

Lake Harris, Uranium and Base Metal Project,  
Fraser Range

## Contents

Chairperson's Letter .....	2
Introduction .....	3
Corporate Objective & Strategy .....	3
Directors Review of Operations .....	4
Corporate Governance Statement .....	9
Directors' Report .....	16
Auditor's Independence Declaration .....	31
Financial Report .....	32
Directors' Declaration .....	59
Independent Auditor's Report .....	60
Additional Information for Listed Public Companies .....	63
Tenement Report .....	65

## Corporate Directory

### Directors

Anna Mao - Non-Executive Chairperson  
 Dermot Ryan - Executive Director & Acting CEO  
 William Robertson - Non-Executive Director  
 Dr. Zhen Huang - Non-Executive Director

### Company Secretary

Susan Hunter  
 Hunter Corporate Pty Ltd  
 Telephone: +61 409 475 338  
 Website: [huntercorporate.com.au](http://huntercorporate.com.au)  
 Email: [shunter@huntercorporate.com.au](mailto:shunter@huntercorporate.com.au)

### Principal Registered Office

Level 1, 640 Murray Street  
 WEST PERTH WA 6005  
 Telephone: +61 8 9436 9200  
 Facsimile: +61 8 9436 9220  
 Website: [www.enterprisauranium.com.au](http://www.enterprisauranium.com.au)  
 Email: [info@enterprisauranium.com.au](mailto:info@enterprisauranium.com.au)

### Solicitor

Hilary Macdonald  
 Suite 23, 18 Stirling Highway  
 NEDLANDS WA 6009  
 Telephone: +61 8 9389 1102  
 Facsimile: +61 8 9389 1102  
 Website: [www.macdonaldlegal.com.au](http://www.macdonaldlegal.com.au)  
 Email: [hilary@macdonaldlegal.com.au](mailto:hilary@macdonaldlegal.com.au)

### Auditor

Grant Thornton Audit Pty Ltd  
 Level 1, 10 Kings Park Road  
 WEST PERTH WA 6005  
 Telephone: +61 8 9480 2000  
 Facsimile: +61 8 9322 7787  
 Website: [www.grantthornton.com.au](http://www.grantthornton.com.au)  
 Email: [admin@grantthornton.com.au](mailto:admin@grantthornton.com.au)

### Share Registry

Computershare Registry Services  
 Level 2, 45 St Georges Terrace  
 PERTH WA 6000

### Australian Securities Exchange:

ASX Code – ENU



## Chairperson's Letter



**Dear Shareholders,**

**Enterprise Uranium Limited (Enterprise or the Company) listed on the Australian Securities Exchange (ASX) on 20th December 2012 in order to raise funds for uranium exploration on a number of Western Australian sand hosted uranium targets. It was and still is Enterprise's view that Australia is well endowed with uranium, but lack of any exploration incentive over the past 40 years has left the Australia and particularly Western Australia under-explored for this commodity.**

During 2013/2014 the Company was focussed on securing the regulatory and heritage approvals required to enable drilling to commence on the Company's tenement assets. In particular, plans have been advanced for the drill testing of the uranium and nickel-copper targets at Lake Harris in the Fraser Range. Other uranium target being advanced towards drill testing are at the Ponton, Byro and Perabye projects.

In reviewing the general market, the Enterprise board also determined that the Company should broaden its uranium strategy to include investment in public companies which controlled advanced uranium projects, and/or direct investment into advanced uranium projects.

In November 2013, the Company acquired an 18.7% interest in Energia Minerals Limited ("Energia", ASX: EMX) from UEQ Investments Pty Ltd. The consideration for the purchase of 37,280,714 EMX shares was \$500,000 cash and 8,004,393 ordinary fully paid shares in Enterprise at a deemed issue price of 4 cents. Energia's main asset was the Nyang Uranium Project in the Carnarvon Basin in Western Australia. This project contains the Carley Bore uranium deposit with a published JORC Compliant total Mineral Resource of 22.8Mt @ 310ppm  $U_3O_8$  for 15.6Mlbs of contained  $U_3O_8$ . This total resource includes an Indicated Resource of 5.4Mt grading 420ppm  $U_3O_8$  (5Mlb of contained  $U_3O_8$ ) which is potentially available for conversion to Ore Reserves.

At 30th June 2014, the Company held 41,547,603 EMX shares which equated to a 15.1% interest in the issued capital of Energia. At 30th September 2014, Enterprise's investment in Energia was worth approximately \$1.5 million.

On the exploration front, the Company has advanced its plans to drill test uranium and nickel-copper targets at Harris Lake by undertaking two fixed loop ground electromagnetic (FLEM) surveys. These surveys further defined the location and orientation of two bedrock conductors with potential for nickel-copper sulphides. Two separate but concurrent reverse circulation (RC) drilling programs have now been planned for Harris Lake. These are the initial palaeochannel uranium program and the more recent basement EM conductor Ni-Cu drilling program. These programs were recently awarded a

WA Government Exploration Incentive Scheme (EIS) co-funded drilling grant of up to \$150,000.

In the coming year, the Company plans to seek additional uranium investment and/or acquisition opportunities while it continues to advance its exploration plans.

The strategic imperatives for Enterprise Uranium over the coming twelve months are to:

- Consider and actively pursue additional uranium acquisition opportunities within Australia,
- Complete surveys (both heritage & environmental), negotiations and agreements that will allow the Company to access its tenements to complete planned exploration programs, and
- Commence drill testing our highest priority uranium targets at Harris Lake, Byro, Peranbye and Ponton.

I would like to take this opportunity to thank you for your ongoing support towards our primary objective of becoming a successful uranium explorer and uranium miner within the next five years.

Determining and optimising funding options whether using debt or equity finance for the Company's activities will continue to be a priority for the management of the Company. In particular, the exploration of the Company's exploration projects, along with general working capital will require funding arrangements in the coming years. We will continue to review opportunities to fund the Company's suite of assets.

Yours sincerely,



**Ms Anna Mao**  
Chairperson

## Introduction

Enterprise Uranium Limited (ASX:ENU) was incorporated as a public company with one share by its former parent company, Enterprise Metals Limited (ASX:ENT), in August 2012 following a strategic review of ENT assets and a decision by the Board to demerge its uranium assets into a dedicated uranium company.

Following the lodgement of an Initial Public Offering (IPO), Enterprise Uranium Limited was listed on the Australian securities Exchange on the 20th December 2012. The Company presently has 68,280,489 shares on issue, and a portfolio of projects prospective for sand hosted uranium deposits.

Enterprise also has an experienced Board of Directors who have extensive skills in exploration, mining, accounting, corporate governance and provision of corporate advice, and is looking forward to the predicted strong future growth in demand for uranium and the inevitable recovery in the uranium price.

The Company currently has ~3,200km<sup>2</sup> under granted title, with an annual expenditure commitment of \$1.2 million. A further ~1,400km<sup>2</sup> remains under application, with an annual commitment when granted of a further \$0.5 million.

## Corporate Objective & Strategy

The Corporate Objective of the Enterprise Board continues to be *"discovery and/or acquisition of large high-grade uranium deposits that can form the basis for a major, highly profitable mining company that can provide superior returns to its Shareholders."*

The key elements of the Company's strategy to achieve this objective are:

- the generation and/or identification of a number of highly prospective projects with potential for "Tier 1" uranium resources,
- the application of best practice mineral exploration technology (with strong drilling and geophysics components) and
- the support of an experienced team of people with strong technical, management and leadership skills and a proven track record of discovery.

The Company's projects are largely within the Archaean Yilgarn Craton, where infrastructure is reasonably good relative to other more remote parts of Australia.

Enterprise believes there is still potential to find major new "Tier 1" (World class) uranium deposits in areas of shallow cover in Western Australia. The Company makes extensive use of airborne geophysics to "see through" shallow cover and identify conceptual geological targets.

The Company now holds approximately 4,600km<sup>2</sup> under exploration title.



## Directors' Review of Exploration Operations

### CORPORATE INVESTMENT

In November 2013, the Company acquired 37,280,714 shares in Energia Minerals Limited (ASX : EMX) from UEQ Investments Pty Ltd, a subsidiary of Uranium Equities Limited. (ASX : UEQ) As consideration for the purchase, ENU paid UEQ \$500,000 cash and 8,004,393 ordinary fully paid shares in Enterprise at a deemed issue price of 4 cents.

Energia's main asset at the time was the Nyang Uranium Project in the Carnarvon Basin in Western Australia. This project contains the Carley Bore uranium deposit with a published JORC Compliant total Mineral Resource of 22.8Mt @ 310ppm  $U_3O_8$  for 15.6Mlbs of contained  $U_3O_8$ .

This total resource includes an Indicated Resource of 5.4Mt grading 420ppm  $U_3O_8$  (5Mlb of contained  $U_3O_8$ ) which is potentially available for conversion to Ore Reserves. (EMX: ASX release 12 February 2014) Energia reported that the Resource remained open in several areas and is expected to expand, with further aircore and mud drilling planned to be carried out during the 2014 field season.

On the 15th April 2014, Energia reported the results of an independent Scoping Study completed by Jorvik Resources, which indicate that Carley Bore was potentially an economically robust project. In summary, the study concluded:

- Projected life-of-mine sales revenue of \$559M.
- Projected life-of-mine net cash flow of \$225M with \$127M (before repayment of capital) generated from Indicated Resources in the first 2 years of production.
- Potential production of 8.1Mlb of  $U_3O_8$  over initial 6-year projected mine life with annual steady state production of 1.4Mlb of  $U_3O_8$ .
- Estimated C1 production cash operating costs of \$US19.82 per pound of  $U_3O_8$ .
- Estimated total cash cost of \$US32.62 per pound of  $U_3O_8$ .
- Estimated pre-production capital of \$105.2M inclusive of 20% contingency on plant cost and initial well field development costs of \$10.9M

Jorvik also recommended proceeding to a Field Leach Trial which, if successful and subject to the assumptions made in the Scoping Study being confirmed, would lead to a full Feasibility Study.

At 30th June 2014, the Company held 41,547,603 shares in Energia Minerals Ltd, which equated to approximately 15.1% of issued shares in Energia. At 30th September 2014, this shareholding represented an investment of approximately \$1.5.

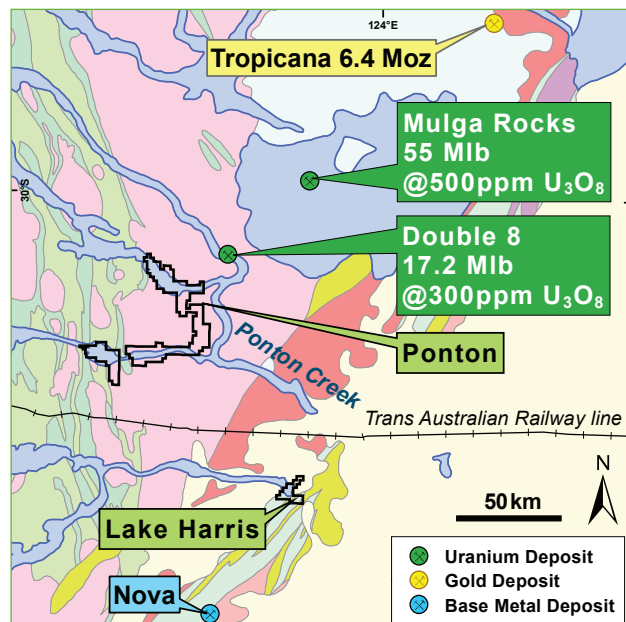
On 25th August 2014, Energia announced that, subject to due diligence and shareholder approval, it planned to raise \$6 million of fresh capital from sophisticated investors and up to \$2 million from a non-renounceable shareholders' rights issue. These funds would be used for the exploration and development of Energia's Gorno zinc/lead/silver deposit in Italy.

On 3rd September 2014, Energia announced that the due diligence had been successfully completed, that the rights issue would be increased to \$2.15 million, and that a general meeting of shareholders' to approve the placement and rights issue was scheduled for 7th October 2014. Given Energia's new focus on developing the Italian Gorno zinc/lead/silver deposit, the board of Enterprise is currently reviewing its investment in Energia.

### LAKE HARRIS PROJECT

The Lake Harris Project is situated 200km east of Kalgoorlie and 25km south of Zanthus on the Trans-Australian rail line. The project comprises a single Exploration Licence 28/1958, which was granted on 8th March 2010 and is wholly owned by Enterprise Uranium Ltd. The tenement is subject to a 1.5% Gross Royalty to the original vendor.

The primary focus of the project remains a palaeochannel considered prospective for sand-hosted uranium mineralisation that underlies and is largely coincident with the modern-day Lake Harris drainage system.



*Lake Harris and Ponton Project Locations over Geology*



## Directors' Review of Exploration Operations



In 2011, the Company flew a detailed aeromagnetic and radiometric survey over the entire project area. The radiometric data acquired shows a highly anomalous uranium response on the Harris Lake drainage system and surrounding areas. In 2012, the Company flew a project wide airborne electromagnetic (AEM) survey at 400m line spacing. This survey defined deep palaeochannels below and adjacent to Harris Lake, which are considered potential hosts for sand hosted uranium mineralisation.

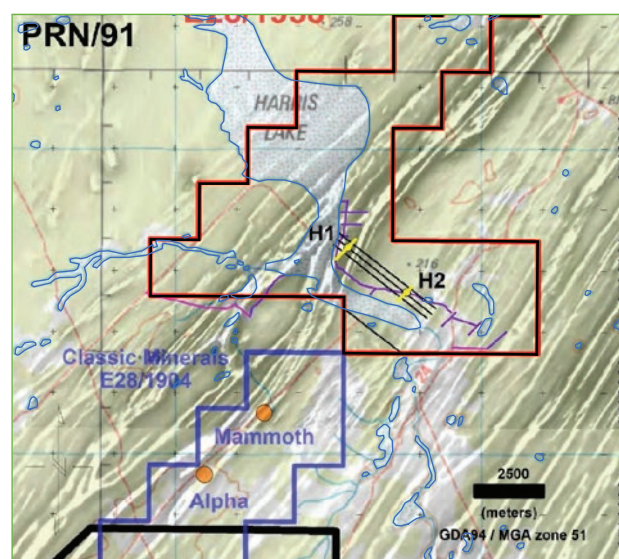
Following the announcement by Classic Minerals' Ltd (ASX:CLZ 15th August 2013) of the discovery of sulphide nickel-copper mineralisation (subsequently called "Mammoth" prospect) adjacent to Enterprise's E28/1958, the Company reviewed two discrete basement conductors (H1 & H2) from its 2012 fixed wing airborne EM survey and undertook two fixed loop ground electromagnetic (FLEM) surveys in March 2014. This FLEM survey served to further define the location and orientation of both the H1 and H2 bedrock conductors

Two separate but concurrent reverse circulation (RC) drilling programs have been planned. These are the initial palaeochannel uranium program and the more recent basement EM conductor Ni-Cu drilling program. These programs were recently awarded a WA Government Exploration Incentive Scheme (EIS) co-funded drilling grant of up to \$150,000.

As the project area is contained within the proposed Buningonia Springs Nature Reserve (PNR/091) and is managed by the Department of Parks and Wildlife (DPAW), there are a number of significant hurdles that have had to be overcome prior to any drill testing at Lake Harris.

Enterprise has consulted with both the Department of Mines & Petroleum (DMP) and DPAW and established protocols for a Conservation Management Plan (CMP). Submission and approval of a new Radiation Management Plan (RMP) has also been required as the DMP's requirements for RMP's has changed.

The Company is now awaiting the completion and results of second heritage survey that is required to cover the proposed new RC drill traverses, and DMP approval of the two Programs of Work (PoW's) for the two RC drilling programs. Drill testing of the deep channels and nickel-copper prospective EM targets may be able to commence in late 2014.



*Lake Harris and Ponton Project Locations over Geology*



## Directors' Review of Exploration Operations



*Byro project: Overlooking Murchison River Valley*

### BYRO PROJECT

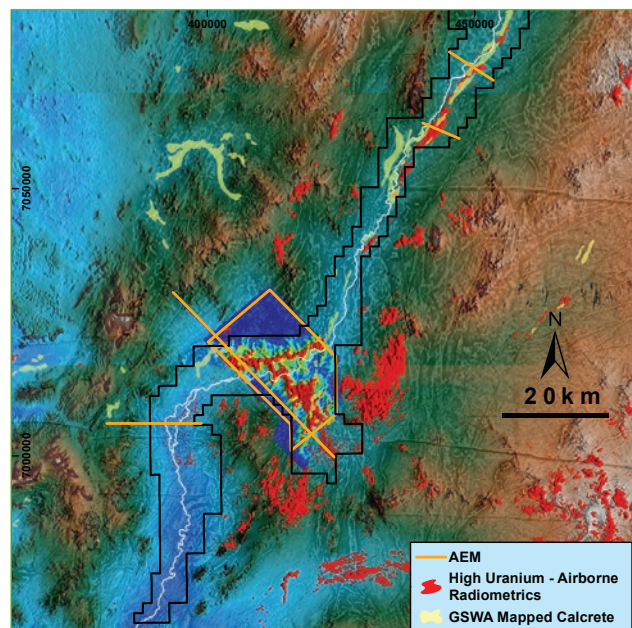
The Byro Project is situated 250km northeast of Geraldton, and is centred on the Murchison River valley, which is considered prospective for sand-hosted uranium mineralisation. The Company presently holds an uninterrupted stretch of the Murchison River spanning 130km.

The Company previously flew airborne electromagnetic (EM) survey was flown in mid-2012 over the Wooleen Lake area (E59/1617), identifying broad and deep palaeochannels that are considered prospective for high-grade, sand-hosted uranium mineralisation. Regional EM lines were also flown over select areas of the Murchison River valley to test for deep palaeochannels below previously defined radiometric uranium anomalies associated with surficial calcrete.

Over the past twelve months, the Company has formulated plans for drill testing the palaeochannels within E59/1617, and progressed plans for heritage surveys to permit the drilling to go ahead.

Although the Company was successful in receiving a WA Government co-funding grant of \$74,900 for RC drilling to test these uranium targets, the grant expired in June 2014 before any drilling program was approved.

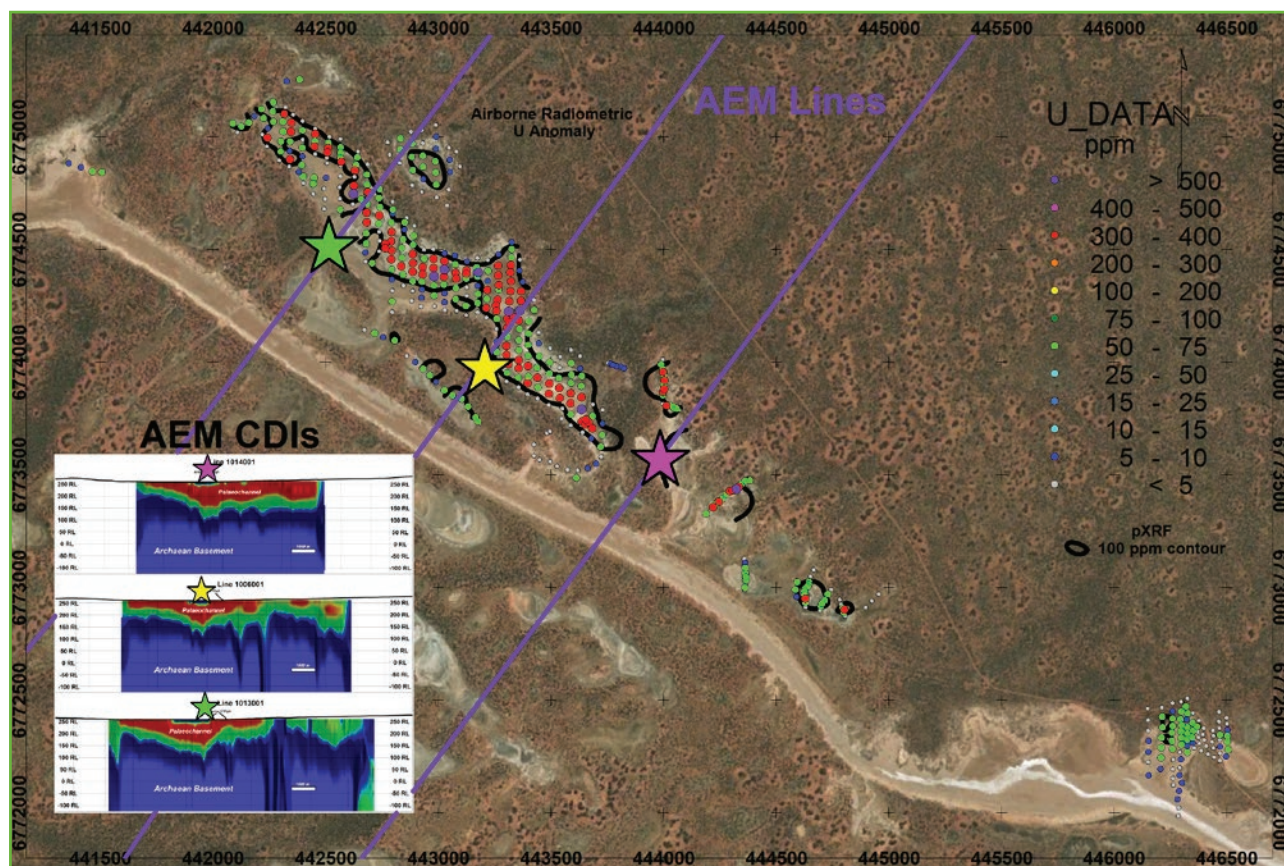
During 2013/14, the Company rationalised its Byro landholdings by withdrawing several tenement applications and surrendering several others. In addition, with diminished competitor activity, the Company was able to apply for additional more prospective ground.



*High Clip Uranium (Red) over Topography and AEM Channel 15*



## Directors' Review of Exploration Operations



*AEM CDIs at Hot Chocolate*

### YALGOO PROJECT

The Yalgoo Project is approximately 400km north of Perth and covers an area of 196km<sup>2</sup>. Enterprise considers the Project to be prospective for (blind) sand or sandstone hosted uranium mineralisation as well as shallow calcrete hosted uranium.

During 2013/14, the Company rationalised its landholdings in the Yalgoo area, by reducing the area of its tenements around the calcrete hosted Muggaburna uranium deposit, discovered by the Company in 2012.

With diminished competitor activity in the Yalgoo area, the Company was also able to apply for additional more prospective ground over a major draining system immediately west and southwest of Yalgoo where indications of calcrete hosted uranium have been identified.

### PERANBYE PROJECT

The Peranbye Project is located 300km north of Perth and covers an area of 1384km<sup>2</sup>. Tenements of the Peranbye Project were pegged following the identification of significant uranium anomalies in airborne radiometric data released in early 2012 by the WA Geological Survey.

An initial field investigation of several of these uranium anomalies located highly anomalous concentrations of uranium mineralisation in calcareous clays and calcrete within lakes and palaeochannel systems. Assaying of surface rockchip and soil samples returned nine values between 102ppm U and 504ppm U, which confirms that significant surficial uranium mineralisation exists in the tenements.

Following a review of proprietary geological and geophysical data, the Company reduced the area of its Peranbye Project tenements, but retained the core area considered to be highly prospective for sand hosted uranium.



*Peranbye Project: Typical Lake Scene*



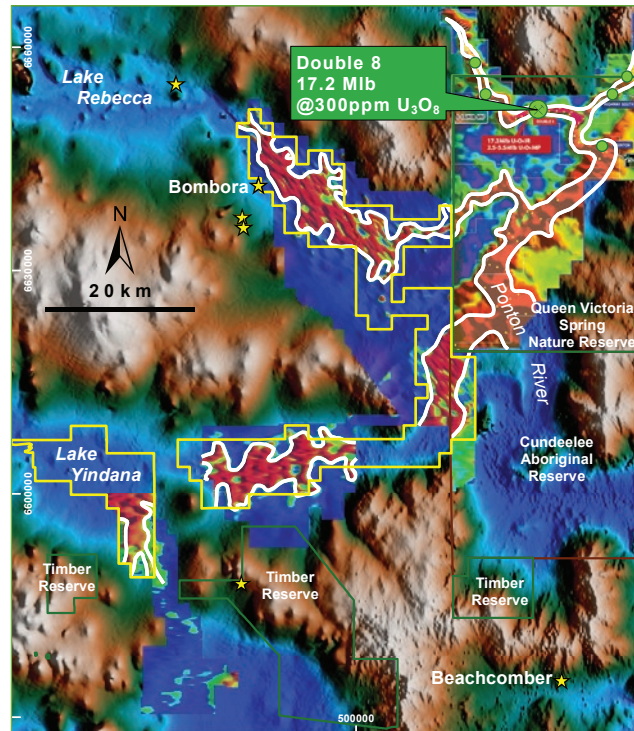
## Directors' Review of Exploration Operations

### PONTON PROJECT

The Ponton Project is located 135km east of Kalgoorlie and covers a total area of 777km<sup>2</sup> over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the southeast margin of the Archaean Yilgarn Craton.

In mid-2012, Enterprise flew a 1,000m line spaced AEM survey over the Project area, on the assumption that palaeodrainage systems within Enterprise's tenements were similar to those at the nearby Double 8 and Mulga Rocks projects, and AEM could pinpoint the base of and flanks of these channels where uranium mineralisation had potentially accumulated. The deepest channels are approximately 150m deep.

During 2013/14, heritage surveys were completed and drilling plans formulated. The Company reduced the area of its Ponton Project tenements, but retained the core areas considered to be highly prospective for sand hosted uranium, and applied for some additional prospective areas following a lessening of competitor activity in the area.



*AEM Channel 15 over topography*



*Lake Rebecca*

## Corporate Governance Statement

### The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

In order to ensure the board maintains an optimal mix of skills and diversity, the membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board has established Audit & Risk and Remuneration & Nomination committees. The board as a whole is committed to addressing the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

### Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

### Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

### Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

### Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mining exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

### ASX Principles of Good Corporate Governance

To the extent that they are relevant to the organisation, the Company has adopted the Eight Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council. The Board is aware of the release of the 3<sup>rd</sup> edition of the ASX's Corporate Governance Principles and Recommendations and has implemented policies and procedures to enable adequate reporting against the latest recommendations in time for the 2015 Financial Report.



## Corporate Governance Statement

The following table sets out the Company's present position in relation to each of the Principles.

	ASX Principle	Status	Reference/comment
<b>Principle 1:</b>	<b>Lay solid foundations for management and oversight</b>		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	A	The Board Charter includes matters reserved for the Board and is included on the Company website in the Corporate Governance section.
1.2	Companies should disclose the process for evaluating the performance of senior executives	N/A	The Company has a Remuneration Committee Charter which establishes a Remuneration & Nomination Committee to review and make decisions in relation to senior executive remuneration and incentive policies. No other process is currently adopted for evaluating the performance of senior executives however, the Board concurs with the full implementation of this Principle and will review appropriate ways of compliance as and when further senior executives are engaged.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	A	
<b>Principle 2:</b>	<b>Structure the board to add value</b>		
2.1	A majority of the board should be independent directors	N/A	The Board comprises four directors, three of whom are non-executive, but only one is considered as independent. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.2	The chair should be an independent director	N/A	The Chairman is not independent. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director/Chief Executive Officer is responsible for the efficient and effective operation of the Company.  The Board considers that this is both appropriate and acceptable at this stage of the Company's development.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual	A	These positions are held by separate persons.
2.4	The board should establish a nomination committee	A	The Company has established a Remuneration & Nomination Committee, comprised of two non-executive directors and the managing director/chief executive officer, which operates under the Remuneration & Nomination Committee Charter, a copy of which is available on the Company's website.

A = Adopted

N/A = Not adopted

## Corporate Governance Statement

	ASX Principle	Status	Reference/comment
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	A	Disclosed under the Board Charter which is available on the Company's website.  No formal performance evaluation for the Board has taken place in this reporting period.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	A	The skills and experience of Directors, as well as each Director's period of office, are set out in the Company's Annual Report (Directors' report) and on its website.  The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.
<b>Principle 3: Promote ethical and responsible decisionmaking</b>			
3.1	Companies should establish a code of conduct and disclose the code	A	The board has established a Corporate Code of Conduct which all employees and directors are expected to follow. The Corporate Code of Conduct is available on the Company's website.
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	N/A	The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. The Company does not think that it is appropriate to state measurable objectives for achieving gender diversity due to its size and stage of development
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	N/A	The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.

A = Adopted

N/A = Not adopted



## Corporate Governance Statement

	ASX Principle	Status	Reference/comment
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.	A	There is one female director, Ms Anna Mao, on the Board. The Company does not have any other female employees or senior executives.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	A	
<b>Principle 4: Safeguard integrity in financial reporting</b>			
4.1	The board should establish an audit committee	A	
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> <li>consists only of nonexecutive directors</li> <li>consists of a majority of independent directors</li> <li>is chaired by an independent chair, who is not chair of the board</li> <li>has at least three members</li> </ul>	A N/A A A	<p>The Company has established an Audit and Risk Committee consisting of the CFO/Company Secretary (Damian Delaney) and three non-executive directors (William Robertson, Anna Mao and Dermot Ryan), none of which are considered independent. The Composition of the Committee is considered to be appropriate given the Company's size and stage of development.</p> <p>The Audit and Risk Committee is chaired by William Robertson.</p>
4.3	The audit committee should have a formal charter	A	The Audit and Risk Committee operates under the Audit and Risk Committee Charter which lists the main responsibilities of the Committee and is available on the Company's website.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	A	The Committee will meet at least each financial year and additionally as circumstances may require for it to undertake its role effectively.
<b>Principle 5: Make timely and balanced disclosure</b>			

A = Adopted

N/A = Not adopted

## Corporate Governance Statement

	ASX Principle	Status	Reference/comment
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance	A	The Company has adopted a Continuous Disclosure Policy, a copy of which is available on the Company's website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	A	
<b>Principle 6: Respect the rights of shareholders</b>			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings	A	The Company has a Shareholder Communications Strategy ( <b>Policy</b> ), a copy of which is available on the Company's website. The Policy sets out the manner in which information is communicated to shareholders so that they are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	A	
<b>Principle 7: Recognise and manage risk</b>			
7.1	Companies should establish policies for the oversight and management of material business risks	A	The Company has established an Audit and Risk Committee to monitor and review on behalf of the Board the system of risk management which the Company has established. This system aims to identify, assess, monitor and manage operational and compliance risks.

A = Adopted

N/A = Not adopted



## Corporate Governance Statement

	ASX Principle	Status	Reference/comment
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	N/A	The Board determines the Company's 'risk profile' and has delegated to the Audit and Risk Committee the responsibility for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.  The Audit and Risk Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.
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	A	The Board has received the required assurance and declaration.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	A	
<b>Principle 8: Remunerate fairly and responsibly</b>			
8.1	The board should establish a remuneration committee	A	
8.2	The remuneration committee should be structured so that it:		

A = Adopted

N/A = Not adopted

## Corporate Governance Statement

	ASX Principle	Status	Reference/comment
	<ul style="list-style-type: none"> <li>consists of a majority of independent directors</li> </ul>	N/A	The Company has established a Remuneration & Nomination Committee consisting of three non-executive directors (Anna Mao, Zhen Huang and William Robertson) and the managing director/chief executive officer. None of the directors are classified as independent.
	<ul style="list-style-type: none"> <li>is chaired by an independent director</li> </ul>	N/A	The Remuneration & Nomination Committee is chaired by Anna Mao, who is not classified as independent.
	<ul style="list-style-type: none"> <li>has at least three members</li> </ul>	A	
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	A	The Remuneration & Nomination Committee operates under the Remuneration & Nomination Committee Charter. The Charter states the Remuneration & Nomination Committee should consider and make recommendations to the Board on the remuneration for each executive Director having regard to the executive remuneration policy.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	A	The managing director/chief executive officer and executives receive a superannuation guarantee contribution where applicable as required by the government, which was 9.25% for the year and is currently 9.5%, and do not receive any other retirement benefits.

A = Adopted

N/A = Not adopted

## Directors' Report

Your Directors present their report on the Company for the financial period ended 30 June 2014.

### Directors

The names of Directors in office at any time during or since the end of the period are:

Ms Anna Mao  
Mr Dermot Ryan  
Mr Michael Atkins (resigned 1 April 2014)  
Dr Zhen Huang  
Mr Damian Delaney (appointed 1 April 2014, resigned 9 September 2014)  
Mr William Robertson (appointed 9 September 2014)

Directors have been in office since the start of the financial period to the date of this Report unless otherwise stated.

### Company Secretary

The following persons held the position of Company Secretary during or since the end of the financial period:

Mr Damian Delaney CA (SA), AICD was appointed as Company Secretary on 3 April 2013.

Mr Delaney is a Chartered Accountant with over 25 years of experience working with international listed companies.

Mr Delaney commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of Finance positions in the United Kingdom, finally as Finance Director of LSE listed Tarsus Company plc until 2004.

Mr Delaney brings significant experience in capital markets for the SME sector. He is fully conversant with all regulatory requirements of the Australian and UK markets, holding company secretarial roles on a number of ASX listed companies and has many years' hands on experience managing all aspects of a Company's finances and operations and associated regulatory reporting.

### Principal Activities

The principal activities of the Company during the financial period were the exploration of a number of uranium tenements in Western Australia.

### Significant Changes in State of Affairs

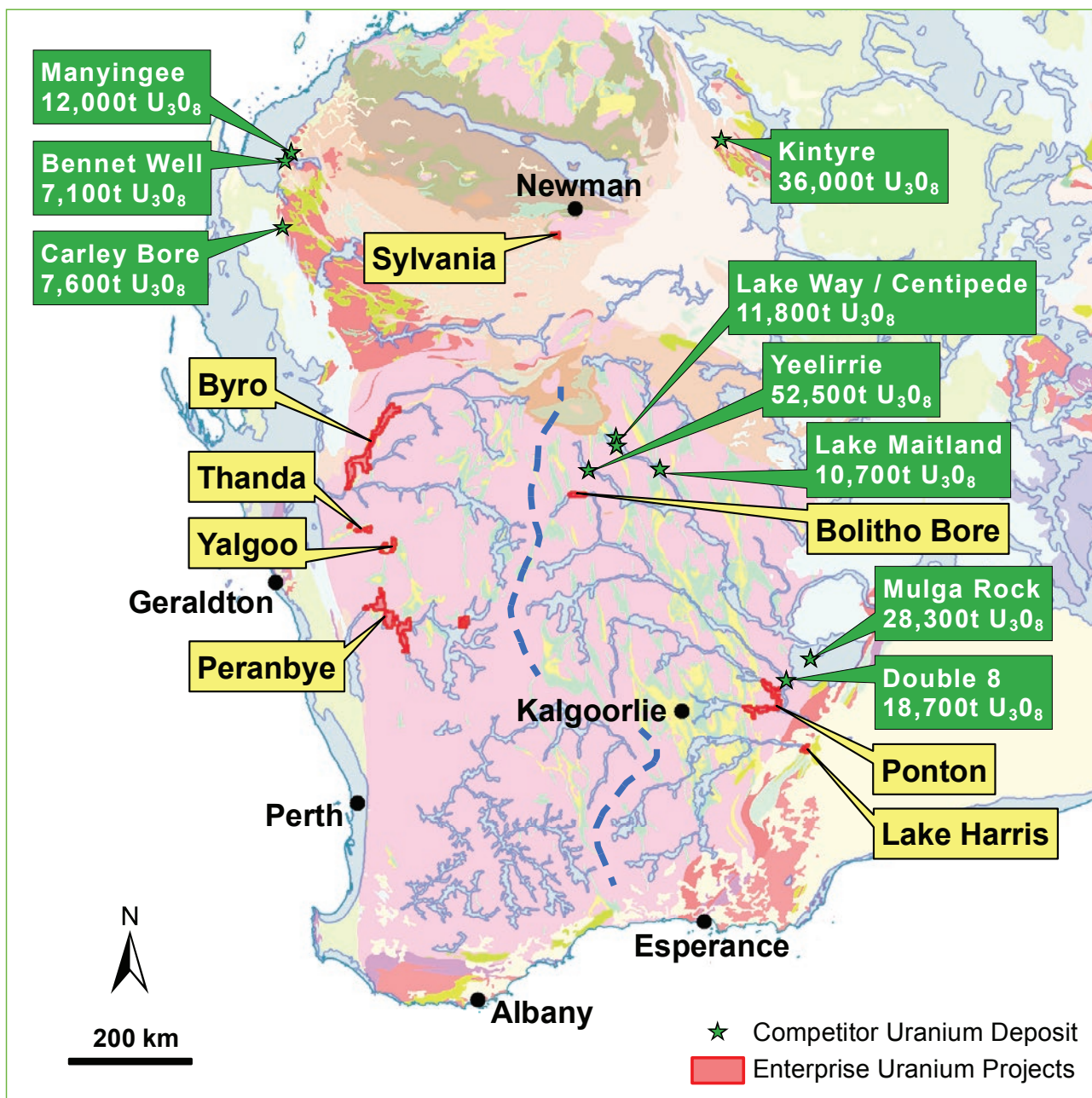
There were no significant changes in the state of affairs in the Company during the year.



## Directors' Report

## DIRECTORS' REVIEW OF OPERATIONS

## Project Location Map



## CORPORATE INVESTMENT

In November 2013, the Company acquired 37,280,714 shares in Energia Minerals Limited (ASX : EMX) from UEQ Investments Pty Ltd, a subsidiary of Uranium Equities Limited. (ASX : UEQ) As consideration for the purchase, ENU paid UEQ \$500,000 cash and 8,004,393 ordinary fully paid shares in Enterprise at a deemed issue price of 3.2 cents.

Energia's main asset at the time was the Nyang Uranium Project in the Carnarvon Basin in Western Australia. This project contains the Carley Bore uranium deposit with a published JORC Compliant total Mineral Resource of 22.8Mt @ 310ppm U<sub>3</sub>O<sub>8</sub> for 15.6Mlbs of contained U<sub>3</sub>O<sub>8</sub>.

This total resource includes an Indicated Resource of 5.4Mt grading 420ppm U<sub>3</sub>O<sub>8</sub> (5Mlb of contained U<sub>3</sub>O<sub>8</sub>) which is potentially available for conversion to Ore Reserves. (EMX: ASX release 12 February 2014) Energia reported that the Resource remained open in several areas and is expected to expand, with further aircore and mud drilling planned to be carried out during the 2014 field season.

## Directors' Report

On the 15th April 2014, Energia reported the results of an independent Scoping Study completed by Jorvik Resources, which indicate that Carley Bore was potentially an economically robust project. In summary, the study concluded:

- Projected life-of-mine sales revenue of \$559M.
- Projected life-of-mine net cash flow of \$225M with \$127M (before repayment of capital) generated from Indicated Resources in the first 2 years of production.
- Potential production of 8.1Mlb of  $U_3O_8$  over initial 6-year projected mine life with annual steady state production of 1.4Mlb of  $U_3O_8$ .
- Estimated C1 production cash operating costs of \$US19.82 per pound of  $U_3O_8$ .
- Estimated total cash cost of \$US32.62 per pound of  $U_3O_8$ .
- Estimated pre-production capital of \$105.2M inclusive of 20% contingency on plant cost and initial well field development costs of \$10.9M

Jorvik also recommended proceeding to a Field Leach Trial which, if successful and subject to the assumptions made in the Scoping Study being confirmed, would lead to a full Feasibility Study.

At 30th June 2014, the Company held 41,547,603 shares in Energia Minerals Ltd, which equated to approximately 15.1% of issued shares in Energia. At 19th September 2014, this shareholding represented an investment of approximately \$1.7 million based on an EMX share price of \$0.041.

On 25th August 2014, Energia announced that, subject to due diligence and shareholder approval, it planned to raise \$6 million of fresh capital from sophisticated investors and up to \$2 million from a non-renounceable shareholders' rights issue. These funds would be used for the exploration and development of Energia's Gorno zinc/lead/silver deposit in Italy.

On 3rd September 2014, Energia announced that the due diligence had been successfully completed, that the rights issue would be increased to \$2.15 million, and that a general meeting of shareholders' to approve the placement and rights issue was scheduled for 7th October 2014. Given Energia's new focus on developing the Italian Gorno zinc/lead/silver deposit, the board of Enterprise is currently re-evaluating its investment in Energia.

### LAKE HARRIS PROJECT

The Lake Harris Project is situated 200km east of Kalgoorlie and 25km south of Zanthus on the Trans-Australian rail line. The project comprises a single Exploration Licence 28/1958, which was granted on 8th March 2010 and is wholly owned by Enterprise Uranium Ltd. The tenement is subject to a 1.5% Gross Royalty to the original vendor.

The primary focus of the project remains a palaeochannel considered prospective for sand-hosted uranium mineralisation that underlies and is largely coincident with the modern-day Lake Harris drainage system.

In 2011, the Company flew a detailed aeromagnetic and radiometric survey over the entire project area. The radiometric data acquired shows a highly anomalous uranium response on the Harris Lake drainage system and surrounding areas. In 2012, the Company flew a project wide airborne electromagnetic (AEM) survey at 400m line spacing. This survey defined deep palaeochannels below and adjacent to Harris Lake, which are considered potential hosts for sand hosted uranium mineralisation.

Following the announcement by Classic Minerals' Ltd (ASX:CLZ 15th August 2013)) of the discovery of sulphide nickel-copper mineralisation (subsequently called "Mammoth" prospect) adjacent to Enterprise's E28/1958, the Company reviewed two discrete basement conductors (H1 & H2) from its 2012 fixed wing airborne EM survey and undertook two fixed loop ground electromagnetic (FLEM) surveys in March 2014. This FLEM survey served to further define the location and orientation of both the H1 and H2 bedrock conductors

Two separate but concurrent reverse circulation (RC) drilling programs have been planned. These are the initial palaeochannel uranium program and the more recent basement EM conductor Ni-Cu drilling program. These programs were recently awarded a WA Government Exploration Incentive Scheme (EIS) co-funded drilling grant of up to \$150,000.

As the project area is contained within the proposed Buningonia Springs Nature Reserve (PNR/091) and is managed by the Department of Parks and Wildlife (DPAW), there are a number of significant hurdles that have had to be overcome prior to any drill testing at Lake Harris.

Enterprise has consulted with both the Department of Mines & Petroleum (DMP) and DPAW and established protocols for a Conservation Management Plan (CMP). Submission and approval of a new Radiation Management Plan (RMP) has also been required as the DMP's requirements for RMP's has changed.

## Directors' Report

The Company is now awaiting the completion and results of second heritage survey that is required to cover the proposed new RC drill traverses, and DMP approval of the two Programs of Work (PoW's) for the two RC drilling programs. Drill testing of the deep channels and nickel-copper prospective EM targets may be able to commence in late 2014.

### BYRO PROJECT

The Byro Project is situated 250km northeast of Geraldton, and is centred on the Murchison River valley, which is considered prospective for sand-hosted uranium mineralisation. The Company presently holds an uninterrupted stretch of the Murchison River spanning 130km.

The Company previously flew airborne electromagnetic (EM) survey was flown in mid-2012 over the Wooleen Lake area (E59/1617), identifying broad and deep palaeochannels that are considered prospective for high-grade, sand-hosted uranium mineralisation. Regional EM lines were also flown over select areas of the Murchison River valley to test for deep palaeochannels below previously defined radiometric uranium anomalies associated with surficial calcrete.

Over the past twelve months, the Company has formulated plans for drill testing the palaeochannels within E59/1617, and progressed plans for heritage surveys to permit the drilling to go ahead.

Although the Company was successful in receiving a WA Government co-funding grant of \$74,900 for RC drilling to test these uranium targets, the grant expired in June 2014 before any drilling program was approved.

During 2013/14, the Company rationalised its Byro landholdings by withdrawing several tenement applications and surrendering several others. In addition, with diminished competitor activity, the Company was able to apply for additional more prospective ground.

### YALGOO PROJECT

The Yalgoo Project is approximately 400km north of Perth and covers an area of 196km<sup>2</sup>. Enterprise considers the Project to be prospective for (blind) sand or sandstone hosted uranium mineralisation as well as shallow calcrete hosted uranium.

During 2013/14, the Company rationalised its landholdings in the Yalgoo area, by reducing the area of its tenements around the calcrete hosted Muggaburna uranium deposit, discovered by the Company in 2012.

With diminished competitor activity in the Yalgoo area, the Company was also able to apply for additional more prospective ground over a major draining system immediately west and southwest of Yalgoo where indications of calcrete hosted uranium have been identified.

### PERANBYE PROJECT

The Peranbye Project is located 300km north of Perth and covers an area of 1384km<sup>2</sup>. Tenements of the Peranbye Project were pegged following the identification of significant uranium anomalies in airborne radiometric data released in early 2012 by the WA Geological Survey.

An initial field investigation of several of these uranium anomalies located highly anomalous concentrations of uranium mineralisation in calcareous clays and calcretes within lakes and palaeochannel systems. Assaying of surface rockchip and soil samples returned nine values between 102ppm U and 504ppm U, which confirms that significant surficial uranium mineralisation exists in the tenements.

Following a review of proprietary geological and geophysical data, the Company reduced the area of its Peranbye Project tenements, but retained the core area considered to be highly prospective for sand hosted uranium.

### PONTON PROJECT

The Ponton Project is located 135km east of Kalgoorlie and covers a total area of 777km<sup>2</sup> over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the southeast margin of the Archaean Yilgarn Craton.

In mid-2012, Enterprise flew a 1,000m line spaced AEM survey over the Project area, on the assumption that palaeodrainage systems within Enterprise's tenements were similar to those at the nearby Double 8 and Mulga Rocks projects, and AEM could pinpoint the base of and flanks of these channels where uranium mineralisation had potentially accumulated. The deepest channels are approximately 150m deep.

During 2013/14, heritage surveys were completed and drilling plans formulated. The Company reduced the area of its Ponton Project tenements, but retained the core areas considered to be highly prospective for sand hosted uranium, and applied for some additional prospective areas following a lessening of competitor activity in the area.



## Directors' Report

### Operating Results

The loss of the Company after providing for income tax amounted to \$3,174,925 (2013: \$774,866).

### Dividends Paid or Recommended

There were no dividends paid or recommended during the financial period ended 30 June 2014 (2013: \$Nil).

### Financial Position

The net assets of the Company at 30 June 2014 are \$7,106,467 (2013: \$9,995,452).

### After Reporting Date Events

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than:

On the 22 August 2014 526,315 ENU shares were issued at an issue price of \$0.038 for a total amount of \$20,000 to a supplier for consulting fees.

On the 9 September 2014 Mr Damian Delaney resigned as a director and Mr William Robertson was appointed a non-executive director.

### Future developments, prospects and business strategies

During the past year the Company assessed a number of advanced uranium projects for potential acquisition and development. This process is still ongoing. In addition, the Company has focussed on securing the regulatory and heritage approvals required to enable drilling to commence on the Company's tenement assets. In particular, plans have been advanced for the drill testing of the uranium and nickel-copper targets at Lake Harris in the Fraser Range. Other uranium target being advanced towards drill testing are at the Ponton, Byro and Perabye projects.

Determining and optimising funding options whether using debt or equity finance for the Company's activities will continue to be a priority for the management of the Company. In particular, the exploration of the Company's exploration projects, along with general working capital will require funding arrangements in the coming years. The management continues to review opportunities to fund the Company's suite of assets.

### Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

## Directors' Report

## Information on Directors

**Ms Anna Mao**

—

## Non-Executive Chairman

## Experience

- Ms Mao is a creative leader and entrepreneur with 19 years' experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2001.

## Interest in Shares and Options

- Nil Shares
- Nil Options

## Special Responsibilities

- Chair of the Remuneration & Nomination Committee and Member of the Audit & Risk Committee.

## Directorships held in other listed entities

- Enterprise Metals Ltd (July 2011 – present)
- East Africa Metals Limited (TSX) (June 2014 – present)
- Golden Share Mining Corp (TSX) (July 2013 – present)
- Nickel North Exploration Corp. (TSX) (February 2013 – present)

**Mr Dermot Ryan**

—

## Executive Director

## Experience

- Mr Ryan spent 20 years with CRA Ltd from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was GM Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) from late 1996-2001, and for the past 10 years has run a private mineral exploration consulting Company (XServ Pty Ltd). He is a Fellow of the AusIMM, (CP), a Fellow of the AIG, and holds a BAPSc (Geol). Acting CEO since 26 June 2013.

## Interest in Shares and Options

- 2,415,000 Shares
- Nil Options

## Special Responsibilities

- Member of the Remuneration & Nomination Committee

## Directorships held in other listed entities

- Legend Mining Limited (May 2005 – October 2013)
- Enterprise Metals Limited (October 2008 – present). There have been no other listed entity directorships in the last 3 years.

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## Directors' Report

### Dr Zhen Huang

—

#### Non-Executive Director

#### Experience

- Dr Huang is currently a director of Sinotech Minerals Exploration Co., Ltd. He is also Managing Director of SinoDrill Co. Ltd. Prior to his appointment he was director of Geology Department of China National Nonferrous Metals Industry Corporation. Dr Huang has 29 years of experience in non-ferrous minerals exploration and ever since 1999, he has actively established four technical service companies covering engineering construction, drilling, environment engineering and mining investment, all of which have made significant achievements.

#### Interest in Shares and Options

- Nil Shares
- Nil Options

#### Special Responsibilities

- Member of Remuneration & Nomination Committee

#### Directorships held in other listed entities

- Nil

### Mr William Robertson

—

#### Non-Executive Director

#### Experience

- Mr Robertson has B.Ap.Sc (Geophysics), a Diploma in Applied Physics (Mining and Hydrology) and over 25 years' experience as a professional geoscientist.

For the past 15 years, Mr Robertson has been the Director and Principal Consultant of Value Adding Resources, providing services to the mineral exploration industry. He is a Member of the Australian Society of Exploration Geophysicists and Australian Institute of Geoscientists.

His experience includes 11 years multi-commodity exploration experience with CRA Exploration Pty Ltd and North Limited, and 15 years as an independent consultant. He has provided geophysical support to exploration and evaluation programs in Western Australia, NSW, Tasmania, Victoria, Queensland and the Northern Territory, Africa, Asia, South America and Europe.

Bill has extensive experience in the exploration for and evaluation of uranium deposits, including Kintyre in Western Australia and Westmoreland in Queensland. He has played a major role in generating Enterprise's uranium projects in Western Australia, and has extensive experience in the exploration for base metals, copper-gold, diamonds, iron and rare earth.

#### Interest in Shares and Options

- 1,874,521 Shares
- Nil Options

#### Special Responsibilities

- Chair of the Audit and Risk Committee

#### Directorships held in other listed entities

- Nil



## Directors' Report

**Mr Damian Delaney**

— Non-Executive Director (resigned 9 September 2014)

## Experience

— Mr Delaney is a Chartered Accountant with over 25 years of experience working with international listed companies.

Mr Delaney commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of Finance positions in the United Kingdom, finally as Finance Director of LSE listed Tarsus Group plc until 2004.

Mr Delaney brings significant experience in capital markets for the SME sector. He is fully conversant with all regulatory requirements of the Australian and UK markets, holding company secretarial roles on a number of ASX listed companies and has many years' hands on experience managing all aspects of a Company's finances and operations and associated regulatory reporting.

## Interest in Shares and Options

— 35,490 Shares

Nil Options

## Special Responsibilities

— N/A (resigned 9 September 2014)

## Directorships held in other listed entities

— Genesis Minerals Limited (March 2012 – present)

Redbank Copper Limited (July 2012 – present)

**Meetings of Directors**

During the financial period, six meetings of Directors (including committees of Directors) were held. Attendances by each Director during the period were as follows:

	DIRECTORS' MEETINGS		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Anna Mao	5	5	-	-	1	1
Dermot Ryan	5	5	-	-	1	1
Dr Zhen Huang	5	2	-	-	-	-
Michael Atkins <sup>(1)</sup>	3	3	-	-	1	1
Damian Delaney <sup>(2)</sup>	2	2	-	-	-	-

<sup>(1)</sup> Resigned 1 April 2014

<sup>(2)</sup> Appointed 1 April 2014; resigned 9 September 2014

## Directors' Report

### Indemnifying Officers or Auditor

During or since the end of the financial period 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 wilful breach of duty in relation to the Company. The amount of the premium was \$8,342 (2013: \$7,215).
- No indemnity has been given to the Company's auditors.

### Options

At the date of this report, there are no un-issued ordinary shares of Enterprise Uranium Limited under option.

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

### Environmental Regulations

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the period under review.

### Non-audit Services

The following non-audit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd, or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Grant Thornton Audit Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of nonaudit services:

	2014 \$	2013 \$
Tax compliance services	5,200	5,000

## Directors' Report

### 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 those proceedings.

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

### REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Enterprise Uranium Limited and other key management personnel.

#### A. Remuneration Policy

The remuneration policy of Enterprise Uranium Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of Enterprise Uranium Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

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

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

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Remuneration & Nomination Committee 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. Fees for non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

There is no relationship between KMP remuneration and the performance of the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and executives' performance. The Company believes this policy will be effective in increasing shareholder wealth. No options have been issued to Directors in the period under review to the date of this report.

#### *Use of remuneration consultants*

The Company did not employ the services of any remuneration consultants during the financial period ended 30 June 2014.

#### *Voting and comments made at the Company's 2013 Annual General Meeting*

The Company received approximately 87% of "yes" votes on its remuneration report for the 2013 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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## Directors' Report

### B. Details of Remuneration for Period Ended 30 June 2014

There were no cash bonuses paid during the period and there are no set performance criteria for achieving cash bonuses. The following table of benefits and payment details, in respect to the financial period, the components of remuneration for each member of the key management personnel of the Company.

**Table of Benefits and Payments for the Period Ended 30 June 2014**

2014 Key Management Personnel	Short-term benefits				Post- employ- ment benefits	Long- term benefits	Equity-settled share-based payments		Total	Remun- eration that is perform- ance based
	Salary, fees and leave	Cash from other activities	Non- mone- tary	Other	Super- annuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Anna Mao - Chairperson	-	-	-	-	-	-	-	-	-	-
Dermot Ryan - Managing director	75,909	-	-	-	-	-	-	-	75,909	-
Dr Zhen Huang - Non-executive director	-	-	-	-	-	-	-	-	-	-
Michael Atkins - Non-executive director <sup>(1)</sup>	42,960	-	-	-	2,540	-	-	-	45,500	-
Damian Delaney - Company Secretary <sup>(2)</sup>	64,440	-	-	-	-	-	-	-	64,440	-
	183,309	-	-	-	2,540	-	-	-	185,849	-

<sup>(1)</sup> Resigned 1 April 2014

<sup>(2)</sup> Appointed as a non-executive director on 1 April 2014; resigned 9 September 2014. At the time of his resignation William Robertson was appointed a non-executive director

## Directors' Report

Table of Benefits and Payments for the Period Ended 30 June 2013

2013

**Key Management Personnel**

	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration that is performance based
	Salary, fees and leave	Cash from other activities	Non-monetary	Other	Superannuation	Other	Equity	Options		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Anna Mao <sup>(1)</sup>	41,209	-	-	-	-	-	-	-	41,209	-
Dermot Ryan <sup>(2)</sup>	41,309	1,636	-	-	3,718	-	-	-	46,663	-
Dr Zhen Huang <sup>(3)</sup>	29,167	-	-	-	-	-	-	-	29,167	-
Michael Atkins <sup>(4)</sup>	38,226	-	-	-	3,440	-	-	-	41,666	-
Simon Fleming <sup>(5)</sup>	116,200	-	-	-	8,174	-	-	-	124,374	-
Trevor Saul <sup>(6)</sup>	62,708	-	-	-	5,644	-	-	-	68,352	-
Damian Delaney <sup>(7)</sup>	17,130	-	-	-	-	-	-	-	17,130	-
Dennis Wilkins <sup>(8)</sup>	78,969	-	-	-	-	-	-	-	78,969	-
	424,918	1,636	-	-	20,976	-	-	-	447,530	-

<sup>(1)</sup> Appointed 14 September 2012; since April 2013 fees were paid to a related party of the Company for the provision of promotional expertise in the People's Republic of China – refer note 17 for details of the related party transactions

<sup>(2)</sup> Appointed 8 August 2012; Dermot Ryan provides executive management services (since the resignation of the Managing Director on 26 June 2013) and is paid for these services by a related party of the Company – refer note 17 for details of the related party transactions

<sup>(3)</sup> Appointed 14 September 2012

<sup>(4)</sup> Appointed 14 September 2012

<sup>(5)</sup> Appointed 4 February 2013; resigned 26 June 2013

<sup>(6)</sup> Appointed 15 October 2012; resigned 25 January 2013

<sup>(7)</sup> Appointed 3 April 2013

<sup>(8)</sup> Appointed at incorporation; resigned 2 April 2013. The fees represent fees for services as the Chief Financial Officer and Company Secretary as well as accounting services provided by DW Corporate Pty Ltd, a Company controlled by Dennis Wilkin

## Directors' Report

### Equity instrument disclosures relating to KMP

#### (i) Option holdings

The number of options over ordinary shares held by each KMP of the Company during the financial period is as follows:

	Balance at the beginning of the period	Granted as remuneration during the period	Exercised during the period	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period	Vested during the period
<b>2014</b>							
<i>Directors of Enterprise Uranium Limited</i>							
Anna Mao	-	-	-	-	-	-	-
Dermot Ryan	-	-	-	-	-	-	-
Zhen Huang	-	-	-	-	-	-	-
Michael Atkins	25,000	-	-	(25,000) <sup>(1)</sup>	-	-	-
Damian Delaney	-	-	-	-	-	-	-
	25,000	-	-	(25,000)	-	-	-

#### (ii) Shareholdings

The number of ordinary shares in Enterprise Uranium Limited held by each KMP of the Company during the financial period is as follows:

	Balance at the start of the period	Received during the period as compensation	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
<b>2014</b>					
<i>Directors</i>					
Ordinary Shares					
Anna Mao	300,000	-	-	-	300,000
Dermot Ryan	2,415,000	-	-	-	2,415,000
Zhen Huang	-	-	-	-	-
Michael Atkins	100,000	-	-	(100,000) <sup>(1)</sup>	-
Damian Delaney	-	-	-	35,490 <sup>(2)</sup>	35,490
Total	2,815,000	-	-	(64,510)	2,750,490

<sup>(1)</sup> Michael Atkins resigned as a director on 1 April 2014

<sup>(2)</sup> Damian Delaney appointed as a director on 1 April 2014.

### Loans to KMP

There are no loans made to KMP as at 30 June 2014.



## Directors' Report

### Other transactions with KMP

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer below:

	2014 \$	2013 \$
<b>XServ Pty Ltd</b>		
Mr Ryan is a Director and Shareholder of Xserv Pty Ltd. Mr Ryan's company provides geological consulting services to Enterprise Uranium Limited in addition to his Directors fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services and interim management services.		
Mineral Exploration Services	150,948	356,041
As at 30 June 2014 \$21,832 (2013: \$39,531) was payable to Xserv Pty Ltd		
<b>Patersons Securities Ltd</b>		
Mr Atkins is a Director of Corporate Finance Ltd at, and a shareholder of, Patersons Securities Ltd. Patersons were lead manager to the Initial Public Offering of the Company per the mandate dated 28 August 2012. Patersons were to receive \$60,000 as a corporate advisory fee and 1% as Lead Manager and 5% as a placement fee of the total amount raised except on placement money introduced by the Company. Patersons also provides corporate advisory services at market rates as required by the Company.		
Corporate Advisory and IPO Lead Manager and Placement Fees	-	143,838
As at 30 June 2014 \$Nil (2013: \$5,500) was payable to Patersons Securities Ltd		
<b>Mega Capital Resources Ltd</b>		
Ms Mao was until 4 August 2014 the sole director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Uranium Limited.		
Consulting Services	96,008	30,000
As at 30 June 2014, \$16,000 (2013: \$30,000) was payable to Mega Capital Resources Ltd.		
<b>Enterprise Metals Ltd</b>		
Enterprise Metals Ltd is a significant shareholder in the Company and provides office space in which the Company operates as well as accounting and office administration services including telephone, electricity and office equipment.		
Rental of office space, purchase of plant and equipment and office administration expenses	207,581	277,953
As at 30 June 2014 \$3,242 (2013: \$nil) was receivable and \$17,879 (2013: \$24,686) was payable to Enterprise Metals Ltd		

### C. Service Agreements

Mr Ryan commenced as a non-executive Director on 8th October 2012, and on 26th June 2013 was appointed Executive Director and Acting CEO. Mr Ryan is remunerated at normal commercial rates pursuant to the terms of an ongoing Consultancy Agreement with Xserv Pty Ltd to fulfil the duties of Director and Acting CEO. Fees attributable to Mr Ryan's services for the year ended 30 June 2014 were charged at the rate of \$909 per day and totalled \$75,909. The agreement may be terminated (other than for gross misconduct) by either party on three months' written notice.

## Directors' Report

### D. Share-based compensation

#### Incentive Option Scheme

Options, where appropriate, may be granted under the Enterprise Uranium Limited Employee Share Option Plan (ESOP) adopted on the 5<sup>th</sup> of October 2012. Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to a five year period. Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the ESOP. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the ESOP.

The options vest as specified when the options are issued. No options have been issued under the ESOP in the current period.

#### Director and Key Management Personnel Options

There were no options issued to Directors and Key Management Personnel during the 2014 financial period.

#### End of Audited Remuneration Report

#### Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2014 has been received and can be found on page 31 of the Annual Financial Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



**Dermot Ryan**

Executive Director

Dated this 30th day of September 2014

## Auditor's Independence Declaration



Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E info.wa@au.gt.com  
W www.grantthornton.com.au

**Auditor's Independence Declaration  
To the Directors of Enterprise Uranium Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enterprise Uranium Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

*C A Becker*

C A Becker  
Partner - Audit & Assurance

Perth, 30 September 2014

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# Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2014

	Note	2014 \$	11 Months ended 2013 \$
Other Income	2	84,369	79,805
Accounting and Audit Fees		(39,225)	(30,010)
Share registry and Listing Fees		(34,660)	(10,737)
Employee Benefits Expense		(288,874)	(478,438)
Computers and Software		(30,360)	(20,164)
Depreciation	3	(31,289)	(14,129)
Insurance		(19,967)	(12,848)
Investor Relations		(9,243)	(44,539)
Legal Fees		(4,120)	(20,541)
Office Equipment and Supplies		(106)	(14,542)
Office Rental and Occupation Expenses		(82,517)	(61,425)
Travel and Accommodation		(44,266)	(87,210)
Impairment of Exploration and Evaluation Expenses	3	(2,627,911)	(44,683)
Other expenses		(46,756)	(15,405)
<b>Loss before income tax</b>		<b>(3,174,925)</b>	<b>(774,866)</b>
Income tax expense	4	-	-
<b>Loss from operations</b>		<b>(3,174,925)</b>	<b>(774,866)</b>
<b>Other comprehensive income, net of tax</b>			
<b>Items that may be reclassified to profit or loss</b>			
Revaluation of available for sale financial asset		32,101	-
<b>Total comprehensive loss for the period</b>		<b>(3,142,824)</b>	<b>(774,866)</b>
<b>Total comprehensive loss attributable to members of the parent entity</b>		<b>(3,142,824)</b>	<b>(774,866)</b>
<b>Overall Operations</b>			
Basic loss per share (cents per share)	7	(4.1)	(1.6)
Diluted loss per share (cents per share)	7	(4.1)	(1.6)

The accompanying notes form part of these financial statements.

## Statement of Financial Position

*As at 30 June 2014*

	Notes	2014 \$	2013 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	1,338,053	3,178,718
Trade and other receivables	9	56,822	26,965
<b>Total Current Assets</b>		<b>1,394,875</b>	<b>3,205,683</b>
<b>Non-Current Assets</b>			
Available for sale financial assets	10	914,047	-
Plant and equipment	11	93,817	93,884
Exploration and evaluation	12	4,786,973	6,900,751
Other financial assets	13	20,000	-
<b>Total Non-Current Assets</b>		<b>5,814,837</b>	<b>6,994,635</b>
<b>TOTAL ASSETS</b>		<b>7,209,712</b>	<b>10,200,318</b>
<b>Current Liabilities</b>			
Trade and other payables	14	103,245	204,866
<b>Total Current Liabilities</b>		<b>103,245</b>	<b>204,866</b>
<b>TOTAL LIABILITIES</b>		<b>103,245</b>	<b>204,866</b>
<b>NET ASSETS</b>		<b>7,106,467</b>	<b>9,995,452</b>
<b>Equity</b>			
Issued capital	15	11,024,157	10,770,318
Reserves		32,101	-
Accumulated losses		(3,949,791)	(774,866)
<b>TOTAL EQUITY</b>		<b>7,106,467</b>	<b>9,995,452</b>

The accompanying notes form part of these financial statements.

## Statement of Changes In Equity

For The Year Ended 30 June 2014

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at Incorporation	-	-	-	-
Loss attributable to members of the entity for the period	-	-	(774,866)	(774,866)
Other comprehensive Income, net of tax	-	-	-	-
<b>Total comprehensive loss for the 11 month period</b>	<b>-</b>	<b>-</b>	<b>(774,866)</b>	<b>(774,866)</b>
<b>Transaction with owners, directly in equity</b>				
Shares issued during the period	11,033,157	-	-	11,033,157
Share issue transaction costs	(262,839)	-	-	(262,839)
<b>Balance at 30 June 2013</b>	<b>10,770,318</b>	<b>-</b>	<b>(774,866)</b>	<b>9,995,452</b>

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2013	10,770,318	-	(774,866)	9,995,452
Loss attributable to members of the entity for the period	-	-	(3,174,925)	(3,174,925)
Other comprehensive Income, net of tax	-	32,101	-	32,101
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>32,101</b>	<b>(3,174,925)</b>	<b>(3,142,824)</b>
<b>Transaction with owners, directly in equity</b>				
Shares issued during the period	253,839	-	-	253,839
Share issue transaction costs	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>11,024,157</b>	<b>32,101</b>	<b>(3,949,791)</b>	<b>7,106,467</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For The Year Ended 30 June 2014

	Notes	2014 \$	11 months ended 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		78,487	74,238
Payments to suppliers and employees		(746,397)	(612,391)
<b>Net cash used in operating activities</b>	<b>16a</b>	<b>(667,910)</b>	<b>(538,153)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of available-for-sale financial assets		(735,853)	-
Proceeds from sale of available for sale asset		115,277	-
Purchase of plant and equipment		(35,234)	(108,013)
Proceeds from sale of plant and equipment		4,012	-
Payments for exploration and evaluation expenditure		(520,958)	(1,039,547)
<b>Net cash used in investing activities</b>		<b>(1,172,756)</b>	<b>(1,147,560)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares during the period		-	5,127,270
Costs associated with shares issued during the period		-	(262,839)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>4,864,431</b>
<b>Net increase in cash and cash equivalents held</b>		<b>(1,840,666)</b>	<b>3,178,718</b>
Cash and cash equivalents at beginning of the period		3,178,718	-
Cash and cash equivalents at 30 June	8	<b>1,338,053</b>	<b>3,178,718</b>

The accompanying notes form part of these financial statements.



# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Uranium Limited is a listed public company, incorporated and domiciled in Australia. The financial information is presented in Australian dollars.

### Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Enterprise Uranium Limited is a for-profit entity for the purpose of preparing the financial statements.

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. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The comparative figures disclosed in these financial accounts are for an 11 month period.

The financial statements were authorised for issue by the directors on 30 September 2014. The directors have the power to amend and reissue the financial statements.

### Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Company recorded an operating loss of \$3,174,925 (2013: \$774,866) and a cash outflow from operating activities of \$667,910 (2013: \$538,153) for the year ended 30 June 2014 and at reporting date, had a net current asset balance of \$1,291,630 (2013: \$3,000,817).

The Board considers that the Company is a going concern and recognises that farming out and/or selling tenements and additional funding is required to ensure that the Company can continue to fund its operations for the 12 month period from the date of this financial report. The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- The Company has the ability to issue additional equity under the Corporations Act 2001 and ASX Listing Rule 7.1 or otherwise; and,
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.

Accordingly, the Directors believe that subject to prevailing equity market conditions and reductions in both exploration and corporate commitments, the Company will have sufficient funding to enable it and the consolidated entities to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the company and the consolidated entity not be able to continue as going concerns.

### (a) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

# Notes To The Financial Statements

## For the Period Ended 30 June 2014

### 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (b) Property, Plant, and Equipment

Each class of property, plant, and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

##### **Plant and equipment**

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

##### **Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	25%
Computers	33%
Software	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 profit or loss.

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

### (d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### (e) Financial Instruments

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.

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.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

#### Available-for-sale "AFS" financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's AFS financial assets include listed securities.

AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income' (see Note 1 (j)).

# Notes To The Financial Statements

## For the Period Ended 30 June 2014

### 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

#### **Financial liabilities**

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

#### **Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss unless they are designated as hedges.

#### **Impairment**

At each reporting date, 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 significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to cash flow 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 derecognised where the related obligations are either 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.

#### **(f) Impairment of Non-Financial 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 profit or loss.

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.

#### **(g) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### **Equity-settled compensation**

The Company operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the statement of comprehensive income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

#### **(h) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.



# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (i) Cash and cash equivalents

Cash and cash equivalents includes 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.

### (j) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income is recognised on an accrual basis.

Management fees are recognised on portion of completion basis.

All revenue is stated net of the amount of goods and services tax (GST).

### (k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

### (l) 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. 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of financing activities, which are disclosed as operating cash flow.

### (m) Earnings Per Share

#### i. Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

#### ii. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

#### Key Estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment has been recorded for the period, except for in relation to exploration and evaluation expenditure

# Notes To The Financial Statements

## For the Period Ended 30 June 2014

### 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### *Key Judgments – Exploration and Evaluation Expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$4,786,973. An impairment of \$2,627,911 was recognised during the period ended 30 June 2014.

#### **(o) New Accounting Standards for Application in Future Periods**

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

AASB 13: *Fair Value Measurement*;

AASB 119: *Employee Benefits*; and

AASB 127: *Separate Financial Statements*.

#### **Account Standard and Interpretation**

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The Company has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs.

All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

Application of AASB 119 Employee Benefits has not impacted on the financial statements for the year ended 30 June 2014.

#### **Standards and Interpretations in issue not yet adopted**

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) 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.

Key changes made to this 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 hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

### **Other standards not yet applicable**

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015

## 2: OTHER INCOME

	Notes	2014 \$	2013 \$
Interest received from other parties		75,453	79,805
Gain on disposal of AFS asset		8,916	-
Total Other Income		84,369	79,805

## Notes To The Financial Statements

For the Period Ended 30 June 2014

### 3: LOSS FOR THE PERIOD

	Notes	2014 \$	2013 \$
<b>(a) Expenses</b>			
Depreciation of plant and equipment		31,289	14,129
Office rental and occupation expenses		82,517	61,425
Defined benefit superannuation expense		2,540	20,976
<b>(b) Significant Revenues and Expenses</b>			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Exploration and Evaluation expenditure written off		2,627,911	44,683

### 4: INCOME TAX

#### (a) Income tax expense

Current tax		-	-
Deferred tax		-	-
Adjustments for current tax of prior periods		-	-
		-	-
Deferred income tax expense included in income tax expense comprises:			
- (Increase) in deferred tax assets	4(c)	153,329	300,129
- Increase in deferred tax liabilities	4(d)	(153,329)	(300,129)
		-	-

#### (b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax on operating loss at 30%		(952,477)	(232,460)
Add / (Less) tax effect of:			
Impairment of exploration and evaluation expenses		788,373	-
Other non-deductible/ (assessable) items		(2,623)	202
Deferred tax asset not brought to account		166,727	232,258
Income tax attributable to operating loss		-	-
The applicable weighted average effective tax rates are as follows:		nil%	nil%



## Notes To The Financial Statements

For the Period Ended 30 June 2014

## 4: INCOME TAX (cont.)

	Notes	2014 \$	2013 \$
<b>(c) Deferred tax assets</b>			
Tax Losses		393,832	224,138
Provisions and Accrual		6,315	6,295
Other – P&L		5,241	6,615
Other – Equity		47,311	63,081
		452,699	300,129
Set-off deferred tax liabilities	4(d)	(452,699)	(300,129)
Net deferred tax assets		-	-
<b>(d) Deferred tax liabilities</b>			
Exploration expenditure	4(c)	(452,699)	(300,129)
Other – P&L		(759)	-
		(453,458)	(300,129)
Set-off deferred tax assets		453,458	300,129
Net deferred tax liabilities		-	-
<b>(e) Tax losses</b>			
Unused tax losses for which no deferred tax asset has been recognised		478,681	311,110
Temporary differences for which no deferred tax asset has been recognised – Equity		-	-

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2014 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

## Notes To The Financial Statements

*For the Period Ended 30 June 2014*

### 5: KEY MANAGEMENT PERSONNEL COMPENSATION

#### (a) Key management personnel (KMP) compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Company's KMP for the period ended 30 June 2014.

The totals of remuneration paid to KMP during the period are as follows:

	2014 \$	2013 \$
Short-term employee benefits	183,309	426,554
Post-employment benefits	2,540	20,976
Total	185,849	447,530

### 6: AUDITORS' REMUNERATION

	2014 \$	2013 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	27,700	25,585
- Non-audit fees	5,200	5,000
	32,900	30,585

### 7: LOSS PER SHARE

	2014 \$	2013 \$
(a) Reconciliation of earnings to loss		
Earnings used in the calculation of basic EPS	(3,174,925)	(774,866)
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	73,602,091	48,926,383
Basic / Diluted loss per share (cents per share)	(4.1)	(1.6)

As at 30 June 2014, the Company did not have any options outstanding.

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 8: CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash at bank	1,338,053	3,158,523
Cash in term deposit	-	20,195
	<u>1,338,053</u>	<u>3,178,718</u>
Reconciliation of cash		
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,338,053</u>	<u>3,178,718</u>

Cash at bank earns an effective interest rate of 3.37%.

Cash in term deposit rolls every 30 days and earns an effective interest rate of 2.8%.

Included in cash and cash equivalents is an amount of \$nil (2013: 20,000) that is restricted cash in relation to a security deposit.

## 9: TRADE AND OTHER RECEIVABLES

	2014 \$	2013 \$
<b>CURRENT</b>		
GST receivable	15,853	15,433
Trade and other receivables	23,709	416
Interest receivable	2,531	5,565
Prepayments	14,729	5,551
	<u>56,822</u>	<u>26,965</u>

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to withholding tax receivable and interest receivable. It is expected these balances will be received when due.

## 10: AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 \$	2013 \$
<b>NON-CURRENT</b>		
Opening balance	-	-
Additions	989,692	-
Disposals	(107,746)	-
Revaluations	32,101	-
	<u>914,047</u>	<u>-</u>

Available-for-sale financial asset are shares held in an ASX listed entity.

## Notes To The Financial Statements

*For the Period Ended 30 June 2014*

### 11: PLANT AND EQUIPMENT

#### NON-CURRENT

	2014 \$	2013 \$
Computer equipment – cost	11,848	11,848
Accumulated depreciation	(6,021)	(2,075)
	5,827	9,773
Plant and equipment – cost	89,842	65,033
Accumulated depreciation	(28,634)	(7,924)
	61,208	57,109
Software - cost	37,545	31,132
Accumulated depreciation	(10,763)	(4,130)
	26,782	27,002
Total plant and equipment	93,817	93,884

#### (a) Reconciliation of Carrying Amounts

	2014 \$	2013 \$
<u>Computer equipment</u>		
Opening balance	9,773	-
- Additions	-	11,848
- Depreciation expense	(3,946)	(2,075)
Carrying amount at the end of the period	5,827	9,773
<u>Plant and equipment</u>		
Opening balance	57,109	-
- Additions	24,809	65,033
- Depreciation expense	(20,710)	(7,924)
Carrying amount at the end of the period	61,208	57,109
<u>Software</u>		
Opening balance	27,002	-
- Additions	10,425	31,132
- Disposals	(4,012)	-
- Depreciation expense	(6,633)	(4,130)
Carrying amount at the end of the period	26,782	27,002
<u>Totals</u>		
Opening balance	93,884	-
- Additions	35,234	108,013
- Disposals	(4,012)	-
- Depreciation expense	(31,289)	(14,129)
Carrying amount at the end of period	93,817	93,884



## Notes To The Financial Statements

For the Period Ended 30 June 2014

## 12: EXPLORATION AND EVALUATION

	2014 \$	2013 \$
Exploration and evaluation phases – at cost	4,786,973	6,900,751
<b>(a) Exploration and evaluation</b>		
Opening balance	6,900,751	-
Exploration expenditure	514,133	1,039,547
Acquisition through issue of shares	-	5,905,887
Impairment of exploration and evaluation expenses	(2,627,911)	(44,683)
Closing balance	4,786,973	6,900,751

Impairment losses have been recognised in relation to a number of projects given drilling and exploration expenditure has not resulted in a discovery of significance. The Directors believe that given the continued difficult market conditions, it is prudent to impair the carrying values of a number of projects including Byro and Yalgoo.

The Directors' assessment of the carrying amount for the Company's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Company's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Company's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

## 13: OTHER FINANCIAL ASSETS

	2014 \$	2013 \$
Term Deposits	20,000	-
<ul style="list-style-type: none"> <li>Cash in term deposit rolls every 30 days and earns an effective interest rate of 2.8%.</li> <li>The Term deposit above is restricted cash in relation to a security deposit.</li> </ul>		

## 14: TRADE AND OTHER PAYABLES

	2014 \$	2013 \$
<b>CURRENT – unsecured liabilities</b>		
Trade and other payables	48,528	133,006
Accrued Expenses	54,717	71,860
	103,245	204,866

All amounts in trade and other payables are short term and the carrying values are considered a reasonable approximation of fair value.

## Notes To The Financial Statements

For the Period Ended 30 June 2014

### 15: ISSUED CAPITAL

	2014 \$	2013 \$
76,284,882 (2013: 68,280,489) Fully paid ordinary shares at no par value	11,024,157	10,770,318

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends.

	2014 \$	2013 \$
<b>(a) Ordinary shares</b>		
At the beginning of the reporting period	10,770,318	-
Shares issued during the period		
8,004,393 shares issued on 31 October 2013 for acquisition of available for sale assets	253,839	
1 share issued for cash at incorporation	-	1
42,644,154 on 15 October 2012 at \$0.1385 for acquisition of tenements	-	5,905,887
25,636,284 on 19 December 2012 at \$0.20 per share per IPO prospectus dated 19 October 2012	-	5,127,257
50 on 28 February 2013 at \$0.25	-	12
Transaction costs relating to share issues	-	(262,839)
At reporting date	11,024,157	10,770,318

	2014 No	2013 No
At the beginning of the reporting period	68,280,489	-
Shares issued during the period:		
8,004,393 shares issued on 31 October 2013 for acquisition of available for sale assets	8,004,393	
1 share issued for cash at incorporation	-	1
42,644,154 on 15 October 2012 at \$0.1385 per share	-	42,644,154
25,636,284 on 19 December 2012 at \$0.20 per share per IPO prospectus dated 19 October 2012	-	25,636,284
50 on 28 February 2013 at \$0.25 on exercise of options	-	50
At reporting date	76,284,882	68,280,489

During the period, the Company issued 8,004,393 ordinary shares, with a fair value of \$253,839 for the acquisition in their interests in of Energia Metals Limited

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## Notes To The Financial Statements

For the Period Ended 30 June 2014

## 15: ISSUED CAPITAL (cont.)

## (b) Movement in options on issue

	2014 No	2013 No
At the beginning of the reporting period	12,818,082	-
Issued during the period:		
• Expiry of options exercisable at 25 cents	(12,818,082)	-
• Exercisable at 25 cents, on or before 31 March 2014	-	12,818,132
• Exercised on 28 February 2013	-	(50)
At reporting date	-	12,818,082

## (c) Capital Management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company has no debt therefore has no externally imposed capital restrictions.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2014 is as follows:

	2014 \$	2013 \$
Cash and cash equivalents	1,338,053	3,178,718
Trade and other receivables	56,822	26,965
Trade and other payables	(103,245)	(204,866)
Working capital position	1,291,630	3,000,817

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 16: CASH FLOW INFORMATION

	2014 \$	2013 \$
<b>(a) Reconciliation of Cash Flow from Operations with loss after Income Tax</b>		
Loss after income tax	(3,174,925)	(774,866)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities		
Gain on disposal of AFS asset	(8,916)	-
Depreciation	31,289	14,129
Write-off of Exploration and Evaluation	2,627,911	44,683
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase) in receivables	(28,004)	(26,965)
Increase / (Decrease) in payables	(115,265)	204,866
Cash flow used in operations	(667,910)	(538,153)

### (b) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2014.

### (c) Non-Cash Financing and Investing activities

#### Share issues

#### For the period ended 30 June 2014

On 31 October 2013, 8,004,393 ordinary shares were issued at \$0.0317 each as the consideration for the purchase of available for sale assets.

#### For the period ended 30 June 2013

On 30 October 2012, 42,644,154 ordinary shares were issued at \$0.1385 each as the consideration for the purchase of the uranium tenements, being demerged by Enterprise Metals Ltd. The value of the tenements and associated share issue was based on an independent review of the uranium assets being acquired.

## 17: SHARE-BASED PAYMENTS

The following share based payments took place during the period under review :

On 31 October 2013, 8,004,393 ordinary shares were issued at \$0.0317 each as the consideration for the purchase of available for sale assets.

On 30 October 2012, 42,644,154 ordinary shares were issued at \$0.1385 each as the consideration for the purchase of tenements. The issue was based on the value of the tenements as considered by an independent review of the assets being acquired.

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 18: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than:

Anna Mao resigned as director of Mega Capital Resources Limited on 4 August 2014 and therefore is not in control of the ENU shares held by Mega Capital Resources Limited.

On the 22 August 2014 526,315 ENU shares were issued at an issue price of \$0.038 for a total amount of \$20,000 to a supplier for consulting fees.

On 9 September 2014 Damian Delaney resigned as a Director and William Robertson was appointed as a Non-executive Director.

## 19: RELATED PARTY TRANSACTIONS

### XServ Pty Ltd

Mr Ryan is a Director and Shareholder of Xserv Pty Ltd. Mr Ryan's company provides geological consulting services to Enterprise Uranium Limited in addition to his Director's fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services and interim management services.

Mineral Exploration Services

2014  
\$

2013  
\$

150,948

356,041

As at 30 June 2014 \$21,832 (2013: \$39,531) was payable to Xserv Pty Ltd

### Mega Capital Resources Ltd

Ms Mao was until 4 August 2014 the sole director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Uranium Limited.

Consulting Services

96,008

30,000

As at 30 June 2014, \$16,000 (2013: \$30,000) was payable to Mega Capital Resources Ltd.

### Patersons Securities Ltd

Mr Atkins is a Director of Corporate Finance Ltd at, and a shareholder of, Patersons Securities Ltd. Patersons were lead manager to the Initial Public Offering of the Company per the mandate dated 28 August 2012. Patersons were to receive \$60,000 as a corporate advisory fee and 1% as Lead Manager and 5% as a placement fee of the total amount raised except on placement money introduced by the Company.

Patersons also provides corporate advisory services at market rates as required by the Company.

Corporate Advisory and IPO Lead Manager and Placement Fees

-

143,838

As at 30 June 2014 \$Nil (2013: \$5,500) was payable to Patersons Securities Ltd



## Notes To The Financial Statements

*For the Period Ended 30 June 2014*

### 19: RELATED PARTY TRANSACTIONS (Cont.)

	2014 \$	2013 \$
<b>Enterprise Metals Ltd</b>		
Enterprise Metals Ltd is a significant shareholder in the Company and provides office space in which the Company operates as well as accounting and office administration services including telephone, electricity and office equipment.		
Rental of office space, purchase of plant and equipment and office administration expenses	207,581	277,953

As at 30 June 2014 \$3,242 (2013: \$nil) was receivable and \$17,879 (2013: \$24,686) was payable to Enterprise Metals Ltd

### 20: CAPITAL AND LEASING COMMITMENTS

	2014 \$	2013 \$
<b>Capital expenditure commitments:</b>		
Capital expenditure commitments contracted for:		
Exploration tenement minimum expenditure requirements		
<b>Amounts payable:</b>		
- not later than 12 months	1,207,958	1,222,120
- between 12 months and 5 years	970,800	2,861,339
- greater than 5 years	-	-
	2,178,758	4,083,459

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# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 21: FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's financial assets and liabilities is shown below using level inputs measured at fair value or a recurring basis.

2014	Floating Interest Rate	Fixed Interest maturing in 1 year or less	Fixed Interest maturing over 1 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	1,338,053	-	-	-	1,338,053
Loans and receivables	-	-	-	56,822	56,822
Available for sale financial assets	-	-	-	914,047	914,047
Other financial assets	-	20,000	-	-	20,000
<b>Total Financial assets</b>	1,338,053	20,000	-	970,869	2,328,922
Weighted average interest rate – cash assets	3.4%	2.8%			
<b>Financial Liabilities at amortised cost</b>					
Trade and other payables	-	-	-	(103,245)	(103,245)
<b>Total Financial Liabilities</b>	-	-	-	(103,245)	(103,245)
Net financial assets	1,338,053	20,000	-	867,624	2,225,677
<b>2013</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest maturing in 1 year or less</b>	<b>Fixed Interest maturing over 1 to 5 years</b>	<b>Non-interest bearing</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	3,072,922	20,195	-	85,601	3,178,718
Loans and receivables	-	-	-	26,965	26,965
<b>Total Financial assets</b>	3,072,922	20,195	-	112,566	3,205,683
Weighted average interest rate – cash assets	2.63%	2.7%			
<b>Financial Liabilities at amortised cost</b>					
Trade and other payables	-	-	-	(204,866)	(204,866)
<b>Total Financial Liabilities</b>	-	-	-	(204,866)	(204,866)
Net financial assets	3,072,922	20,195	-	(92,300)	3,000,817

## Notes To The Financial Statements

### For the Period Ended 30 June 2014

#### 21: FINANCIAL INSTRUMENTS (cont.)

##### (i) Fair value measurement hierarchy

AASB 13 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (b) Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (c) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

The table below classifies financial instruments recognised in the consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 13 Financial Instruments: Disclosures.

	Level 1	Level 2	Level 3	Total
Year ended 30 June 2014	\$	\$	\$	\$
Financial assets				
Available for sale financial assets	914,047	-	-	914,047
	914,047	-	-	914,047

#### Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period.

For current borrowings, the fair value approximates the carrying value amount, as the impact of discounting is not significant.

The fair value of the convertible note derivative is determined using an option pricing model based upon various inputs at the end of the reporting period. These instruments are classified as level 2 financial liabilities.

The Group does not have any level 3 assets or liabilities.

#### Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

##### a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 21: FINANCIAL INSTRUMENTS (cont.)

### Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no other material amounts of collateral held as security at 30 June 2014. Trade and other receivables are expected to be settled within 30 days.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2014 \$	2013 \$
Cash and cash equivalents			
- AA Rated	8	1,338,053	3,178,718

### b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

### c. Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by closely monitoring the interest rates at various financial institutions. The Company has no debt and as such the interest rate risk is limited to the Company's investments in term deposits and other interest bearing investments.

### Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

## Notes To The Financial Statements

For the Period Ended 30 June 2014

### 21: FINANCIAL INSTRUMENTS (cont.)

	Profit	Equity
<b>Period ended 30 June 2014</b>	\$	\$
+/-1% in interest rates	+/- 23,883	+/- 23,883
<b>Period ended 30 June 2013</b>	\$	\$
+/-1% in interest rates	+/- 31,010	+/- 31,010

#### d. Price risk on AFS assets

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as available for sale.

Listed investments have been valued at the quoted market bid price at the end of reporting period, adjusted for transaction costs expected to be incurred. At 30 June 2014, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

	Carrying amount	Listed equity price -10% Net loss	Listed equity price +10% Equity	Net loss	Equity
30 June 2014	914,047	(91,405)	(91,405)	91,405	91,405
30 June 2013	-	-	-	-	-

#### Net Fair Values

##### Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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. Other assets and other liabilities approximate their carrying value.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at reporting date:



# Notes To The Financial Statements

For the Period Ended 30 June 2014

## 21: FINANCIAL INSTRUMENTS (cont.)

	2014 Carrying Amount \$	2014 Net Fair Value \$	2013 Carrying Amount \$	2013 Net Fair Value \$
<b>Financial Assets</b>				
Cash and cash equivalents	1,338,053	1,338,053	3,178,718	3,178,718
Loans and receivables	56,822	56,822	26,965	26,965
Available for sale financial assets	914,047	914,047	-	-
Other financial assets	20,000	20,000	-	-
<b>Total Financial Assets</b>	<b>2,328,922</b>	<b>2,328,922</b>	<b>3,205,683</b>	<b>3,205,683</b>
<b>Financial Liabilities at amortised cost</b>				
Trade and other payables	103,245	103,245	204,866	204,866
<b>Total Financial Liabilities</b>	<b>103,245</b>	<b>103,245</b>	<b>204,866</b>	<b>204,866</b>

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

## 22: CONTINGENT LIABILITIES

As at 30 June 2014 the Company has bank guarantees to the value of \$20,000 to secure a credit card facility.

## 23: OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Company remains focused on mineral exploration over areas of interest solely in Western Australia.

## 24: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Enterprise Uranium Limited  
Level 1  
640 Murray Street  
WEST PERTH WA 6005

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 32 to 58, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards; and
  - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
  - (c) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Group;
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
  - (a) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*; and
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view; and
  - (d) they have given the declarations required by Section 295A of the Corporations Act, 2001 for the financial year ended 30 June 2014.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Dermot Ryan**  
MANAGING DIRECTOR

Dated 30 September 2014, Perth WA

## Independent Auditor's Report



Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

T +61 8 9480 2000  
F +61 8 9322 7787  
E [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

### **Independent Auditor's Report To the Members of Enterprise Uranium Limited**

#### **Report on the financial report**

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

#### **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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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## Independent Auditor's Report



In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company'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.

#### **Auditor's opinion**

In our opinion:

- a the financial report of Enterprise 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 the notes to the financial statements.

#### **Material uncertainty regarding continuation as a going concern**

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$3,174,925 and cash flows outflows from operating activities of \$667,910 during the year ended 30 June 2014. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

#### **Report on the remuneration report**

We have audited the remuneration report included in pages 17 to 23 of 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 section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

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## Independent Auditor's Report



### **Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Enterprise Uranium Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

A handwritten signature in dark ink, appearing to read "Grant Thornton", positioned above the company name.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in dark ink, appearing to read "C A Becker", positioned above the name.

C A Becker  
Partner - Audit & Assurance

Perth, 30 September 2014

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## Additional Information For Listed Public Companies

The following additional information is required by the ASX Ltd in respect of listed public companies only.

### 1 Shareholding as at 19 September 2014

#### (a) Distribution of Shareholders

Category (size of holding)	Number Holders	Number Shares
1 – 1,000	329	160,715
1,001 – 5,000	531	1,399,655
5,001 – 10,000	252	2,062,917
10,001 – 100,000	262	8,072,038
100,001 – and over	54	65,115,872
	1,428	76,811,197

(b) The number of shareholdings holding less than a marketable parcel is 1,010, representing 2,603,287 shares.

#### (c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

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## Additional Information For Listed Public Companies

## (d) 20 Largest Shareholders at 19 September 2014

Rank	Name	Shares	%
1	SINOTECH (HONG KONG) CORPORATION LIMITED	14,400,000	18.75
2	ENTERPRISE METALS LTD	13,500,000	17.58
3	UEQ INVESTMENTS PTY LTD	8,004,393	10.42
4	CROWNLUXE INVESTMENT LTD	7,500,000	9.76
5	CITICORP NOMINEES PTY LIMITED	2,739,034	3.57
6	MR DERMOT MICHAEL RYAN + MRS VIVIENNE ELEANOR RYAN <RF SUPER FUND A/C>	1,415,000	1.84
7	MR WILLIAM JOHN ROBERTSON + MRS JUNE DIANE ROBERTSON <ROBERTSON SUPER FUND A/C>	1,129,834	1.47
8	OSSART HOLDINGS PTY LTD <THE OT FAMILY A/C>	1,060,000	1.38
9	RICH CHANCE DEVELOP LIMITED	1,000,000	1.30
10	MR DERMOT MICHAEL RYAN + MRS VIVIENNE ELEANOR RYAN <THE ENTERPRISE A/C>	1,000,000	1.30
11	MR PHILIP HOFF <UHW SUPER FUND A/C>	886,519	1.15
12	PRANCER SUPER PTY LTD <ALFIERI SUPER FUND A/C>	810,314	1.05
13	WINDSONG VALLEY PTY LTD <WHEELER FAMILY A/C>	764,602	1.00
14	NEFCO NOMINEES PTY LTD	705,000	0.92
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	645,632	0.84
16	ROSANE PTY LTD <ROSANE HOLDINGS S/F A/C>	622,634	0.81
17	MR FRANCIS LESLIE OWEN + MRS ELIZABETH ANN OWEN <OWEN S/F A/C>	580,267	0.76
18	MR MILES GEORGE SMYTH	539,179	0.70
19	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	526,315	0.69
20	ELLAMAR PTY LTD <KB INVESTMENT A/C>	488,540	0.64
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)</b>		<b>58,317,263</b>	<b>75.92</b>

## Tenement Report

Tenement	Lease Status	Project	% Held
E09/2077	Application	Byro	100%
E09/2119	Application	Byro	100%
E20/758	Granted	Byro	100%
E28/1958	Granted	Lake Harris	100%
E28/2202	Granted	Ponton	100%
E28/2203	Granted	Ponton	100%
E28/2204	Granted	Ponton	100%
E28/2205	Granted	Ponton	100%
E28/2206	Granted	Ponton	100%
E28/2308	Granted	Ponton	100%
E28/2333	Granted	Ponton	100%
E52/3149	Application	Sylvania	100%
E57/994	Application	Bolitho Bore	100%
E59/1437	Granted	Yalgoo	100%
E59/1617	Granted	Byro	100%
E59/1855	Granted	Peranbye	100%
E59/1856	Granted	Peranbye	100%
E59/1857	Granted	Peranbye	100%
E59/2003	Application	Lake Moore	100%
E59/2013	Application	Thanda	100%
E59/2039	Application	Peranbye	100%
E59/2060	Application	Yalgoo	100%
E59/2062	Application	Thanda	100%
E70/4295	Granted	Peranbye	100%
E70/4296	Granted	Peranbye	100%
E70/4297	Granted	Peranbye	100%

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