

*United Uranium Limited*  
(ACN 123 920 990)

*Annual Report*

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*For the Financial Year Ended 30 June 2014*

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**CORPORATE DIRECTORY**

**MANAGING DIRECTOR & EXECUTIVE CHAIRMAN**

Xing Yan (Simon)

**EXECUTIVE DIRECTOR**

George Lazarou

**NON-EXECUTIVE DIRECTORS**

Eric Kong

Feng Ding

**COMPANY SECRETARY**

Cecilia Chiu

**PRINCIPAL & REGISTERED OFFICE**

Suite 2, 23 Richardson Street

SOUTH PERTH WA 6151

Telephone: (08) 6436 1888

Facsimile: (08) 9367 3311

**AUDITORS**

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Level 3, 12 St Georges Terrace

PERTH, WA 6000

**SHARE REGISTRAR**

Advanced Share Registry Services

110 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 2014. 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)	Managing Director & 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>	Managing Director (appointed 23 July 2014) & 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).  Mr Yan migrated to Western Australia where he established numerous import export businesses. Mr Yan developed a number of commercial properties, including "Woodsons" (formerly Parry's Department Store) in Fremantle and Huntingdale Village Shopping Centre. Mr Yan was also a licensed real-estate agent for nearly 20 years, which provided him with a deep knowledge of the Western Australian property market.  Mr Yan is widely sought after as a consultant for international trade issues due to his broad contacts and knowledge of Chinese and Australian business systems.
Interest in Shares	3,650,000 Fully paid Ordinary Shares
Interest in Options	Nil
<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	Nil

**DIRECTORS' REPORT (Continued)****1. DIRECTORS (Continued)****INFORMATION ON DIRECTORS (Continued)**

<b>Eric Kong</b>	Non-Executive Director
<b>Qualifications</b>	MBA
<b>Experience</b>	<p>Mr. Kong holds an MBA from the University of Western Australia and has extensive corporate experience with Fortune 500 companies. He served in Solectron's supply chain management division where he often worked with top tier clients that include IBM, Cisco, Sun Microsystems and Lucent Technologies. He then served as Asia Pacific regional accounts manager for Molex; being responsible for business strategy, development and growth in the highly competitive electronics contract manufacturing industry.</p> <p>He is the founder and former director of Altis West; a business consulting firm managing Chinese joint ventures in Australian mining and property sectors.</p> <p>Mr Kong is an experienced manager with intricate knowledge of global business models, trends and high-level expertise in both eastern and western management styles.</p>
<b>Interest in Shares</b>	79,500 Fully paid Ordinary Shares
<b>Interest in Options</b>	Nil
<b>Feng Ding</b>	Non-Executive Director
<b>Qualifications</b>	BSc, MBM
<b>Experience</b>	<p>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.</p>
<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 Volta Mining Limited	12 January 2006 to 9 January 2013 Appointed 20 January 2011
Eric Kong	-	-
Feng Ding	-	-

**DIRECTORS' REPORT (Continued)****1. DIRECTORS (continued)****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 12 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.

**2. PRINCIPAL ACTIVITIES**

The principal activity of the Company during the financial year was exploration activities and property development. The Company advised the market on 3 July 2014 that it intends to change its principal activities to property development, subject to shareholder approval

**3. OPERATING RESULTS**

The loss of the Company after providing for income tax amounted to \$701,390 (2013: \$1,424,585).

**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****PROPERTY DEVELOPMENT****3 Oak Street, Cannington, Western Australia**

The Company announced on the 3rd July 2014 that they have entered into a conditional Contract for Sale for the property located at 3 Oak Street, Cannington, Western Australia (Property).

During the year the Company undertook a strategic review of the operations with a view to increasing shareholder value, given the continual trading of the share price below the Company's cash backing.

The strategic review identified that given the current poor state of the junior resources market, a move into another industry could provide the Company with the best opportunity to increase shareholder value, with the Board's preference being property development. The acquisition of the Property will be the first step in the Board's future vision for the Company as a significant property developer which would increase shareholder value.

**The Property**

The Property consists of 1,256m<sup>2</sup> of vacant land and is zoned "City Centre", as per the Canning Council Town Planning Scheme 40 Guidelines, allowing for residential activities within the area designated as the Canning City Centre, generally in accordance with the proposals contained in the Canning Regional Centre Structure Plan.

The Council supports a maximum development height of 18m, and high density living in this area, known as the "River Precinct", with the Property having a R60 zoning.

The Company, based on the current Council zoning intends to construct 12 apartments on the Property.

**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)****Contract of Sale**

The Company has entered into a conditional Contract of Sale with the vendors to acquire the Property for total consideration of \$1.3 million (excluding applicable stamp duty), and is subject to the Company obtaining shareholder approval for the acquisition within 75 days of acceptance, with settlement to occur on or before 21 days from the receipt of shareholder approval. A \$20,000 deposit was payable within 5 business days of acceptance, which has now been paid.

**Re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

The ASX has confirmed that the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will therefore be required to complete a number of elements determined by the ASX Listing Rules summarised but not limited to the following.

The Company will be required to call a meeting of shareholders, at which the shareholders will be asked to vote on the proposal to acquire the Property. If the shareholders approve the transaction to acquire the Property, the Company's shares will be suspended from trading on the ASX until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied. This will require the Company to reconstruct its capital structure to \$0.20 per share and raise additional capital at \$0.20 per share through a Disclosure Document (after the shares have been reconstructed to \$0.20).

Funds raised from the Disclosure Document will be used to develop the Property and cover the ongoing corporate administration and operating costs of the Company.

**295 Canning Highway, Como, Western Australia**

On 29 November 2013, the Company received shareholder approval to enter into a Joint Venture and Profit Sharing Agreement between S & A Holdings (Aust) Pty Ltd and the Company to develop the property at 295 Canning Highway, Como.

Development Approval has been received from the Council for 3 two storey townhouses. The Company is currently awaiting building and demolition licences from the Council before development commences, which the Company expected be issued by early August. See Note 24 for further details.

**EXPLORATION ACTIVITIES****Mount Danvers – E08/2341**

During the year, the Company completed Phase 1 RC drilling on the Mt Danvers Project (E08/2341) which covers a total area of approximately 120m<sup>2</sup> and is situated approximately 300 kilometres north-east of Carnarvon in Western Australia.

The Company is mainly targeting unconformity related uranium deposits similar to the east Alligator region of the Northern Territory, Athabasca Basin in Canada and the nearby Rudall – Throssell (Kintyre), the Upper Ashburton Turee Creek and Angelo River discoveries and the upper Gascoyne Hooley Camp, Dulcy, Mundong Well and Horse Well occurrences in Western Australia. See Figure 1 below.

**DIRECTORS' REPORT (Continued)**

**5. REVIEW OF OPERATIONS (Continued)**

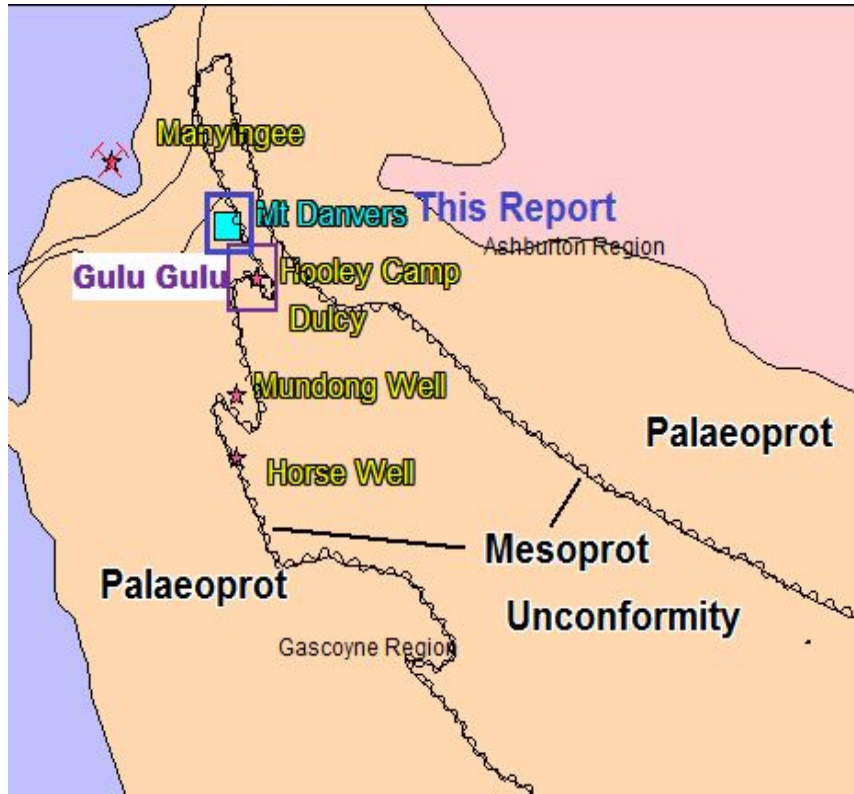


Figure 1: Regional Location Plan

The Phase 1 RC drilling program comprised 2 selected traverses, MD1 and MD5, (see Figures 2 and 3) along cleared access, running off existing access tracks with a total of 22 holes for 1,752m being completed.

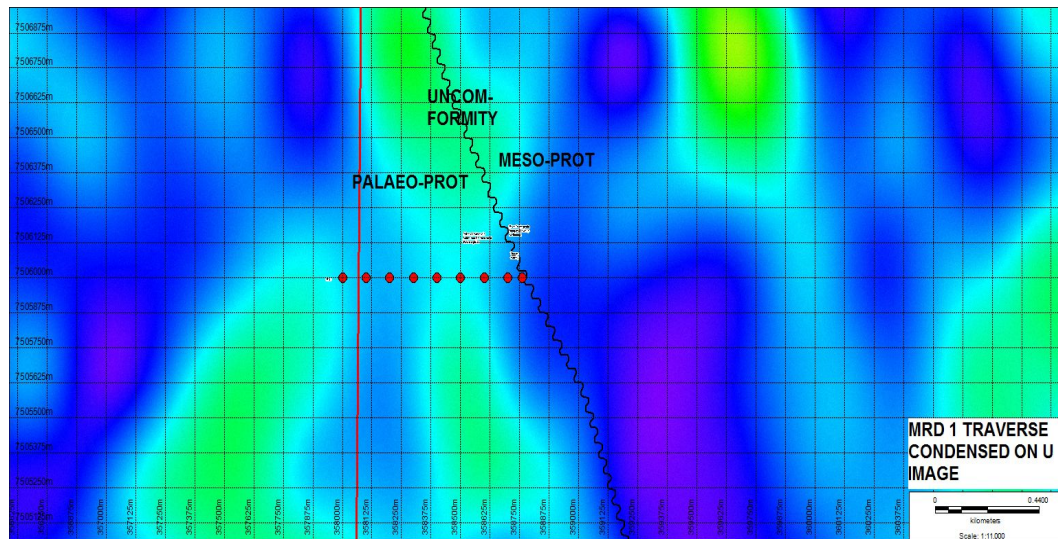


Figure 2: MD 1 Drill Traverse Condensed on Uranium Airborne Image



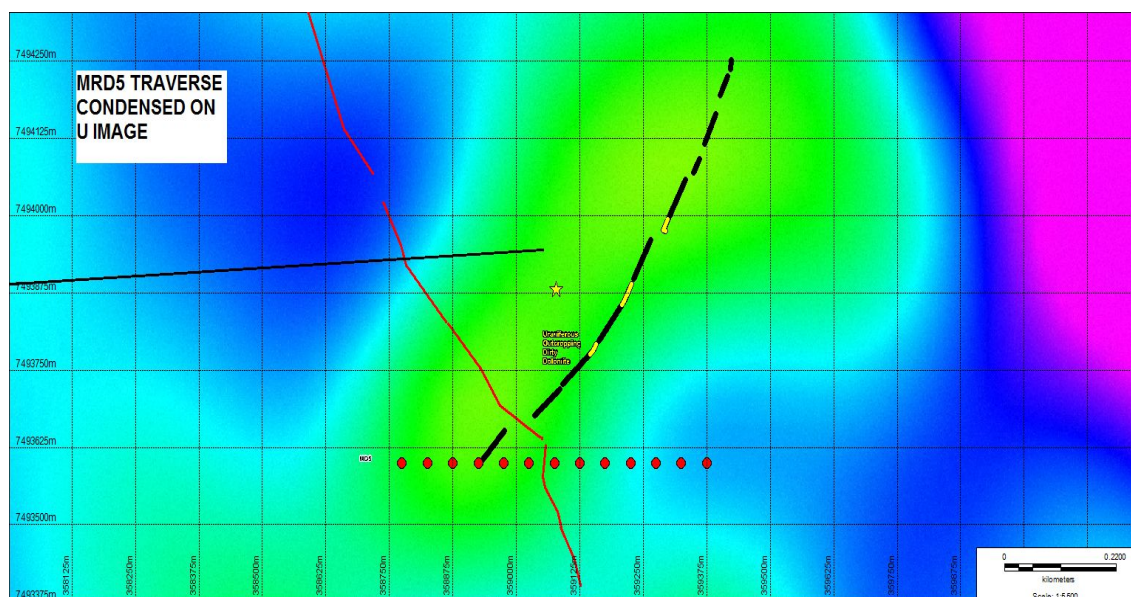
**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)**

Figure 3: MD 5 Drill Traverse Condensed on Uranium Airborne Image

They are targeted on:

- Existing outcropping radiometrically anomalous dolomites. These also have a positive magnetic signature forming magnetic ridges (other ridges may be similar). Magnetic troughs may indicate alteration and demagnetisation; and
- Proximity to the unconformity.

Traverse MD1 was targeted to test the basement below the unconformity in the north of the project and MD5 was drilled to test the foot and hanging walls of the uraniumiferous dolomite located during earlier ground traverses.

The drilling on Traverse 1 was broad spaced (100 metres) and each hole drilled to 50 metres inclined at -60 degrees to the east.

Drilling on Traverse 5 was across the outcropping anomalous dolomites and its footwall and hanging wall was spaced at 50 metres and all holes drilled to 100 metres in depth, inclined at -60 degrees to the east to get full sectional coverage.

Sample selection was based on both the gamma readings on the spectrometer and the Niton XRF checks of samples. Most samples were 4 metre composites but 15 individual 1 metre samples were taken in hole MDRC010 in zones of elevated gamma readings. A total of 134 samples were taken in all. The best anomalous assays returned were 1 metre @ 202ppm U in MDRC010 (80 to 81 metres), and 1 metre @ 180ppm U in MDRC010 (106 to 107 metres). See *Tables 1 and 2*.

It appears that there is surficial enrichment of uranium in the top of the weathered limonitic dolomite, with only weak readings at depth. The best hole on the traverse was hole MDRC010 in the east that had elevated gamma counts throughout and corresponding scattered anomalous uranium values mostly below 80 metres. These are also associated with very high sulphur values which may suggest the presence of sulphides (probably pyrite). The only elevated Au values of 23.5 ppb (26 to 27 metres) and 39.3 ppb (28 to 29 metres) located are both from this hole.

**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)**

Although the hole was finished at 120 metres, the hole ended in uranium mineralisation, in an area where the unconformity model can be applied and should be followed up.

The nearby high sulphur in MDRC11 and 12 and high lead on nearby MRD11, 12 and 13 should also be followed up at the same time.

Table 3 shows the values and relationships between uranium, sulphur and gamma cps. The gamma comparison is only for where the sample was a single 1 metre. It is mostly a close correlation but locally the grabbed sample did not match the gross sample CPS. Background at MDRC010 was 160 cps and all values > 350 are highlighted.

It is the Companies intention to divest its interest in the E08/2341 (Mount Danvers Project), once shareholder approval is received to change the Companies activities to property development.

HOLE ID	EAST	NORTH	DIP	AZIMUTH	END OF HOLE DEPTH (M)	BOCO	TO FRESH ROCK (M)	WATER DEPTH (M)
MDRC001	358760	7506000	-60	90	48	2	14	9
MDRC002	358700	7506000	-60	90	48	5	29	7
MDRC003	358600	7506000	-60	90	48	11	25	15
MDRC004	358500	7506000	-60	90	48	10	23	15
MDRC005	358400	7506000	-60	90	48	12	23	15
MDRC006	358300	7506000	-60	90	48	23	36	15
MDRC007	358200	7506000	-60	90	48	23	30	16
MDRC008	358100	7506000	-60	90	48	24	32	16
MDRC009	358000	7506000	-60	90	48	23	29	16
MDRC010	359375	7493600	-60	90	120	5	42	14
MDRC011	359325	7493600	-60	90	100	7	44	18
MDRC012	359275	7493600	-60	90	100	4	27	15
MDRC013	359225	7493600	-60	90	100	3	32	15
MDRC014	359175	7493600	-60	90	100	2	38	18
MDRC015	359125	7493600	-60	90	100	2	18	42
MDRC016	359075	7493600	-60	90	100	3	30	12
MDRC017	359025	7493600	-60	90	100	2	23	16
MDRC018	358975	7493600	-60	90	100	2	38	19
MDRC019	358925	7493600	-60	90	100	2	46	15
MDRC020	358875	7493600	-60	90	100	2	20	15
MDRC021	358825	7493600	-60	90	100	2	23	12
MDRC022	358775	7493600	-60	90	100	7	18	15
<b>TOTAL</b>	<b>22 HOLES</b>				<b>1,752</b>			

Table 1: Drill Hole Summary

**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)**

HOLE ID	EAST	NORTH	GAMMA (DEPTH)	U (PPM)	Pb (PPM)	S (PPM)	Cu (PPM)	Au (PPB)
MDRC001	358760	7506000	238 (45)	NO SAMPLES				
MDRC002	358700	7506000	210 (33)	NO SAMPLES				
MDRC003	358600	7506000	185 (48)	NO SAMPLES				
MDRC004	358500	7506000	193 (25)	NO SAMPLES				
MDRC005	358400	7506000	199 (37)	NO SAMPLES				
MDRC006	358300	7506000	177 (9)	0.84	32.5	945	113	6.3
MDRC007	358200	7506000	216 (32)	2.75	9	471	52.7	0.6
MDRC008	358100	7506000	217 (43)	NO SAMPLES				
MDRC009	358000	7506000	211(33)	NO SAMPLES				
MDRC010	359375	7493600	563 (107)	202	350	39300	248	39.3
MDRC011	359325	7493600	497 (36)	85.4	1320	14600	213	2.9
MDRC012	359275	7493600	254 (56)	6.38	8370	21000	13.3	1.3
MDRC013	359225	7493600	284 (99)	5.33	1360	1650	64.3	0.7
MDRC014	359175	7493600	225 (5)	8.93	168	1650	76	1.5
MDRC015	359125	7493600	215 (98 94)	212	19.6	502	98.6	0.9
MDRC016	359075	7493600	171 (58)	13.4	746	1060	186	1.6
MDRC017	359025	7493600	191 (100)	3.88	180	1290	97.4	1.8
MDRC018	358975	7493600	199 (27)	4.25	1480	1360	144	1.4
MDRC019	358925	7493600	308 (58)	11.9	1520	1900	214	5.4
MDRC020	358875	7493600	275 (30)	17.8	6710	2890	446	4.6
MDRC021	358825	7493600	270 (23)	2.99	15.7	7330	282	4.7
MDRC022	358775	7493600	269 (22, 77)	2.3	13.8	2170	48.9	1.2

Table 2: Best in Hole of Selected Elements

**Note:**

- All assays conducted by LabWest Laboratories in Malaga, WA.
- Assay technique involves multi-acid microwave digestion followed by ICP-OES/ICP-MS finish
- Au by Aqua-regia digest then WAR40 analysis

**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)**

Sample ID	Element		Au	S	U	GAMMA
	Units		(ppb)	(ppm)	(ppm)	(CPS)
	Interval		0.5	50	0.02	BACKGROUND
	From	To	WAR4	MMA01-	MMA01-	160
	m	(m)	0	U	U	
	(m)					
MD013	24	25	0.6	< 50	6.18	271
MD014	25	26	3.9	< 50	5.34	315
MD015	26	27	23.5	< 50	5.98	265
MD016	27	28	6.8	< 50	5.24	311
MD017	28	29	39.3	< 50	6.09	279
MD018	68	72	0.8	< 50	10.1	COMPOSITE
MD019	72	76	0.6	2300	19.5	COMPOSITE
MD020	76	80	1.1	4220	26.3	COMPOSITE
MD021	80	81	1.9	1.73%	98.6	430
MD022	81	82	1.5	1.79%	202	357
MD023	82	83	1.3	1.15%	92.0	657
MD024	83	84	2.9	2160	42.9	332
MD025	84	85	3.6	843	25.6	321
MD026	85	86	1.2	5620	23.0	357
MD027	86	87	1.2	5800	23.3	343
MD028	87	88	1.1	7080	18.8	336
MD029	88	89	1.2	4130	18.4	329
MD030	89	90	2.2	875	20.0	297
MD031	90	91	2.3	2640	22.0	284
MD032	91	92	1.2	4300	36.9	268
MD033	92	93	1.6	7440	89.5	392
MD034	93	94	1.3	1.27%	78.0	477
MD035	94	95	3.3	1.32%	57.0	327
MD036	95	96	< 0.5	7180	23.5	304
MD037	96	97	2.8	6630	22.4	314
MD038	97	98	2.2	8900	16.4	298
MD039	98	99	0.6	1.79%	17.3	324
MD040	99	100	0.9	1.60%	93.7	350
MD041	100	101	0.6	6080	60.3	360
MD042	101	102	0.7	4250	36.6	313
MD043	102	103	1.1	6320	31.9	328
MD044	103	104	1.2	7150	54.4	432
MD045	104	105	1.4	2.29%	65.5	360
MD046	105	106	5.1	1.07%	39.6	540
MD047	106	107	1.7	1.36%	180	563
MD048	107	108	2.1	1.38%	40.9	278
MD049	108	112	< 0.5	3.71%	21.0	COMPOSITE
MD050	112	116	1.7	3.66%	13.0	COMPOSITE
MD051	116	120	1.3	3.93%	11.2	COMPOSITE

Table 3: Drill Hole MDRC010 U,S &amp; Au Values &amp; Gamma CPS

**DIRECTORS' REPORT (Continued)****5. REVIEW OF OPERATIONS (Continued)****Peak Charles – E74/534, Pyramid South – E74/535, Lake Tay – E74/539, Lake Mends – E74/540 and Pyramid North – E74/541**

The Company surrendered all 5 tenements in late May 2014.

**Competent Person's Statement**

*The review of exploration activities contained in this report is based on information compiled by Peter Francis Robinson, a Principal of independent consultants Peter F Robinson and Associates Pty Ltd, and a Fellow of the Australasian Institute of Mining and Metallurgy, (AusIMM) and is a Chartered Practising Geologist (CPG) for the Mining Industry Consultants Association. He has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Peter Francis Robinson has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

**Note Regarding Exploration Results:** *This information was prepared and first disclosed under the JORC Code 2004 and was extracted from the Company's ASX Announcements titled "Mount Danvers Project Exploration Update" dated 30 October 2013. The announcement is available from the Company's ASX announcements platform (ASX: UUL). It has not been updated since to comply with the JORC Code 2012 on the basis that the Company is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

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

The principal activity of the Company during the financial year was exploration activities and property development. The Company advised the market on 2 June 2014 that it had completed a strategic review of the Company, and that it intended to change its principal activities to property development, which would be subject to shareholder approval.

**7. AFTER BALANCE DATE EVENTS**

On 3 July 2014, the Company announced that it had entered into a conditional Contract for Sale to acquire the property located at 3 Oak Street, Cannington, Western Australia for \$1.3 million (excluding stamp duty).

On 10 July 2014, development approval was received for the property at 295 Canning Highway, Como. Development cannot commence until the building and demolition licences are received.

On 23 July 2014, the Company announced that Mr. Simon Yan had been appointed as the Company's Managing Director with immediate effect. Mr Yan will continue in his role as Chairman.

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	2	2
George Lazarou	2	2
Eric Kong	2	2
Feng Ding	2	-

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**

Subject to Shareholder approval and the Company meeting the requirements of re-complying with Chapters 1 and 2 of the ASX Listing Rules as detailed in this report, the Company will divest its mineral exploration tenement, and focus on property development. The primary reasons for moving away from resource exploration are:-

- Investors' unwillingness to invest in junior resource companies;
- Early stage status of current portfolio of projects, requiring significant funding to explore, with no guarantee of commercial success;
- Continued depressed uranium prices, and commodity prices in general;
- Significant value having been stripped from most junior resource companies over the last 12 months; and
- Funds being better deployed elsewhere to provide greater returns.

The Board believes that moving into property development would provide the Company with the best opportunity to increase shareholder value given the following reasons:-

- Shareholders strongly supported the Company's current property development in Como at the Company's last Annual General Meeting in late November 2013;
- Investors' willingness to invest in property developments as opposed to resource exploration;
- The property sector is currently experiencing strong housing demand;
- Mr Simon Yan, the Chairman and Managing Director (appointed on 23 July 2014), has been involved in a number of successful property developments in Perth; and
- The ability to borrow funds, if required, at current low interest rates, reducing dilution to current shareholders.

The Board believes the Company needs to be generating revenue and profits to enable the Company's share price to increase and reduce the need for any future capital raisings and shareholder dilution. This is not currently possible, if the Company continues to be involved in the resources sector.

**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.

**DIRECTORS' REPORT (Continued)****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. 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 9.5% 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.

**DIRECTORS' REPORT (Continued)****11. REMUNERATION REPORT (continued)****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 the Directors' Report.

**Employment contracts of key management personnel**

Pursuant to an agreement executed on 26 March 2012, George Lazarou will be paid \$100,000 per annum 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. **Compensation of Key Management Personnel for the year ended 30 June 2014**

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non-Monetary	Superannuation	Long Service	Equity	Options	\$
<b>Directors</b>								
(Simon) Xing Yan – Executive Chairman								
2014	150,000	-	-	13,875	-	-	-	163,875
2013	150,000	-	-	13,500	-	-	-	163,500
George Lazarou – Executive Director								
2014	100,000	-	-	9,250	19,559 <sup>2</sup>	-	-	128,809
2013	100,000	-	-	9,000	-	-	-	109,000
Eric Kong – Non-Executive Director								
2014	80,000 <sup>1</sup>	-	-	4,625	-	-	-	84,625
2013	77,500 <sup>1</sup>	-	-	4,500	-	-	-	82,000
Feng Ding- Non-Executive Director								
2014	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
<b>Total Remuneration</b>								
2014	330,000	-	-	27,750	19,559	-	-	377,309
2013	327,500	-	-	27,000	-	-	-	354,500

<sup>1</sup> During the year Altis West Pty Ltd, a company of which Mr Kong is an employee, received \$30,000 fees (2013: \$27,500) excluding GST from United Uranium Limited for consulting services on commercial terms.

<sup>2</sup> As of 1 June 2014, Mr Lazarou has been employed with the Company for 7 years. For the current reporting period \$19,559 has been accrued as long service leave.



**DIRECTORS' REPORT (Continued)****11. REMUNERATION REPORT (continued)****Option holdings of key management personnel****2014**

	Balance at 01.07.13	Granted as Remuneration	Exercised/ Expired	Bought & (Sold)	Balance at 30.06.14	Total Vested at 30.06.14	Total Exercisable at 30.06.14	Total Unexercisable at 30.06.14
Xing Yan (Simon)	2,000,000	-	(2,000,000)	-	-	-	-	-
George Lazarou	2,000,000	-	(2,000,000)	-	-	-	-	-
Eric Kong	2,000,000	-	(2,000,000)	-	-	-	-	-
Feng Ding	-	-	-	-	-	-	-	-
	6,000,000	-	(6,000,000)	-	-	-	-	-

**Option holdings of key management personnel****2013**

	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	-

**Shareholdings of key management personnel****2014**

	Balance at 01.07.13	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30.06.14
Xing Yan (Simon)	3,650,000	-	-	-	3,650,000
George Lazarou	350,000	-	-	-	350,000
Eric Kong	79,500	-	-	-	79,500
Feng Ding	-	-	-	-	-
	4,079,500	-	-	-	4,079,500

**2013**

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

**DIRECTORS' REPORT (Continued)****11. REMUNERATION REPORT (continued)****Compensation options granted during the year ended 30 June 2014**

No (2013: nil) compensation options were granted to directors or executive during the financial year.

6,000,000 compensation options expired unexercised on 30 April 2014.

There are no compensation options in existence at reporting date.

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

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

**Loans to key management personnel**

There were no loans to or from key management personnel during the year.

**Other transactions with key management personnel**

On 29 November 2013, the Company received shareholder approval to enter into a Joint Venture and Profit Sharing Agreement (Agreement) with S & A Holding (Aust) Pty Ltd (S & A Holding). Mr Simon Yan, a director of the Company, is a shareholder and director of S & A Holding. Refer to Note 24 for further details of the Agreement.

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

At the date of this report there are no unissued ordinary shares of the Company under option.

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.

**DIRECTORS' REPORT (Continued)****15. AUDITORS INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 20 of the annual report.

**16. NON-AUDIT SERVICES**

The board of directors is satisfied that the provision of non-audit services, totalling \$15,494, were 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*)

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



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

Dated this 1<sup>st</sup> day of August 2014

**Auditors Independence Declaration****MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS

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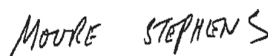
**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF UNITED URANIUM LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been no contraventions of:

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



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 1<sup>st</sup> day of August 2014

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	30 June 2014 \$	30 June 2013 \$
Interest Revenue		129,744	183,653
Employee benefit expenses		(339,810)	(327,654)
Occupancy expenses		(46,784)	(44,455)
Depreciation expense		(6,352)	(5,352)
Consultancy expenses		(92,894)	(80,035)
Legal and compliance		(61,483)	(47,092)
Exploration expenses incurred		-	(17,726)
Net Gain/(Loss) on financial assets held at fair value		1,210	(10,203)
Impairment provision for capitalised exploration expenditure		(261,007)	(1,045,310)
Administration expenses		(24,014)	(30,411)
<b>Loss before income tax expense</b>	2	<b>(701,390)</b>	<b>(1,424,585)</b>
Income tax expense	4	-	-
<b>Net loss for the year</b>		<b>(701,390)</b>	<b>(1,424,585)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>(701,390)</b>	<b>(1,424,585)</b>
Basic and diluted loss per share (cents per share)	18	(1.63)	(3.31)

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	30 June 2014 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,345,722	3,880,333
Trade and other receivables	6	27,496	34,978
<b>TOTAL CURRENT ASSETS</b>		<b><u>3,373,218</u></b>	<b><u>3,915,311</u></b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation assets	7	-	112,334
Property Development	8	2,600	-
Financial assets	9	11,760	10,549
Plant and equipment	10	8,955	15,307
<b>TOTAL NON CURRENT ASSETS</b>		<b><u>23,315</u></b>	<b><u>138,190</u></b>
<b>TOTAL ASSETS</b>		<b><u>3,396,533</u></b>	<b><u>4,053,501</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	55,198	22,153
Provision	11	55,309	43,932
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>110,507</u></b>	<b><u>66,085</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>110,507</u></b>	<b><u>66,085</u></b>
<b>NET ASSETS</b>		<b><u>3,286,026</u></b>	<b><u>3,987,416</u></b>
<b>EQUITY</b>			
Issued Capital	12	6,614,312	6,614,312
Reserves	13	482,267	482,267
Accumulated Losses	14	(3,810,553)	(3,109,163)
<b>TOTAL EQUITY</b>		<b><u>3,286,026</u></b>	<b><u>3,987,416</u></b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	30 June 2014 \$	30 June 2013 \$
<b>Cash Flows from Operating Activities</b>			
- Interest and other income		134,078	188,930
- Payments to suppliers and employees		(516,048)	(556,945)
- Payments for exploration and evaluation		<u>(150,041)</u>	<u>(114,929)</u>
<i>Net cash used in operating activities</i>	19 (ii)	<u>(532,011)</u>	<u>(482,944)</u>
<b>Cash Flows from Investing Activities</b>			
- Joint venture – property development		(2,600)	-
- Purchase of plant and equipment		<u>-</u>	<u>(13,243)</u>
<i>Net cash used in investing activities</i>		<u>(2,600)</u>	<u>(13,243)</u>
<b>Net increase/(decrease) in cash held</b>		(534,611)	(496,187)
<b>Cash at beginning of financial year</b>	5	<u>3,880,333</u>	<u>4,376,520</u>
<b>Cash at end of financial year</b>	5	<u><b>3,345,722</b></u>	<u><b>3,880,333</b></u>

*The accompanying notes form part of these financial statements*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
<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>	-	-	(1,424,585)	(1,424,585)
<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>

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2013</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(3,109,163)</b>	<b>3,987,416</b>
Loss for the year	-	-	(701,390)	(701,390)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>6,614,312</b>	<b>482,267</b>	<b>(3,810,553)</b>	<b>3,286,026</b>

*The accompanying notes form part of these financial statements*



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014****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 2014****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 2014****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 2014****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 2014****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(I) Financial Instruments (Continued)****Classification and subsequent measurement**

Financial 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 2014****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 a 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

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

**(m) Plant and Equipment (continued)**

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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) New Accounting Standards for Application in Future Periods**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a significant impact on the Company's financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the Company's financial statements.

- AASB 2013-3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: *Impairment of Assets* pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the Company's financial statements.

- AASB 2013-4 makes amendments to AASB 139: *Financial Instruments: Recognition and Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to impact the Company's financial statements.

The financial report was authorised for issue on 1<sup>st</sup> day of August 2014 by the board of directors.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
<b>2. LOSS FOR THE YEAR</b>		
	<b>\$</b>	<b>\$</b>
Loss before income tax has been determined after following specific expenses:		
Employee benefits expense		
- Salaries and entitlements	320,251	327,654
- Long service leave	19,559	-
	<u>339,810</u>	<u>327,654</u>
Net Gain/(Loss) on financial assets held at fair value	<u>1,210</u>	<u>10,203</u>
Impairment capitalised exploration expenditure	<u>261,007</u>	<u>1,045,310</u>
<b>3. AUDITORS' REMUNERATION</b>		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	16,550	23,750
- Preparation of independent expert's report	9,200	-
- Other professional services	6,294	-
	<u>32,044</u>	<u>23,750</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**4. INCOME TAX**

	<b>2014</b>	<b>2013</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% (2013: 30%)	(210,417)	(427,376)
Add:		
Tax effect of:		
- Revenue losses not recognised	207,935	427,335
- Other deferred tax balances not recognised	2,482	-
- Other non-allowable	-	550
	<u>-</u>	<u>509</u>
Less:		
Tax effect of:		
- Other deferred tax balances not recognised	-	509
Income tax	<u>-</u>	<u>-</u>
c. <b>Deferred tax recognized:</b>		
<b>Deferred tax liabilities:</b>		
Exploration expenditure	-	(33,700)
Other	(2,714)	(4,040)
<b>Deferred tax assets:</b>		
Carry forward revenue losses	<u>2,714</u>	<u>37,740</u>
<b>Net deferred tax</b>	<u>-</u>	<u>-</u>
d. <b>Unrecognised deferred tax assets:</b>		
Carry forward revenue losses	948,063	740,129
Capital raising costs	480	2,100
Financial assets	118,325	118,688
Provision and accruals	19,592	16,555
Other	<u>1,428</u>	<u>-</u>
	<u>1,087,888</u>	<u>877,472</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**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>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
<b>Current</b>		
Cash at Bank	19(i) <u>3,345,722</u>	<u>3,880,333</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST Receivable	7,550	6,450
Accrued interest	8,663	12,997
Other Debtors	119	9,385
Prepayments	<u>11,164</u>	<u>6,146</u>
	<u>27,496</u>	<u>34,978</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>-</u>	<u>112,334</u>
Balance at beginning of the year	112,334	991,697
Exploration expenditure capitalised during the year	148,673	165,947
Exploration expenditure impaired	<u>(261,007)</u>	<u>(1,045,310)</u>
At reporting date	<u>-</u>	<u>112,334</u>
<b>8. PROPERTY DEVELOPMENT</b>		
Costs carried forward in respect of properties of interest in:		
Opening Balance	-	-
Movement during the year	<u>2,600</u>	-
At reporting date	<u>2,600</u>	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>9. FINANCIAL ASSETS</b>		
<b>Non Current</b>		
Financial assets at fair value through profit or loss	<u>11,760</u>	<u>10,549</u>
<i>Unlisted Shares, at recoverable amount<sup>1</sup></i>		
At cost	-	50,000
Provision for impairment	<u>-</u>	<u>(50,000)</u>
	-	-
<sup>1</sup> The Company has disposed of the asset holding of African Uranium Limited following their windup of operations. There is no effect to the financial position of the company as a result.		
<i>Listed Shares at fair value</i>	<u>11,760</u>	<u>10,549</u>
<b>Total Financial assets at fair value through profit or loss</b>	<u><u>11,760</u></u>	<u><u>10,549</u></u>
<b>10. PLANT AND EQUIPMENT</b>		
Plant and equipment at cost	26,913	26,913
Accumulated depreciation	<u>(17,958)</u>	<u>(11,606)</u>
	<u>8,955</u>	<u>15,307</u>
<b>(a) Movements in carrying amounts</b>		
<i>Plant and Equipment</i>		
At beginning of reporting period	15,307	7,415
Additions	-	13,244
Depreciation expense	<u>(6,352)</u>	<u>(5,352)</u>
At end of reporting period	<u>8,955</u>	<u>15,307</u>
<b>11. TRADE AND OTHER PAYABLES</b>		
<b>Current trade and other payables</b>		
Trade creditors	2,102	752
Other creditors and accruals	<u>53,096</u>	<u>21,401</u>
	<u>55,198</u>	<u>22,153</u>
Trade creditors are non-interest bearing and are normally settled on 30 day terms.		
<b>Provisions</b>		
Employee benefits	35,750	43,932
Long service leave	<u>19,559</u>	<u>-</u>
Employee benefits	<u>55,309</u>	<u>43,932</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**2014  
\$**

**2013  
\$**

**12. ISSUED CAPITAL**

43,041,108 (2013: 43,041,108) fully paid ordinary shares of no par value

6,614,312

6,614,312

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

	<b>2014</b>		<b>2013</b>	
	<b>\$</b>	<b>Number</b>	<b>\$</b>	<b>Number</b>
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.

**(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.

Given the former nature of the Company's activities in 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 was to balance its working capital position against the requirements of the Company to meet exploration programmes and overheads. This was achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. With the Company changing its principal activities to property development, the Company's capital risk management remains largely unchanged by maintaining appropriate liquidity to meet anticipated development costs in conjunction with obtaining credit facilities and through sales of properties development.

The working capital position of the Company at 30 June 2014 and 30 June 2013 are as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	3,345,722	3,880,333
Trade and other receivables	27,496	34,978
Financial assets at fair value through Profit and Loss	11,760	10,549
Trade and other payables	(110,507)	(66,085)
<b>Working capital position</b>	<u>3,274,471</u>	<u>3,859,775</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**
**2014  
\$**
**2013  
\$**
**13. RESERVES**

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

	<b>2014</b>		<b>2013</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	6,500,000
<b>Options issued during the year:</b>				
Options expired	-	(6,500,000)	-	-
<b>At reporting date</b>	<u>482,267</u>	<u>-</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 expired on 30 April 2014.

**14. ACCUMULATED LOSSES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the reporting year	(3,109,163)	(1,684,578)
Net loss attributable to members	<u>(701,390)</u>	<u>(1,424,585)</u>
Accumulated losses at the end of the reporting year	<u>(3,810,553)</u>	<u>(3,109,163)</u>

**15. KEY MANAGEMENT PERSONNEL DISCLOSURES**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014.

**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 key management personnel of the Company during the year are as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Salary and fees	330,000	327,500
Superannuation	27,750	27,000
Long service leave	19,559	-
	<u>377,309</u>	<u>354,500</u>

**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014****16. RELATED PARTY DISCLOSURES****Key management personnel**

Disclosures relating to key management personnel are set out in 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 currently have short or long term debt, and therefore this risk is minimal.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(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 currently 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.

2014	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	345,722	3,000,000	-	-	-	3,345,722
Trade & other receivables	-	-	-	-	27,496	27,496
Financial asset at fair value through profit or loss	-	-	-	-	11,760	11,760
	345,722	3,000,000	-	-	39,256	3,384,978
Weighted Average Interest Rate	2.27%	3.40%				
<b>Financial Liabilities</b>						
Trade & other creditors	-	-	-	-	55,198	55,198
	-	-	-	-	55,198	55,198



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**17. FINANCIAL INSTRUMENTS (Continued)**

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

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

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

	2014 \$	2013 \$
Less than 6 months	55,198	22,153
	<u>55,198</u>	<u>22,153</u>

**(iii) 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.

	2014 \$	2013 \$
Fair value of financial assets:		
Bannerman Resources Limited	11,760	10,549
	<u>11,760</u>	<u>10,549</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(iv) INTEREST RATE SENSITIVITY ANALYSIS**

At 30 June 2014, 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:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CHANGE IN PROFIT/(LOSS)</b>		
Increase in interest rate by 2%	5,096	77,607
Decrease in interest rate by 2%	(5,096)	(77,607)

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CHANGE IN EQUITY</b>		
Increase in interest rate by 2%	5,096	77,607
Decrease in interest rate by 2%	(5,096)	(77,607)

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 2014, 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>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CHANGE IN PROFIT/(LOSS)</b>		
Increase in fair value of investment by 10%	847	1,055
Decrease in fair value of investment by 10%	(847)	(1,055)

<b>2014</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	11,760	-	-	11,760
— unlisted investments	-	-	-	-
	<u>11,760</u>	<u>-</u>	<u>-</u>	<u>11,760</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**17. FINANCIAL INSTRUMENTS (Continued)**

**(v) PRICE SENSITIVITY ANALYSIS (Continued)**

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

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.

**18. EARNINGS PER SHARE**

	2014 \$	2013 \$
(a) Loss used in the calculation of basic earnings per share	(701,390)	(1,424,585)
	<b>Number of shares</b>	<b>Number of shares</b>
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic earnings per share:	43,041,108	43,041,108

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

<b>19. CASH FLOW INFORMATION</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>(i) Reconciliation of cash and cash equivalent:-</b>		
Cash at Bank	<u>3,345,722</u>	<u>3,880,333</u>
<b>(ii) Reconciliation of cash flows from operating activities with loss after income tax</b>		
Loss after income tax	(701,390)	(1,424,585)
Depreciation expense	6,352	5,352
Revaluation - financial assets at fair value	(1,210)	10,203
Impairment capitalised exploration expenditure	261,007	1,045,310
Cash flows not included in loss after income tax for the year		
- Payments for exploration and evaluation	(148,674)	(154,594)
Changes in assets and liabilities:		
- (Increase)/ Decrease in trade and other receivables	7,482	66,238
- (Decrease)/ Increase in trade and other payables	33,045	(30,811)
- (Decrease)/ Increase in provisions	<u>11,377</u>	<u>(57)</u>
<b>Net cash (outflows) from Operating Activities</b>	<u>(532,011)</u>	<u>(482,944)</u>

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

No non-cash financing and investing activities have occurred during the year ended 30 June 2014.

**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.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**20. SEGMENT INFORMATION (Continued)**

**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**

	<b>Corporate</b>	<b>Exploration</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2014</b>			
<b>Revenue</b>			
Interest and other revenue	129,744	-	129,744
<b>Total segment revenue</b>	<b>129,744</b>	<b>-</b>	<b>129,744</b>

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

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

• Depreciation	(6,352)	-	(6,352)
• Net Gain/(Loss) on financial assets held at fair value	1,210	-	1,210

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**20. SEGMENT INFORMATION (Continued)**

	<b>Corporate</b>	<b>Exploration</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2014 (Continued)</b>			
Unallocated items:			
• Other	(564,985)	(261,007)	(825,992)
Net loss before tax from continuing operations			<u>(701,390)</u>
<b>30 June 2013</b>			
<b>Revenue</b>			
Interest revenue	183,653	-	183,653
<b>Total segment revenue</b>	<u>183,653</u>	<u>-</u>	<u>183,653</u>
<i>Reconciliation of segment result to net profit/(loss) before tax</i>			
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)
Unallocated items:			
• Other	(539,647)	(1,063,036)	(1,602,683)
Net loss before tax from continuing operations			<u>(1,434,585)</u>
<b>(ii) Segment assets</b>			
	<b>Corporate</b>	<b>Exploration</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2014</b>			
<b>Segment assets</b>	<u>3,360,082</u>	<u>-</u>	<u>3,360,082</u>
Segment asset increases for the period:			
• Capitalised expenditure	-	-	-
<i>Reconciliation of segment assets to total assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Other assets	36,451	-	36,451
Total assets from continuing operations			<u>3,396,533</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**20. SEGMENT INFORMATION (Continued)**

	<b>Corporate</b>	<b>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
<i>Reconciliation of segment assets to total assets</i>			
Inter-segment eliminations			
Unallocated assets:			
• Other assets	50,285	-	50,285
Total assets from continuing operations			<u>4,053,501</u>
<b>(iii) Segment liabilities</b>			
<b>30 June 2014</b>			
<b>Segment liabilities</b>	55,198	-	55,198
<i>Reconciliation of segment liabilities to liabilities</i>			
Inter-segment eliminations			
Unallocated liabilities:			
• Other liabilities	55,309	-	55,309
Total liabilities from continuing operations			<u>110,507</u>
<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	43,932	-	43,932
Total liabilities from continuing operations			<u>66,085</u>

**(iv) Revenue by geographical region**

There is no revenue attributable to external customers for the years ended 30 June 2014 and 2013.

**(v) Assets by geographical region**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 21. EVENTS SUBSEQUENT TO REPORTING DATE

On 3 July 2014, the Company announced that it had entered into a conditional Contract for Sale to acquire the property located at 3 Oak Street, Cannington, Western Australia for \$1.3 million (excluding stamp duty).

On 10 July 2014, the Company received Council approval for the development of the property at 295 Canning Highway, Como, Western Australia. Development cannot commence until the building and demolition licences are received.

On 23 July 2014, the Company announced that Mr. Simon Yan had been appointed as the Company's Managing Director with immediate effect. Mr Yan will continue in his role as Chairman.

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.

### 22. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2014, and the interval between 30 June 2014 and the date of this report.

### 23. COMMITMENTS

#### (a) Lease expenditure commitments

There is one operating lease being a rental lease for the Company's premises. The rental lease is for a 36 month period at \$3,300 plus GST per month plus variable outgoings and expires on 1 May 2017.

#### (b) Exploration expenditure 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.

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

#### (c) Capital commitments - 3 Oak Street, Cannington

On 3 July 2014, the Company announced that it had entered into a conditional Contract for Sale to acquire the property located at 3 Oak Street, Cannington, Western Australia for \$1.3 million (excluding stamp duty). The contract is subject to the Company obtaining shareholder approval for the acquisition within 75 days of acceptance, with settlement to occur on or before 21 days from receipt of shareholder approval. The meeting of shareholders to approve the acquisition is proposed to take place in the middle of September 2014.

#### (d) Capital commitments – 295 Canning Highway, Como

As detailed in Note 24 below, the Company expects to incur total development expenditure of \$650,000 to gain a maximum 50% share of the profits in this property development pursuant to the terms of the Joint Venture and Profit Sharing Agreement with S & A Holding (Aust) Pty Ltd. While construction is yet to commence, the development is expected to take approximately twelve months from the date the building and demolition licences are received.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014****24. JOINT VENTURE and PROFIT SHARING - PROPERTY DEVELOPMENT**

On 29 November 2013, the Company received shareholder approval to enter into a Joint Venture and Profit Sharing Agreement (**Agreement**) between S & A Holding (Aust) Pty Ltd (S & A Holding) and the Company. Summary of the terms of the Agreement is as follows:

S & A Holding and the Company shall form an unincorporated joint venture forthwith upon this Agreement becoming unconditional (Commencement Date) for the purpose of sharing profits from the completion of a turnkey development of 3 double storey townhouses on the Property on the commercial terms set out in this Agreement and otherwise on terms and conditions acceptable to both parties (Joint Venture). Under the terms of the Agreement, the commencement date is subject to and conditional upon a number of conditions, including Council approval for the development. As announced by the Company, Council approval was received on 10 July 2014, the deemed Commencement Date.

The parties acknowledge that S & A Holding's initial cost in the Joint Venture will be the use of the Property (including all development costs incurred in respect of the Property prior to execution of building agreement with Chessington Homes, an unrelated Perth home builder) which is valued at \$650,000.

On the Commencement Date (and prior to the Company incurring any expenditure on the Joint Venture), the initial interests of the parties in the profits of the Joint Venture will be:

- (a) S & A Holding – 100%; and
- (b) United Uranium Limited – 0%.

Subject to the commencement of the Joint Venture, the Company will have the right to earn an undivided interest in the profits of the Joint Venture from S & A Holding up to a maximum of a 50% interest by incurring total expenditure of \$650,000 in connection with the development of the Property.

Upon the date the Company incurs total expenditure of \$650,000, the interests of the parties in the profits of the Joint Venture will be:

- (a) S & A Holding – 50%; and
- (b) United Uranium Limited – 50%.

The parties agree that from the Commencement Date until the date the Company earns a 50% interest in the profits of the Joint Venture, the Company shall be solely responsible for all expenditure in respect of the development of the Property (Sole Funding Period).

Upon the expiry of the Sole Funding Period, each party must contribute to expenditure made or incurred in respect of the development of the Property in proportion to their then interest in the profits or the Joint Venture (i.e. 50/50).

Subject to the expenditure obligations of the Company during the Sole Funding Period under this Agreement, the liability of the parties in each case is several in proportion to their respective interests in the profits of the Joint Venture and shall not be either joint or joint and several.

**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 2014 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 2014.

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 1<sup>st</sup> day of August 2014

**Independent Audit Report****MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
UNITED URANIUM LIMITED****Report on the Financial Report**

We have audited the accompanying financial report of United Uranium Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view 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 Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

*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. Those 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.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of United Uranium Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

**MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS*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 2014 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**

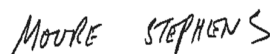
We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to 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 2014 complies with s 300A of the *Corporations Act 2001*.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 1<sup>st</sup> day of August 2014

## 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 Charter summarises the roles and responsibilities of the Chairman and the Managing Director.

The Board consists of an executive chairman who is also the managing director, 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.

During the financial year 2014, the roles of Chairman and the Managing Director were not exercised by the same individual. The role of Managing Director was carried out by Executive Director, Mr Lazarou and Chairman, Mr Simon Yan. On 23 July 2014, Mr Simon Yan was appointed Managing Director of the Company with immediate effect, and will continue as the Chairman of the Company.

The Company is at variance with Recommendation 2.3 in that the roles of the Chairman and Managing Director are carried out by the same individual, Mr Simon Yan. The Board has determined that Mr Yan has the appropriate experience and qualifications to fulfill the responsibilities of chairman and managing director of the Company.

#### *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.

**CORPORATE GOVERNANCE (Continued)****PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE (Continued)**

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.

*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.

**CORPORATE GOVERNANCE (Continued)****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.

*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 2014 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 2014 financial year, the proportion of female appointed by the Company is as follows:-

- (i) 0% at the Board level;
- (ii) 16.67% at senior management level; and
- (iii) 33.33% 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.

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

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. The Company's independent external auditor is Moore Stephens Perth ("Moore Stephens"). The appointment of Moore Stephens was ratified by members at the Annual General Meeting held on 29 November 2013.

**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.



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

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. 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 53
Rec 1.2	Companies should disclose the process for evaluation the performance of senior executives.	Yes	Website and Page 53
Rec 1.3	Companies should provide the information indicated in the Guide to reporting to Principle 1.	Yes	Website and Page 53
<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 53
Rec 2.2	The Chairman should be an independent director.	No	Website and Page 53
Rec 2.3	The roles of chairman and chief executive officer should not be exercised by the same individual.	No	Website and Page 53
Rec 2.4	The board should establish a nomination committee	No	Website and Page 54
Rec 2.5	Companies should disclose the process of evaluating the performance of the board, its committees and individual directors.	Yes	Website and Page 54
Rec 2.6	Companies should provide the information indicated in the Guide to reporting to Principle 2	Yes	Website and Page 53-54
<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 55
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 55

<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 55
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 55
Rec 3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes	Website and Page 55
<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 55
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 55
Rec 4.3	The audit committee should have a formal charter.	Yes	Website and Page 56
Rec 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	Website and Page 55-56
<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 56
Rec 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	Website and Page 56
<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 56
Rec 6.2	Company should provide the information indicated in the Guide to reporting on Principle 6.	Yes	Website and Page 56

<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 56
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 56
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 57
Rec 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	Website and Page 56-57
<b>Pr 8</b>	<b>Remunerate fairly and responsibly</b>		
Rec 8.1	The board should establish a remuneration committee.	No	Website and Page 57
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 57
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 57
Rec 8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	Website and Page 57

## ADDITIONAL SHAREHOLDER INFORMATION

### Shareholding

The distribution of members and their holdings of equity securities in the company as at 11 July 2014 were as follows:

Number Held as at 11 July 2014	Class of Equity Securities Fully Paid Ordinary Shares
1-1,000	24
1,001 - 5,000	137
5,001 - 10,000	161
10,001 - 100,000	280
100,001 and over	29
	29
<b>Totals</b>	<b>631</b>

Holders of less than a marketable parcel: fully paid shares 181

### Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as at 11 July 2014:

Shareholder	Number
HD Mining & Investment Pty Ltd	5,600,000
Cheng Rong Wang	4,510,500
Xing Yan	3,650,000
Xibo Ma	3,340,000
Ms You Lian Zheng	3,201,408
Mr Christopher John Fone	3,142,915

### 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 11 July 2014 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
Cheng Rong Wang	4,510,500	10.48
Xing Yan	3,650,000	8.48
Xibo Ma	3,340,000	7.76
You Lian Zheng	3,201,408	7.44
Mr Christopher John Fone	3,142,915	7.30
Mr Lanchun Wu	1,230,000	2.86
Kam Lan Choo	1,072,600	2.49
Mrs Xiu Zhen Liu	1,066,704	2.48
Austhong International Group Pty Ltd	1,000,000	2.32
FM104.9 Network Pty Ltd	650,000	1.51
Bessarlie Pty Ltd<Lazarou Family A/C>	350,000	0.81
Mr Christopher Kennedy	341,138	0.79
Mrs Shufang Li	318,326	0.74
Sari Nominees <McLaren S/F A/C>	300,000	0.70
Paso Holdings Pty Ltd	280,114	0.65
Mr John Raymond Frew	205,000	0.47
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>30,798.705</b>	<b>71.54%</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 2, 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 9367 3311

**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%