

*United Uranium Limited*  
(ACN 123 920 990)

*Annual Report*

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*For the Financial Year Ended 30 June 2013*

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**CORPORATE DIRECTORY**

**EXECUTIVE CHAIRMAN**

Xing Yan (Simon)

**EXECUTIVE DIRECTOR**

George Lazarou

**NON-EXECUTIVE DIRECTORS**

Eric Kong

Feng Ding

**COMPANY SECRETARY**

Cecilia Chiu

**PRINCIPAL & REGISTERED OFFICE**

Suite 1, 23 Richardson Street

SOUTH PERTH WA 6151

Telephone: (08) 6436 1888

Facsimile: (08) 6436 1899

**AUDITORS**

Bentleys

Level 1, 12 Kings Park Road

WEST PERTH WA 6005

**SHARE REGISTRAR**

Advanced Share Registry Services

150 Stirling Highway

NEDLANDS WA 6009

Telephone: (08) 9389 8033

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**STOCK EXCHANGE LISTING**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Codes: UUL

## **DIRECTORS' REPORT**

The directors of United Uranium Limited (the "Company") submit herewith the financial report of the company for the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### **1. DIRECTORS**

The names and details of the Company's directors in office during and since the financial year end until the date of the report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Xing Yan (Simon)	Executive Chairman
Mr George Lazarou	Executive Director
Mr Eric Kong	Non-Executive Director
Mr Feng Ding	Non-Executive Director

### **INFORMATION ON DIRECTORS**

<b>Xing Yan (Simon)</b>	Executive Chairman
Experience	Mr Yan has over 30 years of senior level management experience in international mining trade. He was part of the management team of China National Minerals and Metals Import & Export Corporation (MINMETALS). He settled down in Western Australia and established a number of successful private enterprises. The contact and knowledge about the two country's business systems, sees him widely sought as a consultant for international trade issues.
Interest in Shares	3,650,000 Fully paid Ordinary Shares
Interest in Options	2,000,000 14.15 cent options exercisable on or before 30 April 2014
<b>George Lazarou</b>	Executive Director
<b>Qualifications</b>	BCom, CA
Experience	Mr Lazarou is a qualified Chartered Accountant with over 20 years' experience, including five years as a partner of a mid-tier accounting firm, specialising in the areas of audit, advisory and corporate services. Mr Lazarou has extensive skills in the areas of audit, corporate services, due diligence, independent expert reports, mergers & acquisitions and valuations.  Mr Lazarou also brings with him a high level of commercial skills having worked closely with publicly listed companies in the mining, building, engineering, environmental and construction industries.  Mr Lazarou is currently the Managing Director of corporate advisory firm Citadel Capital and Non-Executive Chairman of Volta Mining Limited.
Interest in Shares	350,000 Fully paid Ordinary Shares
Interest in Options	2,000,000 14.15 cent options exercisable on or before 30 April 2014

**DIRECTORS' REPORT (Continued)****INFORMATION ON DIRECTORS (Continued)**

<b>Eric Kong</b>	Non-Executive Director
<b>Qualifications</b>	MBA
<b>Experience</b>	Mr Kong holds an MBA from University of Western Australia and has extensive corporate experience in Fortune 500 companies in the United States and Asia where he is responsible for strategic planning and business development in Asia Pacific. Mr Kong is an experienced international player with intricate knowledge of global business models, trends and high-level expertise in both eastern and western management styles.
<b>Interest in Shares</b>	79,500 Fully paid Ordinary Shares
<b>Interest in Options</b>	2,000,000 14.15 cent options exercisable on or before 30 April 2014
<b>Feng Ding</b>	Non-Executive Director
<b>Qualifications</b>	BSc, MBM
<b>Experience</b>	Mr Ding is a long standing employee of the Institute of Geology and Minerals. His education achievements include a Degree in Geophysical Exploration and a Postgraduate Degree in Business Management. As Managing Director of a very profitable mining operation (in excess of \$250million AUD profit in 2010) in Shandong Province, Mr Ding has a strong blend of technical, commercial and business skills. He has had involvement in all aspects of prospect identification, exploration, appraisal and development in the mining industry.
<b>Interest in Shares</b>	Nil
<b>Interest in Options</b>	Nil

**Directorships of other listed companies**

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

<b>Name</b>	<b>Company</b>	<b>Period of directorship</b>
Xing Yan (Simon)	-	-
George Lazarou	Cortona Resources Limited	12 January 2006 to 9 January 2013
	Volta Mining Limited	Appointed 20 January 2011
Eric Kong	-	-
Feng Ding	-	-

**COMPANY SECRETARY**

The following person has held the position of company secretary during or at the end of the financial year:

**Cecilia Chiu**

Ms Chiu is a Certified Practising Accountant and holds a Bachelor of Commerce degree from the University of Western Australia. She has more than 11 years' accountancy experience. Ms Chiu has previously worked as an auditor at Ernst & Young, and for 5 years at Ord Partners in West Perth specialising in mining industry audit and assurance services.

**DIRECTORS' REPORT (Continued)****2. PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial year was uranium exploration. There were no significant changes in the nature of the Company's principal activities during the financial year.

**3. OPERATING RESULTS**

The loss of the Company after providing for income tax amounted to \$1,424,585 (2012: \$232,537).

**4. DIVIDENDS PAID OR RECOMMENDED**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**5. REVIEW OF OPERATIONS****Projects****Mount Danvers – E08/2341**

The Company has now received all permits required to commence first pass drilling, with drilling expected to commence in September 2013.

**Peak Charles – E74/534, Pyramid South – E74/535, Lake Tay – E74/539, Lake Mends – E74/540 & Pyramid North – E74/541**

The Company made application during the year for 5 tenements that it considers prospective for uranium in the Bremer Basin, and is currently working through the various heritage agreements for each of the 5 tenements.

**Young River Project - EL 74/475 and EL 74/476**

Due to lack of exploration success to date, the tenements were relinquished during the year.

**Hyperion Project - EL 74/516**

Due to lack of exploration success to date, the tenement was relinquished during the year.

**Northern Territory Projects**

Due to lack of exploration success to date, the Company decided to relinquish all of their Northern Territory tenements during the year.

**6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Company during the financial year.

**7. AFTER BALANCE DATE EVENTS**

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**DIRECTORS' REPORT (Continued)****8. MEETINGS OF DIRECTORS**

During the financial year, one meeting of directors was held. Attendance by each director during the year is as follows:

Director	Directors Meetings	
	Number Eligible to Attend	Meetings Attended
Xing Yan	1	1
George Lazarou	1	1
Eric Kong	1	1
Feng Ding	1	0

The Company does not have a formally constituted audit committee nor a remuneration committee as the board considers that the company's size and type of operation do not warrant such committees.

**9. FUTURE DEVELOPMENTS**

The Company will continue its mineral exploration activity at and around its exploration projects with the objective of identifying commercial resources.

**10. ENVIRONMENTAL ISSUES**

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The directors of the Company are not aware of any breach of environmental regulations for the year under review.

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

**11. REMUNERATION REPORT**

This Remuneration Report covers the following Key Management Personnel:

**Directors**

Xing Yan (Simon)  
George Lazarou  
Eric Kong  
Feng Ding

Other than the directors, the Company does not currently have any other employees. Executive directors and any personnel in the senior management position are collectively referred to as executives in this Report.

**Remuneration Policy**

The remuneration policy of the Company has been designed to align directors' and executives' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the Company.

## 11. REMUNERATION REPORT (continued)

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

### *Executive Remuneration Policy*

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

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder's wealth.

Executives are also entitled to participate in the employee share and option arrangements. The executive directors receive a superannuation guarantee contribution required by the government, which is currently 9.25% (9% for 2013 financial year), and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes method.

### *Non-Executive Remuneration Policy*

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting, (currently \$250,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' and executives' interests with shareholder interests, non-executive directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

### **Performance based remuneration**

The Company has no performance based remuneration component built into executive remuneration packages. Non-executive directors' remuneration are not performance based.

### **Company performance, shareholder's wealth and director's and executive's remuneration**

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder's wealth. For details of directors' interests in options at year end, refer note 15 (f) of the financial statements.

### **Employment contracts of key management personnel**

For details of service agreements between key management personnel and the Company, refer note 15 of the financial statements.



**11. REMUNERATION REPORT (continued)****Compensation of Key Management Personnel for the year ended 30 June 2013**

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non-Monetary	Superannuation	Retirement Benefits	Equity	Options	\$
<b>Directors</b>								
<b>(Simon) Xing Yan – Executive Chairman</b>								
2013	150,000	-	-	13,500	-	-	-	163,500
2012	150,000	-	-	13,500	-	-	-	163,500
<b>George Lazarou – Executive Director</b>								
2013	100,000	-	-	9,000	-	-	-	109,000
2012	100,000	-	-	9,000	-	-	-	109,000
<b>Eric Kong – Non-Executive Director</b>								
2013	77,500 <sup>1</sup>	-	-	4,500	-	-	-	82,000
2012	87,500 <sup>1</sup>	-	-	4,500	-	-	-	92,000
<b>Feng Ding- Non-Executive Director</b>								
2013	-	-	-	-	-	-	-	-
2012	2,000	-	-	-	-	-	-	2,000
<b>Total Remuneration</b>								
2013	327,500	-	-	27,000	-	-	-	354,500
2012	339,500	-	-	27,000	-	-	-	366,500

<sup>1</sup> During the year Altis West Pty Ltd, a company Mr Kong has an interest in, received \$27,500 (2012: \$37,500) excluding GST from United Uranium Limited for consulting services on commercial terms.

**Option holdings of key management personnel**

	<b>2013</b>							
	Balance at 01.07.12	Granted as Remuneration	Exercised/ Expired	Bought & (Sold)	Balance at 30.06.13	Total Vested at 30.06.13	Total Exercisable at 30.06.13	Total Unexercisable at 30.06.13
Xing Yan (Simon)	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
George Lazarou	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Eric Kong	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Feng Ding	-	-	-	-	-	-	-	-
	6,000,000	-	-	-	6,000,000	6,000,000	6,000,000	-
<b>2012</b>								
	Balance at 01.07.11	Granted as Remuneration	Exercised/ Expired	Bought & (Sold)	Balance at 30.06.12	Total Vested at 30.06.12	Total Exercisable at 30.06.12	Total Unexercisable at 30.06.12
Xing Yan (Simon)	3,825,000	-	(1,825,000)	-	2,000,000	2,000,000	2,000,000	-
George Lazarou	2,175,000	-	(175,000)	-	2,000,000	2,000,000	2,000,000	-
Eric Kong	2,039,750	-	(39,750)	-	2,000,000	2,000,000	2,000,000	-
Feng Ding	-	-	-	-	-	-	-	-
	8,539,750	-	(2,039,750)	-	6,500,000	6,500,000	6,500,000	-

**11. REMUNERATION REPORT (continued)****Shareholdings of key management personnel**

<b>2013</b>					
	<b>Balance at 01.07.12</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.13</b>
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
Feng Ding	-	-	-	-	-
	<b>4,079,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,079,500</b>

  

<b>2012</b>					
	<b>Balance at 01.07.11</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.12</b>
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
Feng Ding	-	-	-	-	-
	<b>4,079,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,079,500</b>

**Compensation options granted during the year ended 30 June 2013**

No (2012: nil) compensation options were granted to directors or executive during the financial year.

No compensation options have been exercised or lapsed during the financial year.

Compensation options in existence at reporting date are as follows:

<b>Number Issued</b>	<b>Grant date</b>	<b>Vesting date</b>	<b>Expiry date</b>	<b>Fair Value at Grant Date</b>
6,000,000	27/04/2011	27/04/2011	30/04/2014	\$0.0713

**Performance income as a proportion of total income**

No performance based bonuses have been paid to directors or executives during the financial year.

**END OF REMUNERATION****12. OPTIONS**

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

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>
30 April 2014	\$0.1415	6,500,000

No ordinary shares have been issued as a result of the exercise of options during or since the end of the financial year.

**13. INDEMNIFYING OFFICERS OR AUDITOR**

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

The Company has entered into agreements to indemnify all directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the directors.

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was \$5,050. No indemnity has been paid to auditors.

**14. PROCEEDINGS ON BEHALF OF COMPANY**

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

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

**15. AUDITORS INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 12 of the annual report.

**16. NON-AUDIT SERVICES**

The board of directors is satisfied that the provision of non-audit services performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- The nature of the services provided do not compromise the general principles relating to auditors independence as set out in the APES 110 (*Code of Ethics for Professional Accountants*)
- No fees were paid or payable to the auditors for non-audit services performed during the year ended 30 June 2013.

The board of directors is satisfied that no non-audit services were performed during the year by the Company's auditors.

Signed in accordance with a resolution of the Board of Directors.



**George Lazarou**  
**Executive Director**

Dated this 13<sup>th</sup> day of September 2013

To The Board of Directors

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

As lead audit director for the audit of the financial statements of United Uranium Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**MARK DELAURENTIS CA**  
**Director**

DATED at PERTH this 13<sup>th</sup> day of September 2013

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	30 June 2013 \$	30 June 2012 \$
Interest Revenue		183,653	242,719
Other Income		-	103,780
Employee benefit expenses		(327,654)	(342,643)
Occupancy expenses		(44,455)	(46,634)
Depreciation expense		(5,352)	(2,430)
Consultancy expenses		(80,035)	(73,901)
Legal and compliance		(47,092)	(54,260)
Exploration expenses incurred		(17,726)	(4,968)
Net Gain/(Loss) on financial assets held at fair value		(10,203)	(25,076)
Impairment provision for capitalised exploration expenditure		(1,045,310)	-
Administration expenses		(30,411)	(29,124)
<b>Loss before income tax expense</b>	2	<b>(1,424,585)</b>	<b>(232,537)</b>
Income tax expense	4	-	-
<b>Net loss for the year</b>		<b>(1,424,585)</b>	<b>(232,537)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>(1,424,585)</b>	<b>(232,537)</b>
Basic and diluted loss per share (cents per share)	18	(3.31)	(0.54)

*The accompanying notes form part of these financial statements.*

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	Note	30 June 2013 \$	30 June 2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,880,333	4,376,520
Trade and other receivables	6	34,978	112,569
<b>TOTAL CURRENT ASSETS</b>		<b><u>3,915,311</u></b>	<b><u>4,489,089</u></b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation assets	7	112,334	991,697
Financial assets	8	10,549	20,753
Plant and equipment	9	15,307	7,415
<b>TOTAL NON CURRENT ASSETS</b>		<b><u>138,190</u></b>	<b><u>1,019,865</u></b>
<b>TOTAL ASSETS</b>		<b><u>4,053,501</u></b>	<b><u>5,508,954</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	22,153	52,963
Provision	11	43,932	43,990
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>66,085</u></b>	<b><u>96,953</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>66,085</u></b>	<b><u>96,953</u></b>
<b>NET ASSETS</b>		<b><u>3,987,416</u></b>	<b><u>5,412,001</u></b>
<b>EQUITY</b>			
Issued Capital	12	6,614,312	6,614,312
Reserves	13	482,267	482,267
Accumulated Losses	14	(3,109,163)	(1,684,578)
<b>TOTAL EQUITY</b>		<b><u>3,987,416</u></b>	<b><u>5,412,001</u></b>

*The accompanying notes form part of these financial statements.*

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	30 June 2013 \$	30 June 2012 \$
<b>Cash Flows from Operating Activities</b>			
- Interest and other income		188,930	288,372
- Payments to suppliers and employees		(556,945)	(538,447)
- Payments for exploration and evaluation		<u>(114,929)</u>	<u>(87,204)</u>
<i>Net cash used in operating activities</i>	19 (ii)	<u>(482,944)</u>	<u>(337,279)</u>
<b>Cash Flows from Investing Activities</b>			
- Purchase of plant and equipment		<u>(13,243)</u>	<u>(3,092)</u>
<i>Net cash used in investing activities</i>		<u>(13,243)</u>	<u>(3,092)</u>
<b>Net increase/(decrease) in cash held</b>		(496,187)	(340,371)
<b>Cash at beginning of financial year</b>	5	<u>4,376,520</u>	<u>4,716,891</u>
<b>Cash at end of financial year</b>	5	<u><b>3,880,333</b></u>	<u><b>4,376,520</b></u>

*The accompanying notes form part of these financial statements*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2011</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(1,452,041)</b>	<b>5,644,538</b>
Loss for the year	-	-	(232,537)	(232,537)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(232,537)</b>	<b>(232,537)</b>
<b>Balance at 30 June 2012</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(1,684,578)</b>	<b>5,412,001</b>

	<b>Issued Capital \$</b>	<b>Option Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2012</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(1,684,578)</b>	<b>5,412,001</b>
Loss for the year	-	-	(1,424,585)	(1,424,585)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,424,585)</b>	<b>(1,424,585)</b>
<b>Balance at 30 June 2013</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(3,109,163)</b>	<b>3,987,416</b>

*The accompanying notes form part of these financial statements*



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the Company of United Uranium Limited and has been prepared in Australian dollars. United Uranium Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**(a) Cash and cash equivalents**

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

**(b) Critical Accounting Judgements, Estimates and Assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

***Share based payment transactions***

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model.

***Exploration and evaluation costs***

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

***Impairment***

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(b) Critical Accounting Judgements, Estimates and Assumptions (Continued)***Environmental Issues*

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

*Taxation*

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

**(c) Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

**(d) Exploration, Evaluation and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- (ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

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

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(e) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). 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 in the Statement of Financial Position are shown inclusive of GST.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(e) Goods and Services Tax (GST) (Continued)**

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.

**(f) Impairment of Assets**

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(g) Income Tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(g) Income Tax (Continued)**

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

**(h) Issued Capital**

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(i) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**Interest**

Revenue is recognised as the interest accrues.

**(j) Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

**(k) Trade and Other Receivables**

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

**(l) Financial Instruments****Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Financial Instruments (Continued)**

**Classification and subsequent measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**(ii) Held-to-maturity investments**

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

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

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

**(iii) Available-for-sale financial assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(l) Financial Instruments (Continued)****(iv) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

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

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

**De-recognition**

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

**Impairment of Assets**

At each the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

**(m) Plant and Equipment**

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

**Depreciation**

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (m) Plant and Equipment (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33.00%
Furniture and Fittings	11.25%
Software	33.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### (n) Comparatives

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

### (o) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### (p) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

#### Standards affecting presentation and disclosure

- *Amendments to AASB 101 'Presentation of Financial Statements'*

The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income.

The amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(p) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods) (continued)**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

- AASB 9 'Financial Instruments', and the relevant amending standards, effective 1 January 2015
- AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements', effective 1 July 2013.

The financial report was authorised for issue on 13<sup>th</sup> September 2013 by the board of directors.

<b>2. LOSS FOR THE YEAR</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax has been determined after following specific expenses:		
Employee benefits expense		
- Salaries and entitlements	<u>327,654</u>	<u>342,643</u>
Net Gain/(Loss) on financial assets held at fair value	<u>10,203</u>	<u>(25,076)</u>
Impairment capitalised exploration expenditure	<u>1,045,310</u>	<u>-</u>
<b>3. AUDITORS' REMUNERATION</b>		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	<u>23,750</u>	<u>19,785</u>
	<u>23,750</u>	<u>19,785</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**4. INCOME TAX**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
b. The prima facie tax expense/(benefit) on profit/(loss) before income tax is reconciled to the income tax as follows:		
Prima facie tax expense/(benefit) on profit/(loss) before income tax at 30%	(427,376)	(69,761)
Add:		
Tax effect of:		
- Revenue losses not recognised	427,335	69,904
- Other non-allowable	550	132
	<u>509</u>	<u>275</u>
Less:		
Tax effect of:		
- Other allowable items	509	275
Income tax	<u>-</u>	<u>-</u>
The applicable weighted average effective tax rates are as follows:	0%	0%
c. <b>Deferred tax recognized:</b>		
<b>Deferred tax liabilities:</b>		
Exploration expenditure	(33,700)	(297,509)
Other	(4,040)	(5,614)
<b>Deferred tax assets:</b>		
Carry forward revenue losses	<u>37,740</u>	<u>303,123</u>
<b>Net deferred tax</b>	<u>-</u>	<u>-</u>
d. <b>Unrecognised deferred tax assets:</b>		
Carry forward revenue losses	740,129	312,794
Capital raising costs	2,100	4,453
Financial assets	118,688	115,627
Provision and accruals	<u>16,555</u>	<u>17,772</u>
	<u>877,472</u>	<u>450,646</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**4. INCOME TAX (continued)**

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Cash at Bank	19(i) <u>3,880,333</u>	<u>4,376,520</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST Receivable	6,450	3,160
Accrued interest	12,997	-
Farm-in Joint Venture HD Mining	-	80,000
Other Debtors	9,385	21,779
Prepayments	<u>6,146</u>	<u>7,629</u>
	<u>34,978</u>	<u>112,569</u>
<b>7. EXPLORATION AND EVALUATION ASSETS</b>		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	<u>112,334</u>	<u>991,697</u>
Balance at beginning of the year	991,697	881,964
Exploration expenditure capitalised during the year	165,947	109,733
Exploration expenditure impaired	<u>(1,045,310)</u>	<u>-</u>
At reporting date	<u>112,334</u>	<u>991,697</u>
<b>8. FINANCIAL ASSETS</b>		
<b>Non Current</b>		
Financial assets at fair value through profit or loss	<u>10,549</u>	<u>20,753</u>
<i>Unlisted Shares, at recoverable amount</i>		
At cost	50,000	50,000
Provision for impairment	<u>(50,000)</u>	<u>(50,000)</u>
	<u>-</u>	<u>-</u>
<i>Listed Shares at fair value</i>	<u>10,549</u>	<u>20,753</u>
<b>Total Financial assets at fair value through profit or loss</b>	<u>10,549</u>	<u>20,753</u>
<b>9. PLANT AND EQUIPMENT</b>		
Plant and equipment at cost	26,913	13,669
Accumulated depreciation	<u>(11,606)</u>	<u>(6,254)</u>
	<u>15,307</u>	<u>7,415</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<b>9. PLANT AND EQUIPMENT (continued)</b>		
<b>(a) Movements in carrying amounts</b>		
<i>Plant and Equipment</i>		
At beginning of reporting period	7,415	6,753
Additions	13,244	3,092
Depreciation expense	<u>(5,352)</u>	<u>(2,430)</u>
At end of reporting period	<u>15,307</u>	<u>7,415</u>
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade creditors	752	-
Other creditors and accruals	<u>21,401</u>	<u>52,963</u>
	<u>22,153</u>	<u>52,963</u>
Trade creditors are non-interest bearing and are normally settled on 30 day terms.		
<b>11. PROVISIONS</b>		
<b>Current</b>		
Employee benefits	<u>43,932</u>	<u>43,990</u>
<b>12. ISSUED CAPITAL</b>		
43,041,108 (2012: 43,041,108) fully paid ordinary shares of no par value	<u>6,614,312</u>	<u>6,614,312</u>

**(a) Movements in fully paid ordinary shares on issue:**

	2013		2012	
	\$	Number	\$	Number
At the beginning of the reporting year	6,614,312	43,041,108	6,614,312	43,041,108
Shares issued during the year:	-	-	-	-
<b>At reporting date</b>	<u>6,614,312</u>	<u>43,041,108</u>	<u>6,614,312</u>	<u>43,041,108</u>

**(b) Terms of Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**12. ISSUED CAPITAL (continued)**

**(c) Capital risk management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June 2013 and 30 June 2012 are as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	3,880,333	4,376,520
Trade and other receivables	34,978	112,569
Financial assets at fair value through Profit and Loss	10,549	20,753
Trade and other payables	(66,085)	(35,463)
Working capital position	<u>3,859,775</u>	<u>4,474,379</u>

**13. RESERVES**

<b>Option reserve</b>	<u>482,267</u>	<u>482,267</u>
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*Movements in options on issue:*

	<b>2013</b>		<b>2012</b>	
	<b>\$</b>	<b>Number</b>	<b>\$</b>	<b>Number</b>
At the beginning of the reporting year	482,267	6,500,000	482,267	25,212,576
<b>Options issued during the year:</b>				
Options expired	-	-	-	(18,712,576)
<b>At reporting date</b>	<u>482,267</u>	<u>6,500,000</u>	<u>482,267</u>	<u>6,500,000</u>

**Terms of Options**

At the end of reporting year, 6,500,000 options over unissued shares exercisable at \$0.1415 on or before 30 April 2014 remained outstanding.

**14. ACCUMULATED LOSSES**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the reporting year	(1,684,578)	(1,452,041)
Net loss attributable to members	<u>(1,424,585)</u>	<u>(232,537)</u>
Accumulated losses at the end of the reporting year	<u>(3,109,163)</u>	<u>(1,684,578)</u>

**15. KEY MANAGEMENT PERSONNEL DISCLOSURES**

**(a) Details of key management personnel**

The following persons are key management personnel of the Company during the financial year:

*Directors*

Xing Yan (Simon)	Executive Chairman
George Lazarou	Executive Director
Eric Kong	Non-Executive Director
Feng Ding	Non-Executive Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**15. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)**

**(b) Remuneration policy of key management personnel**

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

**Directors' fees**

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

**Service agreements**

Pursuant to an agreement executed on 26 March 2012, George Lazarou will be paid \$100,000 per annum on a full time basis plus superannuation, for providing services to the Company as an Executive Director. The agreement may be terminated by either party by providing 3 months written notice and upon payment of any outstanding fees for services rendered. The employment will be for a term of 3 years commencing 1 May 2012.

Pursuant to an agreement executed on 26 March 2012, Xing Yan will be paid \$150,000 per annum plus superannuation, for providing services to the Company as an Executive Chairman. The agreement may be terminated by either party by providing 3 months written notice and upon payment of any outstanding fees for services rendered. The employment will be for a term of 3 years commencing 1 May 2012.

On 4 March 2011, a resolution was passed by board of directors to increase Mr Kong's salary to \$50,000 per annum. It was also resolved to pay Mr Kong \$30,000 per annum for consultancy work in addition to his director's salary, effective 1 March 2011. Mr Kong's appointment will automatically cease in the event that he gives notice to the board of his resignation as a director, or he resigns by rotation and is not re-elected as a director by the shareholders of the Company.

Pursuant to a letter of appointment executed on 7 April 2011, Mr Ding will be paid \$2,000 per Board meeting attended as a Non-executive Director. Mr Ding's appointment will automatically cease in the event that he gives notice to the board of his resignation as a director, or he resigns by rotation and is not re-elected as a director by the shareholders of the Company.

**(c) Compensation of key management personnel by individual**

Compensation details of key management personnel have been disclosed in the Directors' Report. The totals of remuneration paid to directors of the Company during the year are as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Salary and fees	327,500	339,500
Superannuation	27,000	27,000
Share-based payments	-	-
	<u>354,500</u>	<u>366,500</u>

**FOR THE YEAR ENDED 30 JUNE 2013****15. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)****(d) Compensation options: Granted and vested during the year**

There were nil (2012: nil) compensation options granted to key management personnel of the Company during the year.

**(e) Shares issued on exercise of compensation options**

There were no shares issued on exercise of compensation options during the year.

**(f) Option holdings of key management personnel**

<b>2013</b>								
	<b>Balance at 01.07.12</b>	<b>Granted as Remuneration</b>	<b>Exercised/ Expired</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.13</b>	<b>Total Vested at 30.06.13</b>	<b>Total Exercisable at 30.06.13</b>	<b>Total Unexercisable at 30.06.13</b>
Xing Yan (Simon)	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
George Lazarou	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Eric Kong	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Feng Ding	-	-	-	-	-	-	-	-
	<b>6,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>-</b>

  

<b>2012</b>								
	<b>Balance at 01.07.11</b>	<b>Granted as Remuneration</b>	<b>Exercised/ Expired</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.12</b>	<b>Total Vested at 30.06.12</b>	<b>Total Exercisable at 30.06.12</b>	<b>Total Unexercisable at 30.06.12</b>
Xing Yan (Simon)	3,825,000	-	(1,825,000)	-	2,000,000	2,000,000	2,000,000	-
George Lazarou	2,175,000	-	(175,000)	-	2,000,000	2,000,000	2,000,000	-
Eric Kong	2,039,750	-	(39,750)	-	2,000,000	2,000,000	2,000,000	-
Feng Ding	-	-	-	-	-	-	-	-
	<b>8,039,750</b>	<b>-</b>	<b>(2,039,750)</b>	<b>-</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>6,000,000</b>	<b>-</b>

**(g) Shareholdings of key management personnel**

<b>2013</b>					
	<b>Balance at 01.07.12</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.13</b>
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
Feng Ding	-	-	-	-	-
	<b>4,079,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,079,500</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**15. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)**

<b>2012</b>	<b>Balance at 01.07.11</b>	<b>Granted as Remuneration</b>	<b>On Exercise of Options</b>	<b>Bought &amp; (Sold)</b>	<b>Balance at 30.06.12</b>
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
Feng Ding	-	-	-	-	-
	<u>4,079,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,079,500</u>

**(h) Loans to key management personnel**

No loans were made to key management personnel of the company during the financial year.

**(i) Other transactions and balances with key management personnel**

During the year Altis West Pty Ltd, a company associated with Eric Kong, received \$27,500 (2012: \$37,500) excluding GST for consulting services.

**16. RELATED PARTY DISCLOSURES**

**Key management personnel**

Disclosures relating to key management personnel are set out in note 15 and the Directors' Report.

**17. FINANCIAL INSTRUMENTS**

**(i) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

**Financial Risk Exposures and Management**

The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

**(a) Foreign Currency Risk**

The Company is not exposed to fluctuations in foreign currencies.

**(b) Interest Rate Risk**

The Company is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(c) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

**(d) Liquidity Risk**

The Company manages liquidity risk by monitoring forecast cash flows. The Company does not have any significant liquidity risk as the Company does not have any collateral debts.

**(e) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(ii) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts might not reconcile to the Statement of Financial Position.

2013	Floating interest rate \$	Fixed interest maturing in			Non-Interest bearing \$	Total \$
		1 year or less \$	over 1 year less than 5 \$	more than 5 years \$		
<b>Financial Assets</b>						
Cash at bank	180,333	3,700,000	-	-	-	3,880,333
Trade & other receivables	-	-	-	-	34,978	34,978
Financial asset at fair value through profit or loss	-	-	-	-	10,549	10,549
	180,333	3,700,000	-	-	45,527	3,925,860
Weighted Average Interest Rate	2.00%	4.35%				
<b>Financial Liabilities</b>						
Trade & other creditors	-	-	-	-	22,153	22,153
	-	-	-	-	22,153	22,153



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(ii) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS (Continued)**

2012	Floating interest rate \$	Fixed interest maturing in			Non- Interest bearing \$	Total \$
		1 year or less \$	over 1 year less than 5 \$	more than 5 years \$		
<b>Financial Assets</b>						
Cash at bank	256,069	4,120,451	-	-	-	4,376,520
Trade & other receivables	-	-	-	-	112,569	112,569
Financial asset at fair value through profit or loss	-	-	-	-	20,753	20,753
	<u>256,069</u>	<u>4,120,451</u>	<u>-</u>	<u>-</u>	<u>133,322</u>	<u>4,509,842</u>
Weighted Average Interest Rate	3.50%	5.06%				
<b>Financial Liabilities</b>						
Trade & other creditors	-	-	-	-	52,963	52,963
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,963</u>	<u>52,963</u>

Trade and sundry payables are expected to be paid as follows:

	2013 \$	2012 \$
Less than 6 months	<u>22,153</u>	<u>52,963</u>
	<u>22,153</u>	<u>52,963</u>

**(ii) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

Listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

	2013 \$	2012 \$
Net fair value of financial assets:		
Bannerman Resources Limited	<u>10,549</u>	<u>20,753</u>
	<u>10,549</u>	<u>20,753</u>

**(iii) INTEREST RATE SENSITIVITY ANALYSIS**

At 30 June 2013, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2013 \$	2012 \$
<b>CHANGE IN PROFIT/(LOSS)</b>		
Increase in interest rate by 2%	77,607	87,530
Decrease in interest rate by 2%	(77,607)	(87,530)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(iv) INTEREST RATE SENSITIVITY ANALYSIS (Continued)**

<b>CHANGE IN EQUITY</b>	<b>2013</b>	<b>2012</b>
Increase in interest rate by 2%	77,607	87,530
Decrease in interest rate by 2%	(77,607)	(87,530)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

**(v) PRICE SENSITIVITY ANALYSIS**

Management believes the estimated fair values resulting from the valuation of listed investments and recorded in the statement of financial position and the related changes in fair values recorded in the statement of comprehensive income are reasonable and the most appropriate at Statement of Financial Position date. At 30 June 2013, the effect on loss as a result of changes in the share price of listed investment, with all other variables remaining constant would be as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>CHANGE IN PROFIT/(LOSS)</b>		
Increase in fair value of investment by 10%	1,055	2,075
Decrease in fair value of investment by 10%	(1,055)	(2,075)

<b>2013</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets:</b>				
<i>Financial assets at fair value through profit or loss:</i>				
— listed investments	10,549	-	-	10,549
— unlisted investments	-	-	-	-
	<u>10,549</u>	<u>-</u>	<u>-</u>	<u>10,549</u>

<b>2012</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets:</b>				
<i>Financial assets at fair value through profit or loss:</i>				
— listed investments	20,753	-	-	20,753
— unlisted investments	-	-	-	-
	<u>20,753</u>	<u>-</u>	<u>-</u>	<u>20,753</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

Derivative instruments are included in Level 3 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
<b>18. EARNINGS PER SHARE</b>	<b>\$</b>	<b>\$</b>
(a) Loss used in the calculation of basic earnings per share	<u>(1,424,585)</u>	<u>(232,537)</u>
	<b>Number of shares</b>	<b>Number of shares</b>
(b) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic earnings per share:	<u>43,041,108</u>	<u>43,041,108</u>
<b>19. CASH FLOW INFORMATION</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(i) Reconciliation of cash and cash equivalent:-</b>		
Cash at Bank	<u>3,880,333</u>	<u>4,376,520</u>
<b>(ii) Reconciliation of cash flows from operating activities with loss after income tax</b>		
Loss after income tax	(1,424,585)	(232,537)
Depreciation expense	5,352	2,430
Impairment financial assets at fair value	10,203	25,076
Impairment capitalised exploration expenditure	1,045,310	-
Cash flows not included in loss after income tax for the year		
- Payments for exploration and evaluation	(154,594)	(109,733)
Changes in assets and liabilities:		
- (Increase)/ Decrease in trade and other receivables	66,238	(32,911)
- (Decrease)/ Increase in trade and other payables	(30,811)	15,395
- (Decrease)/ Increase in provisions	(57)	(4,999)
<b>Net cash (outflows) from Operating Activities</b>	<u>(482,944)</u>	<u>(337,279)</u>

**(iii) Non-cash financing and investing activities**

No non-cash financing and investing activities have occurred during the year ended 30 June 2013.

**20. SEGMENT INFORMATION**

**Identification of reportable segments**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of its uranium exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

**Types of reportable segments**

(i) *Uranium exploration*

Segment assets, including acquisition cost of exploration licences and all expenses related to the tenements in Western Australia are reported on in this segment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**20. SEGMENT INFORMATION (Continued)**

(ii) *Corporate*

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

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

*Segment assets*

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

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

*Segment liabilities*

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

*Unallocated items*

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

- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinuing operations.

**(i) Segment performance**

	Corporate	Uranium Exploration	Total
	\$	\$	\$
<b>30 June 2013</b>			
<b>Revenue</b>			
Interest and other revenue	183,653	-	183,653
<b>Total segment revenue</b>	<u>183,653</u>	<u>-</u>	<u>183,653</u>

*Reconciliation of segment result to company net (loss) before tax*

Amounts not included in segment result but reviewed by the Board:

• Depreciation	(5,352)	-	(5,352)
• Net Gain/(Loss) on financial assets held at fair value	(10,203)	-	(10,203)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**20. SEGMENT INFORMATION (Continued)**

	<b>Corporate</b>	<b>Uranium Exploration</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2013 (Continued)</b>			
Unallocated items:			
• Other	(529,647)	(1,063,036)	(1,592,683)
Net loss before tax from continuing operations			<u>(1,424,585)</u>

**30 June 2012**

**Revenue**

Interest revenue	242,719	103,780	346,499
<b>Total segment revenue</b>	<u>242,719</u>	<u>103,780</u>	<u>346,499</u>

*Reconciliation of segment result to net profit/(loss) before tax*

Amounts not included in segment result but reviewed by the Board:

• Depreciation	(2,430)	-	(2,430)
• Net Gain/(Loss) on financial assets held at fair value	-	-	(25,076)
Unallocated items:			
• Other	(551,530)	-	(551,530)
Net loss before tax from continuing operations			<u>(232,537)</u>

**(ii) Segment assets**

	<b>Corporate</b>	<b>Uranium Exploration</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2013</b>			
<b>Segment assets</b>	3,890,882	112,334	4,003,216
Segment asset increases for the period:			
• Capitalised expenditure	-	101,785	101,785

*Reconciliation of segment assets to total assets*

Inter-segment eliminations

Unallocated assets:

• Other assets	50,285	-	50,285
Total assets from continuing operations			<u>4,053,501</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**20. SEGMENT INFORMATION (Continued)**

	Corporate \$	Uranium Exploration \$	Total \$
<b>30 June 2012</b>			
<b>Segment assets</b>	4,397,273	991,697	5,388,970
Segment asset increases for the period:			
• Capitalised expenditure	-	109,733	109,733
<i>Reconciliation of segment assets to total assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Other assets	119,983	-	119,983
Total assets from continuing operations			<u>5,508,954</u>
<b>(iii) Segment liabilities</b>			
<b>30 June 2013</b>			
<b>Segment liabilities</b>	22,153	-	22,153
<i>Reconciliation of segment liabilities to liabilities</i>			
Inter-segment eliminations			
Unallocated liabilities:			
• Other liabilities	43,933	-	43,933
Total liabilities from continuing operations			<u>66,085</u>
<b>30 June 2012</b>			
<b>Segment liabilities</b>	34,619	-	34,619
<i>Reconciliation of segment liabilities to liabilities</i>			
Inter-segment eliminations	-	-	-
Unallocated liabilities:			
• Other liabilities	62,333	-	62,333
Total liabilities from continuing operations			<u>96,953</u>

**(iv) Revenue by geographical region**

There is no revenue attributable to external customers for the years ended 30 June 2013 and 2012.

**(v) Assets by geographical region**

All reportable segment assets are located in one location, Australia.

**21. EVENTS SUBSEQUENT TO REPORTING DATE**

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**22. CONTINGENT LIABILITIES**

In the opinion of the directors there were no contingent liabilities at 30 June 2013, and the interval between 30 June 2013 and the date of this report.

**23. COMMITMENTS**

**(a) Exploration commitments**

The Company will have minimum obligations pursuant to the terms and conditions of prospective tenement licenses in the forthcoming year of exploration and rental commitments as detailed below. These obligations are capable of being varied from time to time, in order to maintain current rights to tenure to mining tenements.

	<b>Exploration Commitment</b>	<b>Rental Commitment</b>
Within 1 year	42,000	4,901
1 to 5 years	-	-
5+ years	-	-

**(b) Lease expenditure commitments**

There is one operating lease being a rental lease on the Company's premises. The rental lease is for a 6 month period at \$3,735 plus GST per month and expires on 31 October 2013.

**DIRECTORS' DECLARATION**

1. The directors of the company declare that:
  - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the entity's financial position as at 30 June 2013 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - 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.
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

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



**George Lazarou**  
**Executive Director**

Dated this 13<sup>th</sup> day of September 2013



## Independent Auditor's Report

### To the Members of United Uranium Limited

We have audited the accompanying financial report of United Uranium Limited which comprises the statement of financial position as at 30 June 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of accounting policies, other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

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

### Auditor's Responsibility

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

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

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

**Bentleys Audit & Corporate  
(WA) Pty Ltd**

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## Independence

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

## Auditor's Opinion

In our opinion:

- a. The financial report of United Uranium Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

## Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report for the year ended 30 June 2013. The directors of United Uranium Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Auditor's Opinion

In our opinion, the Remuneration Report of United Uranium Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.



**BENTLEYS**  
Chartered Accountants



**MARK DELAURENTIS CA**  
Director

DATED at PERTH this 13<sup>th</sup> day of September 2013

## CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting year, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations. A checklist summarising the Company's compliance with the Recommendations is also set out at the end of this statement.

Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at <http://www.asx.com.au/supervision/governance/index.htm>.

### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### *Board Charter*

The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management.

On appointment, non-executive directors receive formal letters of appointment setting out the terms and conditions of appointment. The formal letter of appointment covers the matters referred to in the guidance and commentary for Recommendation 1.1. Executive directors are employed pursuant to employment agreements.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, the Chief Executive Officer, the Chief Financial Officer (or their equivalents) and other key executives in the performance of their roles.

### **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

#### *Composition of the Board*

The Board consists of an executive chairman, an executive director, and two non-executive directors. Details of their skills, experience and expertise and the period of office held by each director have been included in the Directors' Report. The number of board meetings and the attendance of the directors are set out in the Directors' Report.

The roles of Chairman and the Managing Director are not exercised by the same individual. The role of Managing Director is carried out by Executive Director, Mr Lazarou. The Board Charter summarises the roles and responsibilities of the Chairman, Mr Yan and the Managing Director, Mr Lazarou.

#### *Independence of non-executive directors and the Chairman of the Board*

The Board has assessed the independence of the non-executive directors and the Chairman using defined criteria of independence and materiality consistent with the guidance and commentary for Recommendation 2.1. The Chairman, Mr Yan does not satisfy the tests of independence as detailed in the Recommendations.

Although Mr Kong holds 79,500 fully paid ordinary shares in the Company, and the Board considers this immaterial, Mr Kong is not regarded as an independent director as he is a related party of Mr Yan.

Mr Ding is not an independent Non-Executive Director, as he has a substantial shareholding in the Company through HD Mining & Investment Pty Ltd, of which he is a director.

The Company is at variance with Recommendations 2.1 and 2.2 in that the majority of directors are not independent and the Chairman is not independent. The Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of the company. Furthermore, each individual member of the Board is satisfied that whilst the Company may not comply with Recommendations 2.1 and 2.2, all directors bring an independent judgment to bear on Board decisions.

**CORPORATE GOVERNANCE (Continued)****PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE (Continued)***Nomination and Remuneration Committee*

The Company does not have an existing Nomination and Remuneration Committee as recommended in Recommendation 2.4. As the whole Board only consists of four (4) members, it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

The responsibilities of a Nomination and Remuneration Committee would include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. Currently the Board as a whole performs this role.

*Board renewal and succession planning*

The appointment of directors is governed by the Company's Constitution and the Appointment and Selection of New Directors policy. In accordance with the Constitution of the Company, no director except the Managing Director shall hold office for a continuous period in excess of three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election. The Company has not adopted a policy in relation to the retirement or tenure of directors.

The appointment of the Company Secretary is a matter for the Board. Information on the skills, experience and qualifications of the Company Secretary can be found in the Directors' Report.

*Evaluation of the performance of the Board, its committees and individual directors*

The performance of the Board and individual directors are evaluated in accordance with the Performance Evaluation Policies introduced via Board Charter on 1 March 2007. The objective of this evaluation will be to provide best practice corporate governance to the Company. Board Performance Evaluation Policy is available at the Company's website.

*Induction and education*

When appointed to the Board, a new director will receive an induction appropriate to their experience. Directors may participate in continuing education to update and enhance their skills and knowledge from time to time, as considered appropriate.

*Access to information and advice*

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. The Board also has a policy under which individual directors and Board committees may obtain independent professional advice at the Company's expense in relation to the execution of their duties, after consultation with the Chairman.

*Trading in company shares*

The share trading policy sets out the Company's policy regarding the trading in Company securities, which includes shares, options, warrants, debentures and any other security on issue from time to time. This policy is separate from and additional to the legal constraints imposed by the common law, the Corporations Act and ASX Listing Rules.

This policy applies to all Directors and employees of the Company and their associates (including spouses, children, family trusts and family companies) as well as contractors, consultants, advisers and auditors of the Company ("designated officers").

The Share Trading Policy is available on United Uranium's website.

**PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING***Code of Conduct*

The Board has adopted a Code of Conduct which applies to all directors and officers of the Company. It sets out United Uranium's commitment to successfully conducting the business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards. The Code of Conduct reflects the matters set out in the commentary and guidance for Recommendation 3.1.

The Code of Conduct is available on United Uranium's website.

**CORPORATE GOVERNANCE (Continued)****PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING (Continued)***Diversity Policy*

The Company is committed to providing an environment in which all employees and consultants are treated with fairness and respect, and have equal access to opportunities available at work. The Company believes diversity enables it to attract people with the best skills and attributes, and contributes to the achievement of the company's corporate objectives.

The Company takes positive steps to ensure that current and prospective employees are not discriminated against, either directly or indirectly, on the characteristics such as gender, age, disability, marital status, sexual orientation, religion, ethnic or any other area of potential difference. We value the differences, needs and contributions a diverse workforce represents.

The Company extends this positive attitude in respect of diversity to our consultants and stakeholders.

The board is primarily responsible for setting measurable objectives on gender diversity and monitoring the progress of the Company towards them on an annual basis. Current key focus for achieving gender diversity is a requirement for each pool of candidates for vacant positions to include at least one (1) female candidate.

During 2013 financial and the period since the end of the financial year to the date of this report, the organization consists of 4 board members, 2 consultants and no employees. Consequently, the Company has not achieved its measurable objective on gender diversity. Under the Company's current business model, it is not likely that the Company will employ a large number of employees in the future. As such the ability of the Company to introduce formalized programs to make substantive changes is limited, and any objectives set by the Board are likely to be influenced by this structure.

During 2013 financial year, the proportion of female appointed by the Company is as follows:-

- (i) 0% at the Board level;
- (ii) 20% at senior management level; and
- (iii) 30% in the organization as a whole.

The Diversity Policy is available on United Uranium's website.

**PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING***Audit Committee*

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

As the whole Board only consists of four (4) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis. However, in accordance with the ASX Listing Rules, the Company is moving towards establishing an audit committee consisting primarily of Independent Directors.

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

The Audit Committee or as at the date of this report the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

*External auditor*

The Audit Committee or as at the date of this report the full Board of the company reviews the external auditor's terms of engagement and audit plan, and assesses the independence of the external auditor. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years.

**CORPORATE GOVERNANCE (Continued)****PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING (Continued)**

The Company's independent external auditor is Bentley's Audit and Corporate Advisory (WA) Pty Ltd ("Bentley's"). The appointment of Bentley's was ratified by members at the Annual General Meeting held on 26 November 2008.

**PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

The Continuous Disclosure Policy sets out the key obligations of the directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.

The Continuous Disclosure Policy is available on United Uranium's website.

**PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS**

The Shareholder Communications Policy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders. The Policy reinforces the Company's commitment to promoting investor confidence by requiring:

- (a) compliance with the continuous disclosure obligations;
- (b) compliance with insider trading laws;
- (c) compliance with financial reporting obligations;
- (d) compliance with shareholder meeting requirements, including the provision of an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and auditor of the Company;
- (e) communication with shareholders in a clear, regular, timely and transparent manner; and
- (f) response to shareholder queries in a prompt and courteous manner.

The Policy reflects the matters set out in the commentary and guidance for Recommendation 6.1.

The Shareholder Communications Policy is available on United Uranium's website.

**PRINCIPLE 7: RECOGNISE AND MANAGE RISK***Risk Management Policy*

United Uranium recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control.

*Risk oversight*

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of four (4) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. At the date of this report the full Board of the Company is responsible for establishing policies on risk oversight and management.

*Reporting and assurance*

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to ensure the integrity of the financial statements of the Company and the independence of the external auditor.

As detailed in responsibilities of the Audit Committee the full Board of the Company reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements and recommends their approval to the members.

The Audit Committee or as at the date of this report the full Board of the Company is also responsible for establishing policies on risk oversight and management.

**CORPORATE GOVERNANCE (Continued)****PRINCIPLE 7: RECOGNISE AND MANAGE RISK (Continued)**

Before adoption by the Board of the financial and half year financial statements, the Board receives written declaration from:

- (i) its management (Executive Director and Company Secretary) that the financial records of the Company have been properly maintained in accordance with Section 286 of the Corporations Act, and that the Company's financial statements and notes comply with accounting standards and give a true and fair view of the Company's financial position and performance for the financial period;
- (ii) the Executive Director and Company Secretary that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.

The Risk Management Policy is available on the United Uranium website.

**PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY***Nomination and Remuneration Committee*

The Nomination and Remuneration Committee has delegated responsibilities in relation to the Company's remuneration policies as set out in the Nomination and Remuneration Committee Charter. The Charter reflects the matters set out in the commentary and guidance for Recommendation 8.1.

As the whole Board only consists of four (4) members, the Company does not have a Nomination and Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the board.

*Non-executive directors' remuneration policy*

The structure of non-executive directors' remuneration is clearly distinguished from that of executives.

Remuneration for non-executive directors is fixed. Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors receive long term incentives in the form of shares or options in the Company.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

*Executive directors' remuneration policy*

As noted previously, executive directors are employed pursuant to employment agreements. Summaries of these employment agreements are set out in the Remuneration Report.

Further details regarding the remuneration arrangements of the Company are set out in the Remuneration Report.

The checklist below summarises the Company's compliance with the Recommendations.

<b>Principles</b>	<b>Recommendations</b>	<b>Compliance Yes/No</b>	<b>Reference/ Explanation</b>
<b>Pr 1</b>	<b>Lay solid foundations for management and oversight</b>		
Rec 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose the functions.	Yes	Website and Page 43
Rec 1.2	Companies should disclose the process for evaluation the performance of senior executives.	Yes	Website and Page 43
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	Website and Page 43
<b>Pr 2</b>	<b>Structure the board to add value</b>		
Rec 2.1	A majority of the board should be independent directors.	No	Website and Page 43
Rec 2.2	The Chairman should be an independent director.	No	Website and Page 43
Rec 2.3	The roles of chairman and chief executive officer should not be exercised by the same individual.	Yes	Website and Page 43
Rec 2.4	The board should establish a nomination committee	No	Website and Page 44
Rec 2.5	Companies should disclose the process of evaluating the performance of the board, its committees and individual directors.	Yes	Website and Page 44
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2	Yes	Website and Page 44
<b>Pr 3</b>	<b>Promote ethical and responsible decision making</b>		
Rec 3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>- the practices necessary to maintain confidence in the company's integrity</li> <li>- the practices necessary to take account of their legal obligations and reasonable expectations of their stakeholders; and</li> <li>- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	Yes	Website and Page 44
Rec 3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Yes	Website and Page 45



<b>Principles</b>	<b>Recommendations</b>	<b>Compliance Yes/No</b>	<b>Reference/ Explanation</b>
Rec 3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes	Website and Page 45
Rec 3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	Yes	Website and Page 45
Rec 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes	Website and Page 45
<b>Pr 4</b>	<b>Safeguard integrity in financial reporting</b>		
Rec 4.1	The board should establish an audit committee.	No	Website and Page 45
Rec 4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>- consists only of non-executive directors;</li> <li>- consists of a majority of independent directors;</li> <li>- is chaired by an independent chair, who is not the chair of the board; and</li> <li>- has at least three members.</li> </ul>	No	Website and Page 45
Rec 4.3	The audit committee should have a formal charter.	Yes	Website and Page 45
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	Website and Page 45
<b>Pr 5</b>	<b>Make timely and balanced disclosure</b>		
Rec 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	Yes	Website and Page 46
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	Website and Page 46
<b>Pr 6</b>	<b>Respect the rights of shareholders</b>		
Rec 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Website and Page 46
Rec 6.2	Company should provide the information indicated in the Guide to reporting on Principle 6.	Yes	Website and Page 46

<b>Principles</b>	<b>Recommendations</b>	<b>Compliance Yes/No</b>	<b>Reference/ Explanation</b>
<b>Pr 7</b>	<b>Recognise and manage risk</b>		
Rec 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Website and Page 46
Rec 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Website and Page 46
Rec 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Website and Page 46
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	Website and Page 46
<b>Pr 8</b>	<b>Remunerate fairly and responsibly</b>		
Rec 8.1	The board should establish a remuneration committee.	No	Website and Page 47
Rec 8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> <li>- consists of a majority of independent directors</li> <li>- is chaired by an independent director</li> <li>- has at least three members</li> </ul>	No	Website and Page 47
Rec 8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Website and Page 47
Rec 8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	Website and Page 47

## ADDITIONAL SHAREHOLDER INFORMATION

### Shareholding

The distribution of members and their holdings of equity securities in the company as at 6 September 2013 were as follows:

Number Held as at 6 September 2013	Class of Equity Securities Fully Paid Ordinary Shares
1-1,000	24
1,001 - 5,000	144
5,001 – 10,000	167
10,001 - 100,000	207
100,001 and over	29
	571
<b>Totals</b>	<b>571</b>

Holders of less than a marketable parcel: fully paid shares 352

### Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as at 6 September 2013:

Shareholder	Number
HD Mining & Investment Pty Ltd	5,600,000
Ms You Lian Zheng	4,590,963
Cheng Rong Wang	4,510,500
Xing Yan	3,650,000
Xibo Ma	3,340,000
Mr Christopher John Fone	3,104,425

### Unquoted Securities

Class of Equity Security	Number	Number of Security Holders
30 April 2014 option - \$0.1415	6,500,000	4

Names of persons holding greater than 20% of a class of unquoted securities:

Name	Number of Options Held	Held of Issued Ordinary Capital (%)
Bessarlie Pty Ltd <Lazarou Family A/C>	2,000,000	30.77
United Mining Resources Pty Ltd	2,000,000	30.77
Altis West Pty Ltd	2,000,000	30.77

### Voting Rights

#### Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

**ADDITIONAL SHAREHOLDER INFORMATION (Continued)****Twenty Largest Shareholders**

The names of the twenty largest holders of quoted equity security, the number of equity security each holds and the percentage of capital each holds as at 6 September 2013 are as follows:

**Ordinary Shares**

Name	Number of Ordinary Fully Paid Shares Held	Held of Issued Ordinary Capital (%)
HD Mining & Investment Pty Ltd	5,600,000	13.01
You Lian Zheng	4,590,963	10.67
Cheng Rong Wang	4,510,500	10.48
Xing Yan	3,650,000	8.48
Xibo Ma	3,340,000	7.76
Mr Christopher John Fone	3,104,425	7.21
Kam Lan Choo	1,450,000	3.37
Mr Lanchun Wu	1,230,000	2.86
Mrs Xiu Zhen Liu	1,066,704	2.48
Austhong International Group Pty Ltd	1,000,000	2.32
Paso Holdings Pty Ltd	701,870	1.63
FM104.9 Network Pty Ltd	650,000	1.51
Mr Alan Brien + Mrs Melinda Brien <A&M Brien Super Fund A/C>	436,415	1.01
Bessarlie Pty Ltd<Lazarou Family A/C>	350,000	0.81
Mr Christopher Kennedy	341,138	0.79
Sari Nominees <McLaren S/F A/C>	300,000	0.70
M & K Korkidas Pty Ltd <M&K Korkidas P/L S/Fund A/C>	273,550	0.64
Mr Richard Paul Habekost	200,000	0.46
Miss Dan Li & Mr Jianun Liu	190,000	0.44
Stoneham Holdings Aust Pty Ltd	150,000	0.35
<b>TOTAL</b>	<b>33,135,565</b>	<b>76.99%</b>

**Restricted Securities**

The Company has no restricted securities at the current date.

**Company Secretary**

The name of the Company Secretary is Cecilia Chiu.

**Address and telephone details of the entity's registered and administrative office**

Suite 1, 23 Richardson Street  
South Perth Western Australia 6151

Telephone: + (61) 8 6436 1888  
Facsimile: + (61) 8 6436 1899

**Address and telephone details of the office at which a register of securities is kept**

Advanced Share Registry Services  
150 Stirling Highway  
Nedlands Western Australia 6009

Telephone: + (61) 8 9389 8033  
Facsimile: + (61) 8 9389 7371

**Securities exchange on which the Company's securities are quoted**

The Company's listed equity securities are quoted on the Australian Securities Exchange.

**Review of Operations**

A review of operations is contained in the Directors' Report.

**SCHEDULE OF MINERAL TENEMENTS**

<b>Project</b>	<b>Tenement</b>	<b>Equity</b>
Mt Danvers	E 08/2341 (granted)	100%
Peak Charles	E 74/534 (granted)	100%
Pyramid South	E 74/535 (application)	100%
Lake Tay	E 74/539 (application)	100%
Lake Mends	E 74/540 (application)	100%
Pyramid North	E 74/541 (application)	100%