073	6,409,889
EQUITY					
Issued capital	14	19,767,990	3,332,788	19,767,990	3,332,788
Reserves	15	1,610,194	883,816	2,180,306	727,823
Retained earnings	16	2,924,850	2,575,802	476,777	2,349,278
TOTAL EQUITY	17	24,303,034	6,792,406	22,425,073	6,409,889

The accompanying notes on pages 19 to 41 form part of these financial statements.

INVESTIKA LTD
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006

		Consolidated		The Company	
		2006	2005	2006	2005
	Note	$	$	$	$
Cash flows from operating activities					
Cash receipts in the course of operations		430,720	231,440	430,720	231,440
Cash paid to suppliers and employees		(1,998,759)	(1,118,453)	(1,998,759)	(1,139,085)
Net cash from operating activities	24(ii)	(1,568,039)	(887,013)	(1,568,039)	(907,645)
Cash flows from investing activities					
Proceeds from sale of equity investments		225,345	4,356,223	225,345	4,356,223
Purchase of:					
– equity investments		(11,598,257)	(1,464,745)	(11,598,257)	(1,464,745)
– interest in associates		(2,199,777)	(655,109)	(2,199,777)	(634,477)
Payments for:					
– exploration and evaluation expenditure		-	(1,009,648)	-	(1,009,648)
– purchases of plant and equipment		(20,502)	(7,773)	(20,502)	(7,773)
Loans and advances:					
– to associates		(371,296)	-	(371,296)	-
– to other entities		(2,500,000)	-	(2,500,000)	-
– repaid by other entities		2,500,000	60,000	2,500,000	60,000
Net cash from investing activities		(13,964,487)	1,278,948	(13,964,487)	1,299,580
Cash flows from financing activities					
Net proceeds from the issue of share capital		16,435,202	-	16,435,202	-
Net cash from financing activities		16,435,202	-	16,435,202	-
Net increase / (decrease) in cash and cash equivalents		902,676	391,935	902,676	391,935
Cash and cash equivalents at 1 January		1,151,422	759,487	1,151,422	759,487
Cash and cash equivalents at 31 December	24(i)	2,054,098	1,151,422	2,054,098	1,151,422

The accompanying notes on pages 19 to 41 form part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Investika Ltd (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the year ended 31 December 2006 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interest in associates.

The financial report was authorised for issue by the directors on 23 February 2007.

a. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

b. Basis of preparation

The financial report is presented in Australian dollars.

The consolidated entity plans to adopt AASB 7 *Financial Instruments : Disclosure (August 2005)* and AASB 2005-10 *Amendments to Australian Accounting Standards (September 2005)* in the 2007 financial year. The initial application of AASB 7 and AASB2005-10 is not expected to have an impact on the financial results of the Company and the consolidated entity as the standard and the amendment are concerned only with disclosures.

The financial report is prepared on the historical cost basis except that financial instruments classified as available-for-sale are stated at their fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

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

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 8.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report.

The accounting policies have been applied consistently by consolidated entities.

c. Basis of consolidation

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

d. Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a subsidiary or an associate, is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment (see accounting policy s). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

e. Investments

Subsidiaries

Investments in subsidiaries are carried in the Company's financial statements at the cost of acquisition less impairment losses.

Associates

An associate is an entity, other than a partnership, over which the consolidated entity exercises significant influence, but not control, over financial and operating policies.

In the Company's financial statements, investments in associates are carried at fair value, with resulting revaluation gains and losses recognised in equity. The fair value of investments in listed shares of associates is their quoted bid price at the balance sheet date and the fair value of investments in unlisted shares of associates is cost.

The consolidated financial statements includes the consolidated entity's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's share of losses exceeds its interest in an associate, the consolidated entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the consolidated entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Unrealised gains arising from transactions with associates are eliminated to the extent of the consolidated entity's interest in the entity with adjustments made to the "Investment in associates" and "Share of associates net profit / (loss)" accounts.

When an associate makes a new issue of capital, changing the consolidated entity's percentage ownership, changes in the share of retained profits are reflected in the net profit or loss and changes in the share of reserves are reflected as direct adjustments to the specific equity accounts.

Equity securities

Other investments held by the consolidated entity are classified as being available-for-sale and are measured at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of listed financial instruments classified as available-for-sale is their quoted bid price at the balance sheet date and the fair value of unlisted financial instruments is cost.

Financial instruments classified as available-for-sale investments are recognised / derecognised by the consolidated entity on the date it commits to purchase / sell the investments. Securities held to maturity are recognised / derecognised on the day they are transferred to / by the consolidated entity.

Gains / (losses) on derecognition

Gains and (losses) from the sale of investments represents the proceeds from the sale of equity investments less the original cost or fair value to the consolidated entity, adjusted for any impairment losses previously recognised in relation to the investments.

f. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

h. Plant and equipment

Acquisition of assets

Items of plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs attributable to the acquisition. Subsequently, they are measured at cost less accumulated depreciation / amortisation and impairment losses.

Depreciation and amortisation

Items of plant and equipment are depreciated / amortised using the straight-line method over their estimated useful lives.

The depreciation / amortisation rates and methods are reviewed annually for appropriateness and the rates used for each class of asset in both the current and prior years are as follows:

– Leasehold improvements	27% (or the life of the lease if shorter)
– Office furniture and computer equipment	27%

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Gains / (losses) on derecognition

Sales of current assets and non-current assets are included as revenue at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying value of the asset at the time of disposal and the net proceeds on disposal.

i. Leased plant and equipment

Leases of plant and equipment under which the Company or its subsidiaries do not assume substantially all the risks and benefits of ownership are classified as operating leases. Lease payments are accounted for as described in accounting policy j.

j. Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payment is established which in the case of quoted securities is ex-dividend date.

k. Exploration, evaluation and development expenditure

Exploration and evaluation

Pre-licence costs are recognised in the income statement as incurred.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a licence is relinquished or a project abandoned, the related costs are recognised in the income statement immediately.

Tangible / intangible exploration and evaluation assets that are available for use are depreciated / amortised on a units of production basis over the life of the economically recoverable reserve.

Expenditure deemed to be unsuccessful is recognised in the income statement immediately.

Development

Development costs are capitalised upon the consolidated entity demonstrating: (i) the technical feasibility of completing the development so that it will be available for use; and (ii) how the development costs will generate probable future economic benefits.

Exploration, evaluation and development assets are depreciated on a straight line basis over the life of the area of interest according to the rate of depletion of the economically recoverable reserves.

l. Trade and Other Receivables

Trade debtors to be settled within 60 days are carried at amortised cost less impairment losses.

m. Trade and Other Payables

Trade accounts payable are stated at amortised cost.

n. Foreign currency transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

o. Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. The revenues and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

p. Employee benefits

Salaries, annual leave and sick leave

The provisions for employee benefits to salaries, annual leave and sick leave represent present obligations resulting from employees' services provided up to the balance date that are expected to be settled within twelve months are calculated at undiscounted amounts based on salary rates that the consolidated entity expects to pay as at the balance date including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to balance date.

The provision is calculated using estimated future increases in salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

Share based payment transactions

The Company's Participants' Option Incentive Scheme, approved at the 2005 annual general meeting allows directors, employees and consultants to acquire shares in the Company. The principal terms of the options are that they have an exercise price of $2.50 each and are exercisable at any time on or before the earlier of 30 June 2010 and 90 days after the date the participant ceases to be employed by the Company. During the year ended 31 December 2006 50,000 (2005 : 570,000) options were granted under the Scheme.

The fair value of services received in return for share options granted to employees and others is measured by reference to the fair value of the share options granted. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the participants become unconditionally entitled to the options. The fair value is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where the forfeiture is only due to the share price not achieving the threshold for vesting.

Superannuation plan

The Company and its subsidiaries contribute to several defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

q. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

r. Revenue recognition
Revenue from services comprises management fees that are charged to related parties and investees and are recognised as the service is rendered.

s. Impairment
The carrying amount of the consolidated entity's assets are reviewed at each balance date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or of a cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

t. Segment reporting
A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The consolidated entity's primary format for segment reporting is based on business segments.

	Consolidated		The Company	
	2006	2005	2006	2005
	$	$	$	$
2. REVENUE AND OTHER INCOME				
Rendering of services revenue	133,063	93,743	133,063	93,743
Other income:				
Interest income	297,657	66,194	297,657	66,194
Gain on sale of shares	90,110	3,846,203	90,110	3,846,203
Total other income	387,767	3,912,397	387,767	3,912,397
Total revenue and other income	520,830	4,006,140	520,830	4,006,140
3. PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE				
(a) Individually significant expenses / (revenues) included in profit / (loss) before tax:				
Gain on dilution of subsidiary	(3,045,125)	-	-	-
Gain on sale of shares	(90,110)	(3,846,203)	(90,110)	(3,846,203)
(b) Operating profit / (loss) before tax has been arrived at after charging / (crediting) the following items:				
Depreciation of plant & equipment	9,438	4,831	9,438	4,831
Personnel costs				
- wages and salaries	645,908	487,858	645,908	487,858
- contributions to defined contribution funds	2,841	4,009	2,841	4,009
- reduction in employee leave entitlement	-	12,000	-	12,000
- equity-settled transactions	87,401	541,420	87,401	541,420
- other	13,052	5,553	13,052	5,553
	749,202	1,050,840	749,202	1,050,840
Operating lease rentals	63,250	63,250	63,250	63,250
(Reversal of) / impairment losses on:				
- investments	-	-	-	20,632
- trade and other receivables	(64,772)	(11,823)	(64,772)	(11,823)

(Reversal of) / impairment losses on trade and other receivables relates to an advance made during 2005 which was provided for in that year as impaired and which was then recovered in 2006.

	Consolidated		The Company	
	2006	2005	2006	2005
4. AUDITORS' REMUNERATION				
Amounts received or due and receivable for audit services by:				
KPMG Australia – Audit and review of financial reports	116,762	69,063	116,762	69,063
Amounts received or due and receivable for other services by:				
KPMG Australia – Taxation services	19,880	15,000	19,880	15,000

	Consolidated		The Company	
	2006	2005	2006	2005
	$	$	$	$
5. TAXATION				
(a) Tax expense				
Current	(449,359)	873,399	(449,359)	873,399
Deferred				
Tax liability for share of associates' (losses) / profits	(247,073)	61,769	-	(6,189)
Deferred tax asset not recognised	696,432	-	449,359	-
Benefit of tax losses recognised	-	(935,168)	-	(867,210)
	449,359	(873,399)	449,359	(873,399)
Total income tax expense	-	-	-	-
Numerical reconciliation between income tax expense and pre tax net profit / (loss)				
Profit / (loss) before tax	349,048	2,575,807	(1,872,501)	2,349,278
Income tax using the domestic corporate income tax rate of 30% (2005 : 30%)	104,714	772,742	(561,750)	704,784
Increase in income tax due to:				
Non-deductible expenditure – equity-settled transactions	112,392	162,426	112,392	162,426
Non-taxable gain arising on dilution of subsidiary	(913,538)	-	-	-
Deferred tax asset not recognised	696,432	-	449,359	-
Decrease in income tax due to:				
Benefit of tax losses recognised	-	(935,168)	-	(867,210)
Income tax expense / (benefit)	-	-	-	-
(b) Deferred tax liabilities				
Deferred tax liabilities are attributable to				
Equity securities available-for-sale	330,904	146,742	575,237	79,887

The Company has elected to classify its investments as available-for-sale financial assets with movements in their fair value being recorded in an equity reserve (see note 15 for more information). Increases in the fair value of investments requires the Company to record a deferred tax liability under AASB 112 *Income taxes*. This standard requires, inter alia, the Directors to only recognise available tax losses when it is probable that the consolidated entity will derive future taxable profits.

(c) Deferred tax assets not taken to account

The potential future income tax benefit arising from tax losses has not been recognised as an asset because recovery of tax losses is not considered probable

Revenue losses carried forward	9,600,439	10,103,149	6,724,302	7,227,012

The potential future income tax benefit will only be obtained if:

(i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be realised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the relevant company and/or the consolidated entity complies with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realising the benefit.

(d) Franking credits

The Company has no franking credits available.

	Consolidated		The Company	
	2006	2005	2006	2005
6. EARNINGS PER SHARE				
Basic earnings per share *	3.2¢	45.6¢		
Diluted earnings per share *	3.0¢	45.6¢		
Profit attributable to ordinary shareholders	349,048	2,575,807		
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share*	10,959,689	5,647,337		

* 2005 figures adjusted for effects of May 2006 1 : 100 consolidation of share capital

	$	$	$	$
7. TRADE AND OTHER RECEIVABLES				
Current				
Trade debtors	24,893	24,893	24,893	24,893
Less : Impairment	(24,893)	(24,893)	(24,893)	(24,893)
Advances to other entities	90,000	90,000	90,000	90,000
Less : Impairment	(90,000)	(90,000)	(90,000)	(90,000)
Proceeds due from sale of investments	21,461	-	21,461	-
Other debtors	8,517	4,615	8,517	4,619
	29,978	4,615	29,978	4,619
Non-current				
Advances to associates	371,296	-	371,296	-
Loans to subsidiaries	-	-	-	9,696,449
Less: Impairment	-	-	-	(9,696,449)
	371,296	-	371,296	-
8. EXPLORATION AND EVALUATION EXPENDITURE – INTANGIBLE				
Opening balance – 1 January	2,405,553	555,905	2,405,553	555,905
Equity settled transactions	-	840,000	-	840,000
Cash settled transactions	-	1,009,648	-	1,009,648
Transferred to unlisted equity securities on conversion to equity interest	(2,405,553)	-	(2,405,553)	-
Closing balance – 31 December	-	2,405,553	-	2,405,553

Critical accounting judgements in applying the consolidated entity's accounting policies

Exploration and evaluation expenditure has been incurred in respect of projects which have yet to reach a stage of development where a determination of the technical feasibility and commercial viability of the project can be assessed on a comprehensive basis. In these circumstances, the directors have used their experience to determine whether there is any indication that the asset has been impaired and have concluded that there are currently no such indications.

9. INVESTMENTS IN ASSOCIATES

(a) The consolidated entity has the following investments in associates:

	Principal Activities	Country	Reporting Date	Ownership 2006	Ownership 2005
Belitung Zinc Corporation plc – unlisted	Mining exploration and evaluation on the Kelapa Kampit zinc/lead project in Indonesia	UK	30 June	42.5%	100.0%
Tarquin Resources plc	Mining exploration and evaluation on the Las Pascualas copper project in Chile	UK	31 Dec	32.6%	23.5%
Tommy SA – unlisted	Mining exploration and evaluation on the Las Pascualas copper project in Chile	Chile	31 Dec	49.0%	49.0%
Metak Ltd – unlisted	Mining exploration and evaluation	UK	30 June	50.0%	50.0%

	Revenues (100%)	Profit / (loss) (100%)	Share of associates net profit / (loss) recognised	Total assets (100%)	Total liabilities (100%)	Net assets as reported by associates (100%)	Share of associates net assets equity accounted
2006							
Belitung Zinc Corporation plc	230,933	(982,365)	(200,171)	14,913,863	231,228	14,682,635	3,045,125
Tarquin Resources plc	231,460	(2,010,710)	(623,406)	10,104,693	3,064,768	7,039,925	3,253,529
Tommy SA	1,458	(535,125)	-	4,884,073	5,408,015	(523,942)	-
Metak Ltd	-	-	-	-	-	-	-
	463,851	(3,528,200)	(823,577)	29,902,629	8,704,011	21,198,618	6,298,654
2005							
Tarquin Resources plc	1,711,488	1,318,944	226,528	4,393,621	277,370	4,116,251	967,319
Tommy SA	-	-	-	-	-	-	-
Metak Ltd	-	(41,264)	(20,632)	-	-	-	-
	1,711,488	1,277,680	205,896	4,393,621	277,370	4,116,251	967,319

	Consolidated 2006 $	Consolidated 2005 $	The Company 2006 $	The Company 2005 $
9. INVESTMENTS IN ASSOCIATES (continued)				
(b) Equity accounting for investments in associates				
Results of associates				
Share of net (loss) / profit of associates	(823,577)	226,528	-	-
Impairment loss	-	(20,632)	-	-
Share of associates' net profit / (loss) accounted for using the equity method	(823,577)	205,896	-	-
Movements in carrying amount of investments				
Opening balance – 1 January	1,771,019	-	-	-
Investments in associates made during year	2,306,087	1,565,123	-	-
Gain on dilution of subsidiary becoming an associate	3,045,125	-	-	-
Share of net profit / (loss) of associates	(823,577)	205,896	-	-
Closing balance – 31 December	6,298,654	1,771,019	-	-
Share of associates' capital commitments contracted but not provided for or payable:				
Within one year	-	-	-	-
One year or later and no later than five years	-	-	-	-
	-	-	-	-
Summary financial position of associates				
The consolidated entity's share of aggregate assets and liabilities of associates is as follows:				
Current assets	3,365,672	712,526	-	-
Non-current assets	8,660,044	319,975	-	-
Total assets	12,025,716	1,032,501	-	-
Current liabilities	402,367	65,182	-	-
Non-current liabilities	3,344,945	-	-	-
Total liabilities	3,747,312	65,182	-	-
Net assets – as reported by associate	8,278,404	967,319	-	-
Adjustments arising from equity accounting				
Goodwill	1,215,245	803,700	-	-
Impairment loss	(3,194,995)	-	-	-
Net assets – equity adjusted	6,298,654	1,771,019	-	-
10. OTHER INVESTMENTS				
Non-current				
Shares in subsidiaries at cost	-	-	13,696,449	4,000,000
Less: Impairment loss	-	-	(13,696,449)	(4,000,000)
	-	-	-	-
Equity securities available for sale:				
Investment in associates:				
– listed shares	-	-	4,464,852	1,321,643
– unlisted shares	-	-	200,171	-
Other shares:				
– listed	11,617,565	1,657,143	11,617,565	1,657,143
– unlisted	4,458,482	120,738	4,458,482	120,738
Total other financial assets	16,076,047	1,777,881	20,741,070	3,099,524

	Consolidated		The Company	
	2006	2005	2006	2005
	$	$	$	$
11. PLANT AND EQUIPMENT				
Office furniture and computer equipment				
At cost	34,999	59,660	34,999	59,660
Accumulated depreciation	(17,237)	(52,963)	(17,237)	(52,963)
	17,762	6,697	17,762	6,697
Leasehold improvements				
At cost	61,419	61,419	61,419	61,419
Accumulated amortisation	(61,419)	(61,419)	(61,419)	(61,419)
	-	-	-	-
Total plant and equipment net book value	17,762	6,697	17,762	6,697
Reconciliations				
Reconciliations of the carrying amount for each class of plant and equipment are set out below:				
Office furniture and computer equipment				
Cost				
Opening balance – 1 January	59,660	51,887	59,660	51,887
Additions	20,503	7,773	20,503	7,773
Disposals	(45,164)	-	(45,164)	-
Closing balance – 31 December	34,999	59,660	34,999	59,660
Accumulated depreciation				
Opening balance – 1 January	(52,963)	(48,132)	(52,963)	(48,132)
Disposals	45,164	-	45,164	-
Depreciation	(9,438)	(4,831)	(9,438)	(4,831)
Closing balance – 31 December	(17,237)	(52,963)	(17,237)	(52,963)
Leasehold improvements				
Cost				
Opening balance – 1 January	61,419	61,419	61,419	61,419
Additions	-	-	-	-
Closing balance – 31 December	61,419	61,419	61,419	61,419
Accumulated amortisation				
Opening balance – 1 January	61,419	(61,419)	61,419	(61,419)
Amortisation	-	-	-	-
Closing balance – 31 December	(61,419)	(61,419)	(61,419)	(61,419)
12. TRADE AND OTHER PAYABLES				
Non-trade payables and accruals	211,662	175,804	211,659	175,804
13. PROVISIONS				
Employee leave entitlements				
Opening balance – 1 January	2,235	14,235	2,235	14,235
Provision used during the year	-	(12,000)	-	(12,000)
Closing balance – 31 December	2,235	2,235	2,235	2,235
14. CAPITAL				
Issued and paid-up capital				
13,534,709 (2005 : 571,062,475) ordinary shares, fully paid	19,767,990	3,332,788	19,767,990	3,332,788

14. CAPITAL (continued)	**Consolidated and The Company**			
	2006	**2005**	**2006**	**2005**
Ordinary share capital	**Number**	**Number**	**$**	**$**
Opening balance – 1 January	571,062,475	541,062,475	3,332,788	12,519,305
Shares issued:				
Issued for cash	732,862,475		16,435,202	
To acquire interest in Berong nickel project	-	30,000,000	-	840,000
Consolidation of share capital on the basis of 1 : 100 in accordance with shareholders' resolution at 2006 AGM and as announced to the ASX on 18 May 2006	(1,290,390,241)	-	-	-
Write off accumulated deficit in accordance with shareholders' resolution at 2005 AGM and as announced to the ASX on 25 May 2005	-	-	-	(10,026,517)
Closing balance – 31 December	13,534,709	571,062,475	19,767,990	3,332,788

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any net proceeds on liquidation.

Options

Option holders are not entitled to participate in any share issue of the Company or to receive dividends.

30 June 2010 $2.50 (2005 : $0.025) options over ordinary shares	2006 Number	2005 Number
Opening balance – 1 January	57,000,000	-
Granted during the year	5,000,000	57,000,000
Consolidation of share capital on the basis of 1 : 100 in accordance with shareholders' resolution at 2006 AGM and as announced to the ASX on 18 May 2006	(61,380,000)	
Closing balance – 31 December	620,000	57,000,000

21 August 2009 $3.15 options over ordinary shares	2006 Number	2005 Number
Opening balance – 1 January	-	-
Granted during the year	136,547	-
Closing balance – 31 December	136,547	-

These options are not considered to be dilutive at 31 December 2006 as the option strike price exceeded the average share price of the Company during the period.

		Consolidated		The Company	
		2006	2005	2006	2005
	Note	$	$	$	$
15. RESERVES					
Fair value reserve					
Opening balance – 1 January		342,396	501,812	186,403	501,812
Change in fair value of equity securities available for sale net of tax		351,739	(159,416)	1,077,844	(315,409)
Closing balance – 31 December		694,135	342,396	1,264,247	186,403
Equity compensation reserve					
Opening balance – 1 January		541,420	-	541,420	-
Equity settled transactions		374,639	541,420	374,639	541,420
Closing balance – 31 December		916,059	541,420	916,059	541,420
Total reserves – 31 December		1,610,194	883,816	2,180,306	727,823

Fair value reserve
The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments net of tax until the investment is derecognised.
Equity compensation reserve
The equity compensation reserve includes the fair value of options granted under the Company's Participant's Option Incentive Schemes.

16. RETAINED EARNINGS					
Opening balance – 1 January		2,575,802	(10,026,522)	2,349,278	(10,026,517)
Profit / (loss) for the period		349,048	2,575,807	(1,872,501)	2,349,278
Write off of accumulated losses	14	-	10,026,517	-	10,026,517
Closing balance – 31 December		2,924,850	2,575,802	476,777	2,349,278
17. TOTAL EQUITY RECONCILIATION					
Total equity at beginning of year		6,792,406	2,994,595	6,409,889	2,994,600
Equity settled transactions (net of tax)		374,639	541,420	374,639	541,420
Total recognised income / (expense) for the year		700,787	2,416,391	(794,657)	2,033,869
Contributions of equity		16,435,202	840,000	16,435,202	840,000
Total equity at end of year		24,303,034	6,792,406	22,425,073	6,409,889

18. CONTROLLED ENTITIES			Consolidated and the Company	
			Interest	Interest
Parent entity – Investika Ltd		Place of	2006	2005
Subsidiaries	Note	incorporation	%	%
Kidz.net National Pty Ltd	(i)	NSW	99.95	99.95
Belitung Zinc Corporation plc	(ii)	UK	42.5%	100.0

(i) The Company holds 99.95% voting interest in Kidz.Net National Pty Ltd but holds 100% of the shares that provide entitlement to income and capital distributions by this entity. Hence there is no outside equity interest in this company. During the period, the Company applied to have Kidz.Net National Pty Ltd deregistered, which became effective on 15 January 2007.
(ii) Prior to 31 December 2005, Belitung Zinc Corporation plc was dormant and on 20 January 2006, it became an associate following the Company's equity interest in that entity diluting to 42.5%.
There were no acquisitions or disposals in 2006 or in 2005.

19. MATERIAL INTERESTS IN OTHER ENTITIES

	Nature of business	Interest 2006 %	Interest 2005 %
Berong Nickel Corporation	Nickel mining	18.7	-
Toledo Mining Corporation plc	Mining exploration and evaluation	11.6	-
UMC Energy plc	Mining exploration and evaluation	11.7	15.8

20. SEGMENT INFORMATION

Primary segments	Investment Services $	Mining $	Total $
Business Segments			
2006			
Segment revenue	133,063	-	133,063
Interest income	297,657	-	297,657
Gain on sale of shares	90,110	-	90,110
Total revenue and other income	520,830	-	520,830
Segment result	816,103	(5,927)	810,176
Share of net profit / (loss) of associates	(823,557)	-	(823,557)
Interest income	297,657	-	297,657
Reversal of impairment losses	64,772	-	64,772
Profit / (loss) for the period	354,975	(5,927)	349,048
Depreciation and amortisation	9,438	-	9,438
Segment assets	20,389,354	4,458,481	24,847,835
Segment liabilities	544,801	-	544,801
Capital expenditure	11,714,125	2,052,928	13,767,053
2005			
Segment revenue	93,743	-	93,743
Interest income	66,194	-	66,194
Gain on sale of shares	3,846,203	-	3,846,203
Total revenue and other income	4,006,140	-	4,006,140
Segment result	2,597,097	(305,203)	2,291,894
Share of net profit / (loss) of associates	226,528	(20,632)	205,896
Interest income	66,194	-	66,194
Reversal of impairment losses	11,823	-	11,823
Profit / (loss) for the period	2,901,642	(325,835)	2,575,807
Depreciation and amortisation	4,831	-	4,831
Segment assets	4,711,634	2,405,553	7,117,187
Segment liabilities	324,781	-	324,781
Capital expenditure	2,354,530	1,009,648	3,364,178

20. SEGMENT INFORMATION (continued)

Secondary segments	**Australia**	**Asia**	**South America**	**United Kingdom**	**Total**
	$	**$**		**$**	**$**
Geographic Segments					
2006					
Segment Revenue	8,063	-	-	125,000	133,063
Segment Assets	2,080,376	4,458,481	371,296	17,937,682	24,847,835
2005					
Segment Revenue	93,743	-	-	-	93,743
Segment Assets	1,385,582	2,405,553	-	3,326,052	7,117,187

Investment services represent the consolidated entity's activities in investing in, and contributing to the management of, other companies, and cash held on deposit. Mining represents the Company's interest in prospective mining ventures.

	Consolidated		**The Company**	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
21. EMPLOYEE BENEFITS				
Aggregate liability for employee benefits, including on-costs				
Current	2,235	2,235	2,235	2,235
Number of employees at year end	1	1	1	1

Pursuant to a special resolution passed at the 2005 annual general meeting, the Company created a Participants' Option Incentive Scheme. The options are exercisable at any time up to the expiry date at $2.50 (2005 : $0.025) per share and expire on 30 June 2010 or 90 days after the date on which the participant no longer holds any office in, or employment with the Company. 50,000 options were granted under this scheme and no options were exercised during the financial year.

Unissued ordinary shares of the Company under the Participants' Option Incentive Scheme are:

Expiry date	**Exercise price**	**Number of options 2006**	**2005**
30 June 2010 *	$2.50	620,000	570,000

* 2005 figures adjusted for effects of 1 : 100 share consolidation

	Consolidated		**The Company**	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Superannuation plans				
The Company and its subsidiaries contribute to several defined contribution plans.				
Details of contributions during the year and contributions payable at balance date are as follows:				
Employer contributions to the plans	2,841	4,009	2,841	4,009
Employer contributions payable to the plans	-	-	-	-

22. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration of Directors and Specified Executives

Remuneration of senior management personnel is determined by a Remuneration Committee comprised of the non-executive directors. The Board as a whole is responsible for making recommendations on remuneration policies and packages applicable to the Board members of the consolidated entity. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality; taking into account information obtained via reputable industry remuneration surveys and / or independent consultant reports. This also includes responsibility for share option schemes, incentive performance packages, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies. For the current year all packages comprised fixed remuneration elements and equity based remuneration only; no bonuses were paid.

	Salary and Fees $	Non-cash Benefits $	Super Benefits $	Options Granted (i) $	Total $
2006					
Directors					
Executive:					
C. Kyriakou (CEO)	218,182	41,973	-	-	260,155
J.R. Reynolds (CFO) (from 7/6/06)	46,098	-	-	-	46,098
Non-Executive:					
J.A. Landels (Chairman)	50,000	-	-	-	50,000
M.R. Arnesen (from 2/11/06)	3,823	-	344	-	4,167
S. Borg	22,936	-	2,064	-	25,000
R.A. Cleary	104,030	-	-	-	104,030
Officers					
Company:					
J.B. Maguire (Co Secretary)	144,000	-	-	-	144,000
J.R. Reynolds (CFO) (until 7/6/06)	22,254	-	-	-	22,254
2005					
Directors					
Executive:					
C. Kyriakou (CEO)	118,182	-	-	140,400	258,582
Non-Executive:					
J.A. Landels (Chairman)	50,000	-	-	46,800	96,800
S. Borg	22,936	-	2,064	14,040	39,040
R.A. Cleary (from 16/3/05)	58,024	-	-	112,320	170,344
Officers					
Company:					
J.B. Maguire (Co Secretary)	144,000	-	-	74,880	218,880
J.R. Reynolds (CFO)	83,655	-	2,250	30,450	116,355

22. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(i) The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed above is the portion of the fair value of the options allocated to this reporting period.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant date	Expiry date	Fair value per option $ *	Exercise price $ *	Estimated Price of shares on grant date $ *	Estimated volatility %	Risk free Interest rate %	Dividend yield %
26/5/05	30/6/2010	0.936	2.50	1.70	70	5.63	0
11/11/05	30/6/2010	1.094	2.50	1.40	123	5.63	0

* Adjusted for effect of May 2006 1 : 100 share capital consolidation

Estimated volatility is based on the price of the Company's ordinary shares over the period 2 December 2004 to 26 May 2005 and 2 December 2004 to 11 November 2005, as traded on the Australian Stock Exchange. Each option entitles the holder to purchase one ordinary share in the Company. These options expire on the earlier of their expiry date and 90 days after the date the director or employee ceases to be employed by the Company. The options granted vest on 26 May 2005 and 11 November 2005 respectively.

Equity instruments

All options refer to options over ordinary shares of Investika Ltd.
During the year, no options over ordinary shares were granted and vested.

Equity holdings and transactions : Ordinary shares

2006	Held at 1.1.2006 *	Acquired in Rights issue	Acquired on market	Disposed on market	Held at 31.12.2006
Specified directors					
J.A. Landels	34,000	50,000	16,000	-	100,000
C. Kyriakou	1,849,762	2,220,000	504,536	-	4,574,298
M.R. Arnesen	-	-	-	-	-
S. Borg	23,053	33,206	-	-	56,259
R.A. Cleary	-	-	-	-	-
J.R. Reynolds	2,000	4,000	-	-	6,000
Specified executives					
J.B. Maguire	120,000	24,000	-	-	144,000

* Adjusted for effect of May 2006 1 : 100 share capital consolidation

2005	Held at 1.1.2005 *	Acquired on market *	Disposed on market *	Held at 31.12.2005 *
Specified directors				
J.A. Landels	34,000	-	-	34,000
C. Kyriakou	1,779,762	70,000	-	1,849,762
S. Borg	97,130	10,000	(84,077)	23,053
R.A. Cleary	-	-	-	-
Specified executives				
J.B. Maguire	75,000	45,000	-	120,000
J.R. Reynolds	1,000	1,000	-	2,000

* Adjusted for effect of May 2006 1 : 100 share capital consolidation

22. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Equity holdings and transactions : Options over ordinary shares

2006	**Held and Vested at 1.1.2006 ***	**Granted**	**Held and Vested at 31.12.2006**
Specified directors			
J.A. Landels	50,000	-	50,000
C. Kyriakou	150,000	-	150,000
M.R. Arnesen	-	-	-
S. Borg	15,000	-	15,000
R.A. Cleary	120,000	-	120,000
J.R. Reynolds	30,000	-	30,000
Specified executives			
J.B. Maguire	80,000	-	80,000

* Adjusted for effect of May 2006 1 : 100 share capital consolidation

2005	**Held and Vested at 1.1.2005 ***	**Granted ***	**Held and Vested at 31.12.2005**
Specified directors			
J.A. Landels	-	50,000	50,000
C. Kyriakou	-	150,000	150,000
M.R. Arnesen	-		
S. Borg	-	15,000	15,000
R.A. Cleary	-	120,000	120,000
Specified executives			
J.B. Maguire	-	80,000	80,000
J.R. Reynolds	-	30,000	30,000

* Adjusted for effect of May 2006 1 : 100 share capital consolidation

All options vested on date of grant.

Other transactions with the Company or its subsidiaries

A number of specified directors and specified executives, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amounts recognised during the year relating to specified directors, specified executives and their personally-related entities, were total revenue of $8,063 and total expense of $477,829. Details of the transactions are as follows:

			2006	**2005**
Specified directors	**Transaction**	**Note**	**$**	**$**
C. Kyriakou	Management fee	(vi), (vii), (viii)	8,063	66,743
R.A. Cleary	Management fee	(vii), (viii)	8,063	53,899
C. Kyriakou	Consultancy fees and rent	(i), (ii)	281,432	181,432
R.A. Cleary	Consultancy	(iii)	104,030	58,024
J.R. Reynolds	Consultancy	(iv)	68,352	58,655
S. Borg	IT support and equipment	(v)	24,015	10,169

22. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(i) Management consultancy fees of $218,182 (2005: $118,182) were paid by the Company to a company in which a Director, Mr Kyriakou, has an interest. These services were charged at commercial rates. The amount of management consulting fees is included in the remuneration disclosure set out in this note 22.
(ii) Rent of $63,250 (2005: $63,250) was paid by the Company to a company in which a Director, Mr. Kyriakou, has an interest. This rent was charged at commercial rates.

(iii) Consultancy fees of $104,030 (2005: $58,024) were paid by the Company to a company in which a Director, Mr Cleary, has an interest. These services were charged at commercial rates. The amount of consulting fees is included in the remuneration disclosure set out in this note 22.

(iv) Consultancy fees of $68,352 (2005: $58,655) were paid by the Company to a business in which a Director, Mr Reynolds, has an interest. These services were charged at commercial rates. The amount of consulting fees is included in the remuneration disclosure set out in this note 22.

(v) IT equipment amounting to $17,233 (2005: $5,001) was purchased by the Company from, and IT services of $6,782 (2005: $5,168) were supplied to the Company by, a company in which a Director, Mr. Borg, has an interest.

(vi) Management fees of $nil (2005: $12,844) were charged by the Company to Tarquin Resources plc of which Mr Kyriakou is a director. These services were charged at commercial rates. By the balance date, the total amount had been paid.

(vii) Management fees of $4,838 (2005: $44,224) were charged by the Company to Toledo Mining Corporation plc of which Mr Kyriakou and Mr Cleary are directors. These services were charged at commercial rates. By the balance date, the total amount had been paid.

(viii) Management fees of $3,225 (2005: $9,675) were charged by the Company to UMC Energy plc of which Mr Kyriakou and Mr Cleary are directors. These services were charged at commercial rates. By the balance date, the total amount had been paid.

(ix) Expenses incurred in sourcing the Kelapa Kampit project amounting to $288,261 (2005 : $nil) were recovered from Belitung Zinc Corporation plc of which Mr Kyriakou and Mr Reynolds are directors. By the balance date, the total amount had been paid.

	2006	2005
Assets and liabilities arising from the above transactions	**$**	**$**
Current assets		
Trade debtors and advances	-	-
Current liabilities		
Trade and other payables	-	-
	-	-

Subsidiaries
Details of interests in subsidiaries are set out in note 18. Details of dealings with these entities are set out below. These transactions are in the normal course of business and on normal terms and conditions.

Loans between the Company and its subsidiaries have no specified term and do not bear interest. The loan to Kidz.Net National Pty Ltd amounting to $9,696,448 was capitalised into share capital during the period. The total value of the loans at 31 December 2006 is $nil (2005: $9,696,448). These amounts have been provided for to the extent of $nil (2005: $9,696,448).

23. FINANCIAL INSTRUMENTS

(a) Terms and conditions

Significant terms and conditions for each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

Receivables: The amounts receivable from trade receivables, other debtors and advances to associates do not bear interest. The advance to the associate is repayable on demand.

Trade creditors: Trade creditors are normally settled within 60 days.

(b) Foreign Exchange Risk

The expenses of the Company's mining exploration activities are incurred in United States dollars. At 31 December 2006, the Company held US$627,755 (2005 : US$10,953) in a US dollar bank account. To the extent that expenditure exceeds this amount, the Company is exposed to any deterioration in the Australian dollar – US dollar exchange rate. Funding permitting, it is the Company's policy to cover known expenditures or alternatively to put in place forward exchange contracts where the timing of payments is definite. At balance date, there were no such forward exchange contracts utilised by the consolidated entity.

(c) Credit Risk Exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

At balance date, the consolidated entity did not have any material concentration of credit risk.

23. FINANCIAL INSTRUMENTS (continued)

(d) Interest Rate Risk

The following table details the consolidated entity's exposure to interest rate risk as at reporting date:

				Consolidated	
	Note	Effective Interest Rate %	Variable Interest Rate $	Non Interest Bearing $	Total $
31 December 2006					
Financial Assets					
Cash and cash equivalents	24(i)	4.9%	2,054,098	-	2,054,098
Trade and other receivables	7		-	401,273	401,273
Equity securities available for sale	10		-	16,076,047	16,076,047
			2,054,098	16,477,320	18,531,418
Financial Liabilities					
Trade and other payables	12		-	211,662	211,662
Employee benefits	13		-	2,235	2,235
			-	213,897	213,897
31 December 2005					
Financial Assets					
Cash and cash equivalents	24(i)	5.0%	1,151,422	-	1,151,422
Trade and other receivables	7		-	4,615	4,615
Equity securities available for sale	10		-	1,777,881	1,777,881
			1,151,422	1,782,496	2,933,918
Financial Liabilities					
Trade and other payables	12		-	175,804	175,804
Employee benefits	13		-	2,235	2,235
			-	178,039	178,039

Maturities

Cash and cash equivalents have a maturity date within 6 months. All other financial assets and financial liabilities have no specific specific dates of maturity.

23. FINANCIAL INSTRUMENTS (continued)

(e) Net Fair Value

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:	Note	Consolidated Carrying amount 2006 $	Net fair value 2006 $	Carrying amount 2005 $	Net fair Value 2005 $
Financial Assets					
Cash and cash equivalents	24(i)	2,054,098	2,054,098	1,151,422	1,151,422
Trade and other receivables	7	401,273	401,273	4,615	4,165
Equity securities available for sale	10	16,076,047	16,076,047	1,777,881	1,777,881
		18,531,418	18,531,418	2,933,918	2,933,918
Financial Liabilities					
Trade and other payables	12	211,662	211,662	175,804	175,804
		211,662	211,662	175,804	175,804

For investments accounted for using the equity method and equity securities available for sale, the net fair value is based on market price. For all other financial assets and liabilities, the carrying amount as shown approximates the fair value, due to short-term maturity.

	Consolidated 2006 $	2005 $	The Company 2006 $	2005 $
24. NOTES TO THE STATEMENTS OF CASH FLOWS				
(i) Reconciliation of cash				
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short-term deposits. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the balance sheet as follows:				
Classified as cash	2,054,098	1,151,422	2,054,098	1,151,422
	2,054,098	1,151,422	2,054,098	1,151,422
(ii) Reconciliation of cash flows from operating activities				
Profit / (loss) for the period	349,048	2,575,807	(1,872,501)	2,349,278
Adjustments for:				
Depreciation	9,438	4,831	9,438	4,831
Gain on sale of shares	(90,110)	(3,846,203)	(90,110)	(3,846,203)
Gain on dilution of subsidiary	(3,045,125)	-	-	-
(Reversal of) / impairment losses	-	(76,595)	-	(76,595)
Share of net (profit) / loss of associates	823,577	(205,896)	-	-
Equity-settled share-based payment expenses	374,639	541,420	374,639	541,420
Operating cash flow before changes in working capital and provisions	(1,578,533)	(1,006,636)	(1,578,534)	(1,027,269)
(Increase) / decrease in trade and other receivables	(25,358)	66,469	(25,358)	66,470
(Decrease) / increase in provisions	-	(12,000)	-	(12,000)
(Decrease) / increase in trade and other payables	35,852	65,154	35,853	65,154
Net cash from operating activities	(1,568,039)	(887,013)	(1,568,039)	(907,645)

(iii) Non-cash financing and investing activities

During the year, $2,405,553 relating to intangible exploration and evaluation expenditure was transferred to unlisted equity securities.

In 2005 the Company issued 30,000,000 shares with an attributed value of $840,000 as a non-cash investing transaction in accordance with the requirements of the Berong nickel agreement. The issue of shares was approved at the Company's Annual General Meeting held on 25 May 2005.

25. COMMITMENTS AND CONTINGENT LIABILITIES

Under the three year option arrangement entered into in respect of the Las Pascualas project, the Company is responsible for its 49% share of the option fees which are payable in November 2007 and November 2008, being respectively US$1,000,000 and US$5,200,000. Accordingly, the Company's share of the option fees payable in November 2007 is $650,000 and in November 2008 is $3.4 million.

Other than the item referred to above, the Company and consolidated entity have no commitments for capital or revenue purchases other than those entered into in the ordinary course of business.

The Company and the consolidated entity have no commitments under non-cancellable leases.

The Company and the consolidated entity have no contingent liabilities.

27. SUBSEQUENT EVENTS

Between 1 January 2007 and the date of this report the following material transactions have occurred. The Company has:

- increased its interest in UMC Energy plc to 19.6% following the acquisition of further shares in that entity through the allotment of 500,000 ordinary shares in the Company.
- following shareholder approval at the January 2007 general meeting, granted to directors, employees and consultants 575,000 options over ordinary shares. The options have an exercise price of $3.80 per share and expire on 31 December 2012.
- effected the deregistration of its dormant subsidiary Kidz.Net National Pty Ltd.

The financial effects of the above transaction have not been brought to account in the financial statements for the year ended 31 December 2006.

DIRECTORS' DECLARATION

1) In the opinion of the directors of Investika Ltd ("the Company"):

(a) the financial statements and notes, set out on pages 15 to 41 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and consolidated entity as at 31 December 2006 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2) The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the year ended 31 December 2006.

Dated at Sydney this 23rd day of February 2007.

Signed in accordance with a resolution of the directors:

J.A. Landels
Director

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF INVESTIKA LTD

Independent audit report to members of Investika Ltd
Scope

The financial report and directors' responsibility

The financial report comprises the income statements, statements of recognised income and expense, balance sheets, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration set out on pages 15 to 42 for both Investika Ltd (the "Company") and Investika Ltd and its subsidiaries (the "consolidated entity"), for the year ended 31 December 2006. The consolidated entity comprises both the Company and the entities it controlled during that period.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF INVESTIKA LTD

Audit opinion

In our opinion, the financial report of Investika Ltd is in accordance with:

a) the *Corporations Act 2001*, including:

i giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2006 and of their performance for the financial year ended on that date; and

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

b) other mandatory professional reporting requirements in Australia.

KPMG

Linden Gulson
Partner

Sydney

23 February 2006

SHAREHOLDER INFORMATION
AS AT 7 FEBRUARY 2007

A. STATEMENT OF ISSUED SHARES

(i) The total number of shareholders is 1,602. Each shareholder is entitled to one vote per share held.
(ii) There are 13,534,709 ordinary fully paid shares listed on the Australian Securities Exchange Ltd.
(iii) The twenty largest shareholders hold 92.01% of the Company's issued capital.

B. DISTRIBUTION OF SECURITIES

	Number of Shareholders	Number of Optionholders
1 - 2,000	1,476	-
2,001 - 5,000	75	-
5,001 - 10,000	19	-
10,001 - 100,000	23	6
100,001 and over	9	7
	1,602	13

C. ON-MARKET BUYBACK

There is no current on-market buyback.

D. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders are as follows:

Good Hope Finance & Investment Pty Ltd	4,574,298 shares
RAB Special Situations (Master Fund) Ltd	1,119,860 shares
Cambrian Mining plc	855,000 shares

E. VOTING RIGHTS

Ordinary shares – refer note 14
Options over ordinary shares – there are no voting rights attached to the options over ordinary shares.

F. UNQUOTED SECURITIES

The Company has on issue 1,331,547 options over ordinary shares.
These options are held by 13 persons. There are no holders with more than 20% of the class of securities.

G. TOP 20 SHAREHOLDERS APPEARING ON THE REGISTER:

Shareholder's Name	No. of Shares held	% of Capital held
Good Hope Finance & Investment Pty Ltd	4,566,706	33.74%
Mustoni Ltd	1,648,420	12.18%
Westpac Custodian Nominees	1,247,795	9.22%
Capita IRG Trustees Nominees Ltd	1,190,689	8.80%
ANZ Nominees Ltd	973,921	7.20%
Cambrian Mining plc	855,000	6.32%
National Nominees Ltd	671,457	4.96%
Golden Dragon Trading Ltd	600,475	4.44%
Bell Potter Nominees Ltd	152,000	1.13%
Rockcor Holdings Pty Ltd	100,000	0.74%
Blamnco Trading Pty Ltd	90,000	0.66%
Maguire, John Bertrand	64,321	0.48%
Murray Morgan Investment Ltd	55,548	0.41%
John Capp Pty Ltd	46,000	0.34%
Mutu Ltd	46,000	0.34%
Reef Securities Ltd	33,000	0.24%
Citicorp Nominees Pty Ltd	30,306	0.22%
S & S Borg Pty Ltd	30,000	0.22%
Fernbridge Holdings Ltd	28,500	0.21%
Saade, Nada	21,061	0.16%
Top 20 Total	12,451,999	92.01%