Arunta Resources Limited
ABN 73 089 224 402

Annual Report - 30 June 2014

Arunta Resources Limited
Corporate directory
30 June 2014

Directors	Neil Biddle Executive Chairman Angus Edgar Non-Executive Director Adrien Wing Non-Executive Director
Company secretary	Adrien Wing
Registered office	Level 14 31 Queen Street Melbourne VIC 3000
Principal place of business	Level 14 31 Queen Street Melbourne VIC 3000
Auditor	Advantage Advisors Audit Partnership Level 7 114 William Street Melbourne, VIC 3000
Solicitors	Quinert Rodda & Associates Level 17 500 Collins Street Melbourne, VIC 3000
Stock exchange listing	Arunta Resources Limited shares are listed on the Australian Securities Exchange (ASX code: AJR)
Website address	www.aruntaresources.com.au

Arunta Resources Limited
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30 June 2014

This Year in Review – Highlights

- Outstanding intersection of 35.3m @ 3.44g/t Au, 0.45% Cu and 4.42g/t Ag from 67.7m at the Johnnie's Reward prospect within the Southern Cross Bore Project
- First-pass RC program of shallow, broad spaced holes completed at the Black Angus prospect confirmed the polymetallic nature of the highly weathered shear/contact zone .
- Airborne VTEM survey identifies nine anomalies within the Southern Cross Bore project after a detailed Interpretation by Southern Geoscience Consultants.
- New VTEM target at Johnnies Reward (Anomaly 81) in the Zone 1 priority area located just 135m south of Johnnies Reward. Priority Anomalies 51 and 62 are co-incident with the previously identified Wagyu geochemical anomaly.
- Maiden Inferred Resource of 225,066 tonnes grading 0.58% WO_3 calculated for surface mineralisation stockpiles at advanced Hatches Creek Tungsten Project, NT
- Preliminary metallurgical testing of surface stockpiles indicates economic recovery of WO3 concentrates
- Strong expressions of interest from global metals traders and end users for offtake of Hatches Creek tungsten concentrates.

REVIEW OF ACTIVITIES

The 2014 financial year was a period of continued exploration on Arunta's mineral portfolio in the Arunta Mineral Province of the Northern Territory

Southern Cross Bore Project

Overview

The Southern Cross Bore Project is located 75km north-east of Alice Springs in the Northern Territory in the Arunta Mineral Province (see figure 1), where recent exploration for IOCG (iron-oxide copper-gold) has been the focus for many exploration companies.

Drilling by Arunta in 2012 focused on the Johnnies Reward Prospect, these work produced exciting results from these early drilling phases;

- 12JRRC001 24m @ 4.19 g/t Au, and 0.33% Cu from 79m down-hole
- 12JRRC002 2m @ 1.74 g/t Au, and 0.33% Cu from 88m down-hole
- 12JRRC003 22m @ 0.56g/t Au, from 96m down-hole
- 12JRRC004 **34m @ 3.83g/t Au**, and 0.44% Cu from 63m down-hole
- 12JRRC009 7m @ 1.12g/t Au and 0.33% Cu from 117m down-hole
- 12JRRC010 16m @ 2.01g/t Au and 0.15% Cu from 120m down-hole
- 12JRRC011 17m @ 1.59g/t Au from 159m down-hole
- 12JRRC012 9m @ 1.57g/t Au and 0.17% Cu from 178m down-hole
- 12JRRC015 22m @ 1.23g/t Au and 1.21% Cu from 117m down-hole
- 12JRRC016 16m @ 1.14g/t Au and 0.55% Cu from 145m down-hole
- 12JRRC017 6m @ 1.02g/t Au and 1.2% Cu from 129m down-hole

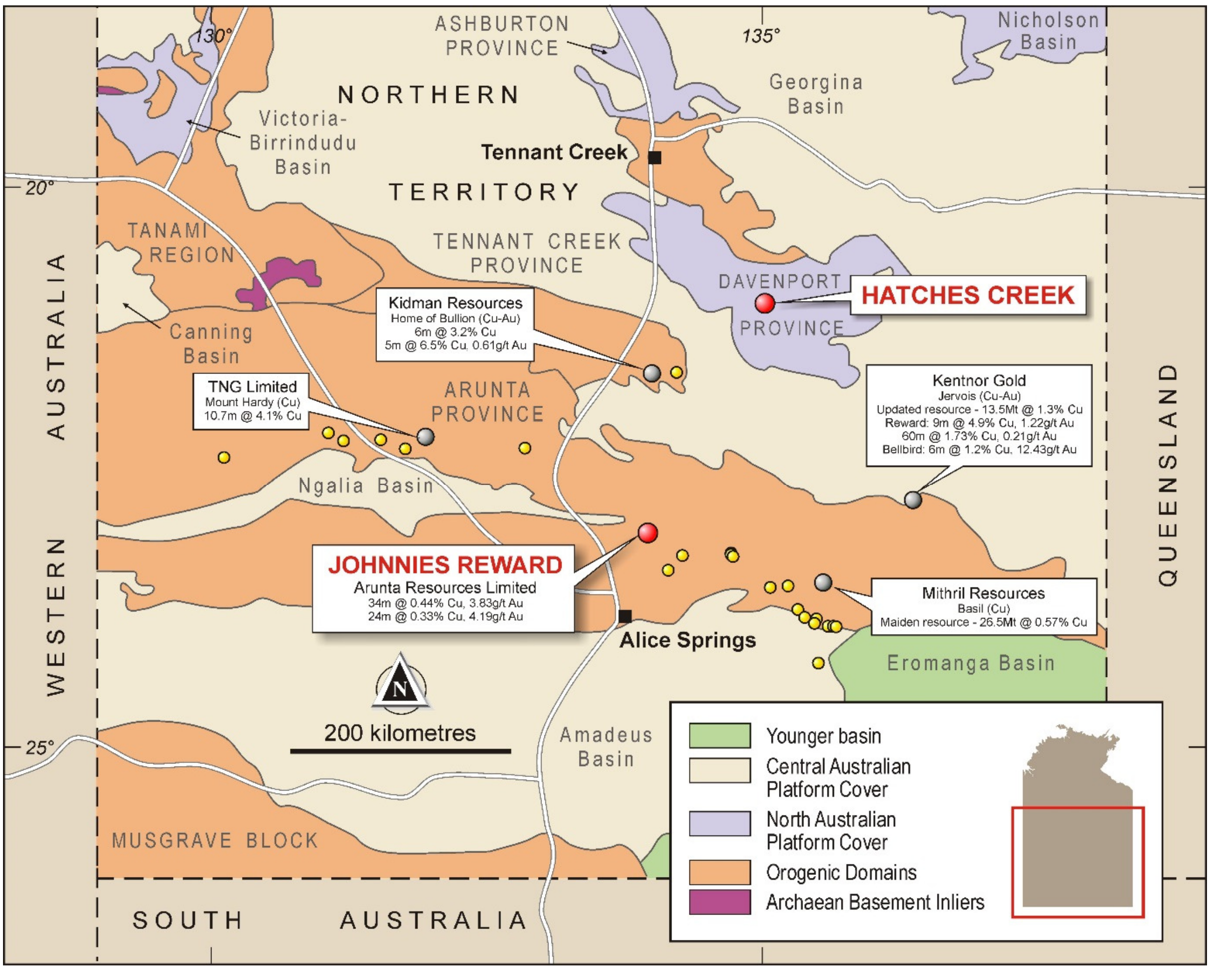

Figure 1: Project Locations

Drilling

The 2103 drilling program included the drilling of 25 RC drill holes / pre-collars and 4 diamond tails. At the Black Angus Prospect 17 RC holes and one RC pre-collar with a diamond tail were drilled. At the Johnnies Reward Prospect 1 RC hole was completed, 2 RC pre-collars with diamond tails were drilled and a diamond tail extension was added to an RC drill hole drilled in the first program. A total of 4 RC holes were drilled at the Brahman Prospect.

The program had several objectives. The first was to drill test the gold-silver and base metals geochemical anomalies at the Black Angus Prospect, these are associated with the sheared contact between the silicate-biotite-garnet gneiss footwall of the Lower Cadney Metamorphics and the marble hanging wall of the Upper Cadney Metamorphics. The second objective was to test for down dip extensions to the mineralisation drilled previously at Johnnies Reward. The third objective was to test for mineralisation associated with the gold-copper soil geochemical anomaly at the Brahman Prospect (formerly referred to as Johnnies Reward North).

The RC holes and pre-collars varied in depth from 45 to 150m for a grand total of 1751m of RC drilling. A total of 4 diamond tails were completed varying in length from 30.3 to 227.6 metres for a total of 336.5 metres of diamond drilling completed.

Table 1. 2013 drilling program.

Hole ID	East GDA94	North GDA94	Depth (m)	Azimuth (°)	Dip (°)
12JRRC009EXT	419825.02	7440567.132	186.8	315	-60
13BARC018	419740	7442384	50	225	-60
13BARC019	419721	7442368	75	225	-60
13BARC020	419697	7442337	50	225	-60
13BARC021	419678	7442333	50	225	-60
13BARC022	419659	7442316	50	225	-60
13BARC023	419640	7442300	50	225	-60
13BARC024	419817	7442294	50	225	-60
13BARC025	419800	7442279	50	225	-60
13BARC026	419784	7442259	50	225	-60
13BARC027	419764	7442241	100	225	-60
13BARC028	419870	7442208	50	225	-60
13BARC029	419853	7442192	50	225	-60
13BARC030	419835	7442175	50	225	-60
13BARC031	419817	7442159	50	225	-60
13BARC032	420077	7442137	50	225	-60
13BARC033	420062	7442122	50	225	-60
13BARC034	420045	7442105	125	225	-60
13BRRC035	419752	7441010	150	225	-60
13JRRCD036	419959	7440626	272.2	285	-60
13JRRCD037*	420014	7440646	93	285	-60
13BARCD038	419974	7442220	168	225	-60
13BRRC039	419850	7440810	100	270	-60
13JRRCD040	419830	7440581	138.2	285	-60
13BRRC041	419707	7440854	100	270	-60
13BRRC042	419741	7440947	100	270	-60

* RC pre-collar

Drilling Results

Geotechnical hole 13JRRCD040 was completed between previously successful holes 12JRRC001 (24m @ 4.19g/t Au and 0.33% Cu from 79m) and 12JRRC004 (34m @ 3.83g/t Au and 0.44% Cu from 63m) and was drilled to 135m with core from 60m. **This hole returned a wide gold-copper mineralised intercept of 35.5m of 3.44g/t Au, 0.45% Cu and 4.42g/t Ag starting at 67.7m**.

Drill hole 12JRRC009 completed in December 2012 intersected 7m @ 1.12g/t Au and 0.33% Cu from 117m down-hole and ended in mineralisation. The diamond tail 12JRRC009EXT of 26 metres length was completed extending the hole to 182m depth. Gold mineralisation was intersected between 167m and 168m (1m @ 0.21g/t Au, 0.16% Cu and 1g/t Ag) with broad low-grade silver evident between 156.5m to 175m (18.5m @ 1.17g/t Ag).

Drill hole 13JRRCD036, designed to intersect mineralisation between 200 and 230m, was drilled to 272.5m. A minor fault zone was noted in the hanging wall and returned 0.9m @ 1.43g/t Au, 3.44g/t Ag and 0.18% Cu from 146.1m. An altered zone at the base of the hanging wall returned weak Cu, Ag, Bi and Zn results from 196 to 198m. It appears that a late stage granitic intrusive may have stoped out the mineralised horizon from 197 to 216m. The down hole was surveys indicated that it had lifted from -60 degree to -53 degree at 210m. The effect was to drill over or above the expected down plunge location of the main ore shoot. Down-hole EM surveys at Johnnies Reward might be of value in assisting in future drill targeting. The targeted tremolite-magnetite zone near the lower contact was intersected from 217.7 to 220m, and returned 2.3m @ 0.67g/t Au. 0.58g/t Ag and 0.19% Cu.

At **Black Angus Prospect** 17 RC holes (BARC018 - 034) were drilled on four northeast-southwest running lines. Drill line 1 included holes 13BARC018-023, line 2 included holes 13BARC024-027 line 3 included holes 13BARC028-031 and line 4 included holes 13BARC032-034 (Figure 2).

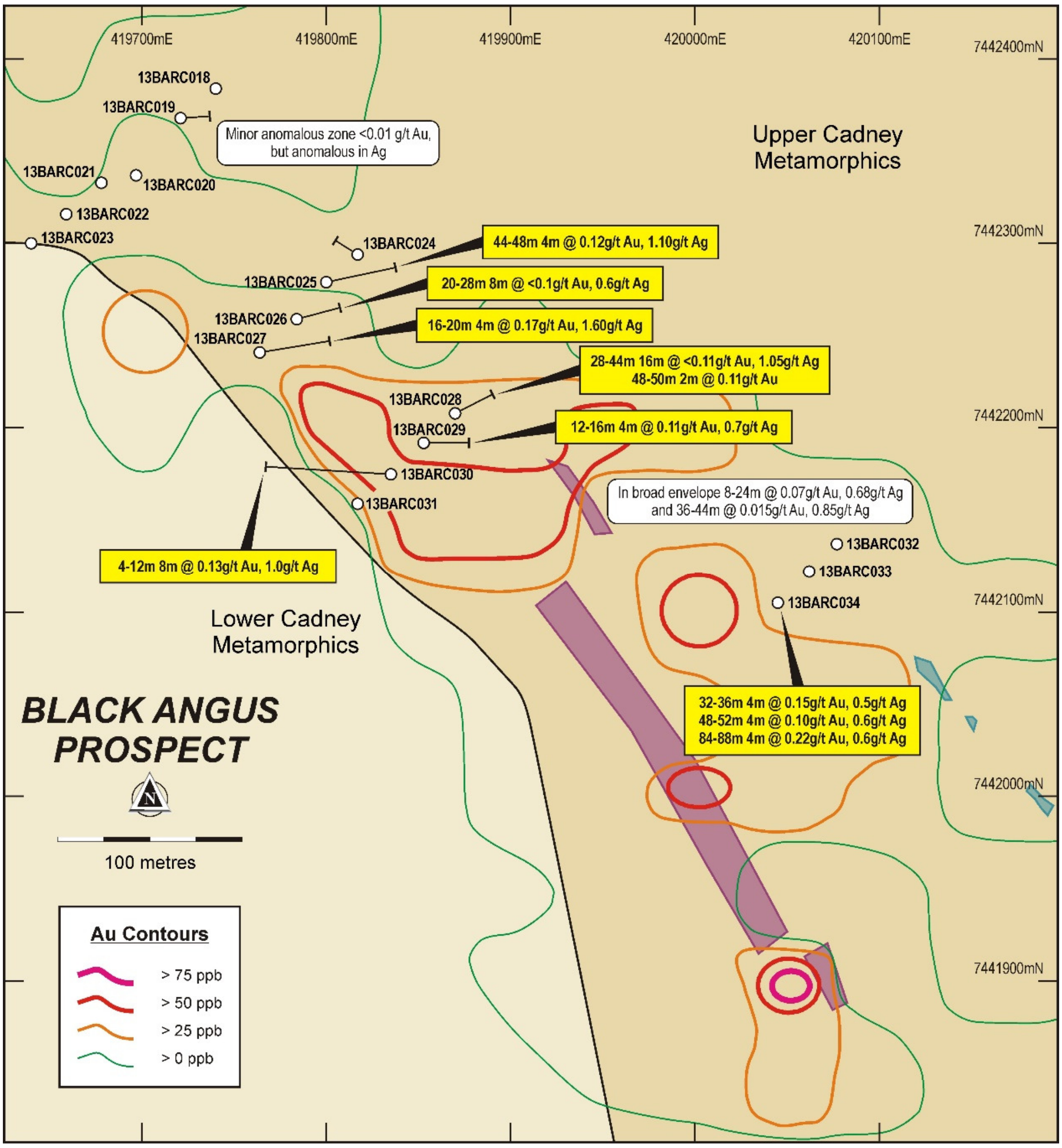

Figure 2. Black Angus drill hole location plan and selected results.

A single RC with diamond tail, 13BARCD038 was completed located between lines 3 and 4. Results confirmed the presence of broad zones of anomalous gold-silver and base metals in an extensively sheared contact between the Upper and Lower Cadney Metamorphics. The 20m-40m wide sheared contact is a strongly weathered quartz-sericite schist that has been mapped at surface over a 4km strike length and remains strongly open to the south and north-west. This contact is a major structural zone that is geochemically anomalous in precious and base metals with numerous surface gossans located along its strike length.

Geophysics

An extensive airborne EM and magnetic survey was completed over the Southern Cross Bore (SXB) Project. It consisted of 37 lines, each 7.5kms long orientated east-west and separated by 150m. A total of 314kms were flown, covering 43 sq kms. The VTEM plus system is a high energy time-domain EM system, designed to identify deep-seated EM conductor zones representing potential accumulations of sulphide mineralisation to assist in drill targeting.

The results of the EM survey conducted over the area identified three conductive anomalies (See figure 3 below).

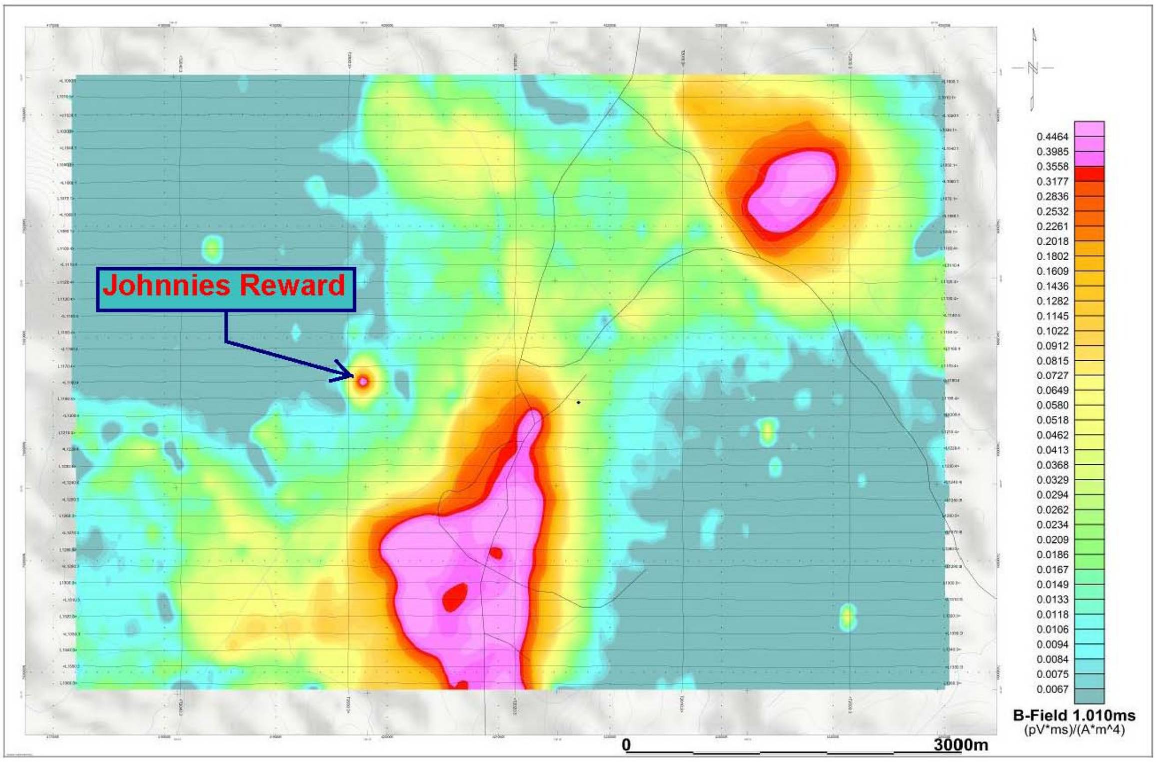

Figure 3. VTEM B-Field Z Component Channel 31, Time Gate 1.010 ms

VTEM Survey Interpretation

Over 152 anomalies from the processed data were categorized Southern Geoscience Consultants. These are then prioritized, out of the 152 anomalies two were classified as high priority (Anomalies 77 and 81) , 27 were classified as moderate priority, and 68 were given a low priority.

The high priority and moderate anomalies were modelled, these lies within four priority areas (See Figure 4 below).

> **Zone1** (Johnnies Reward) - includes the two high priority EM anomalies and a number of moderate anomalies. **Anomaly 81 is just 135m south of Johnnies Reward (Anomaly 77). This area has not been drilled.** This area is the highest priority because the stronger anomalies are coincident with a significant magnetic high and the moderate anomalies closely follow a structural boundary extending up to Black Angus, where geochemical sampling in the area also shows elevated concentrations of copper, lead and zinc and gold.
>
> **Zone 2** - includes a series of moderate anomalies that closely follow an interpreted major structural Boundary (Woollanga Lineament). These small anomalies appear on the shoulder of a much broader anomaly to the east.
>
> **Zone 3** - includes an assortment of moderate, weak and negative transient anomalies that closely follow an interpreted structural boundary. The modelling was more difficult here due to a large background response. There has been no previous ground investigation in the area.
>
> **Zone 4** - comprises a single anomaly (Anomaly 42) close to a structural boundary, which appears to be caused by a small but strong conductor, its proximity to elevated Cu concentrations, in soil samples and further ground work is recommended.

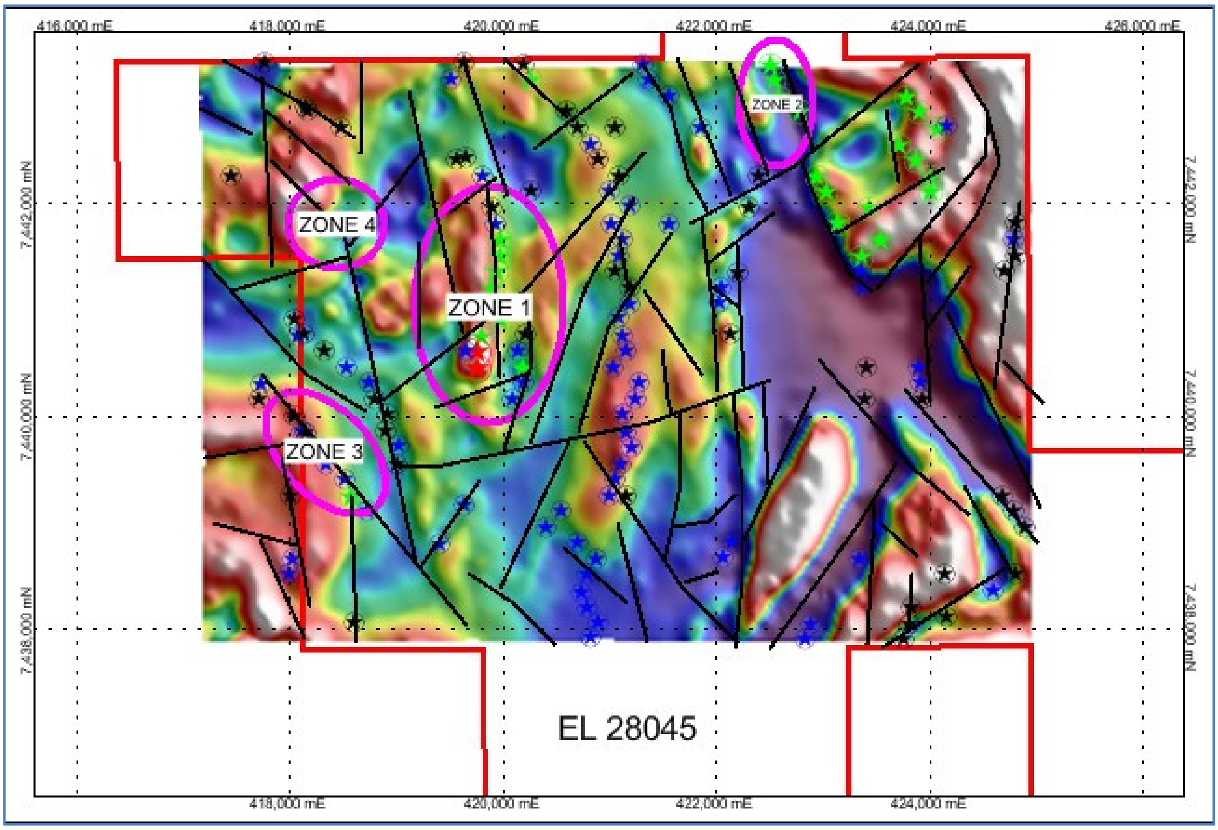

Figure 4. Priority anomalies modelled with plates are from the four areas show above. The background image is a magnetic RTP image, with an overlying lineament interpretation (black lines). High = red, moderate = green, low = blue and negative transients = black.

The results of exploration activities represented in this activities report regarding the Southern Cross Bore Project have been previously reported to ASX via the Company's ASX Announcement Platform per the following:

26 July 2012 – *"High Grade Results – Southern Cross Bore"*;

22 August 2013 – *"Positive initial results from drilling at SXB Project, NT"*;

16 September 2013 – *"Outstanding thick gold-copper intersections at SXB as drilling points to deeper IOCG/VMS potential"; and*

13 March 2014 – "Four Priority IOCG Target Areas Identified at SXB".

HATCHES CREEK PROJECT

The Hatches Creek Project comprises two exploration licences totalling 63.6km^2 located 325km north-east of Alice Springs and 160km south-east of Tennant Creek in the central part of the Northern Territory.

The prospect contains the historical Hatches Creek mining field (see figure 5), previously known as the Wolfram Field, where numerous mines exploited quartz veins containing wolframite, a tungsten mineral. Mining of eluvial deposits containing wolframite and of gold and copper also occurred. The Hatches Creek Mineral Field contains 17 former tungsten mines which operated intermittently between 1915 and 1958, located within an area of 20km^2.

HATCHES CREEK PROJECT (continued)

During the year two rounds of bulk sampling were completed over the existing historical mining operations. The initial program covered Pioneer, Black and Green Diamond , Hit or Miss , Treasure Group, Copper show, and Frenchmans Point. In the initial program 56 samples were taken, of which 41 were bulk samples of 5-20kg and 15 were selected rock chips. In the second round of bulk sampling a further 50 samples were taken from Pioneer, Black and Green Diamond , Hit or Miss and Treasure Group.

The samples were submitted to Nagrom metallurgical laboratory for analysis and preliminary metallurgical testing for recovery of wolframite and scheelite.

After receipt of the results from Nagrom Independent mineral resource consultant, Mr. Tony Ryall, was commissioned by Arunta to complete a JORC compliant resource estimate for the stockpiled surface mineralisation

The reporting of all domains (capturing material above 0.2% WO3) results in an Inferred Mineral Resource Estimate for the Hatches Creek surface stockpiles of:

Inferred: 225,066 tonnes @ 0.58% WO3 (1,311 tonnes of contained WO_3)

A top-cut of 1.5% WO_3 was applied to the resource calculation.

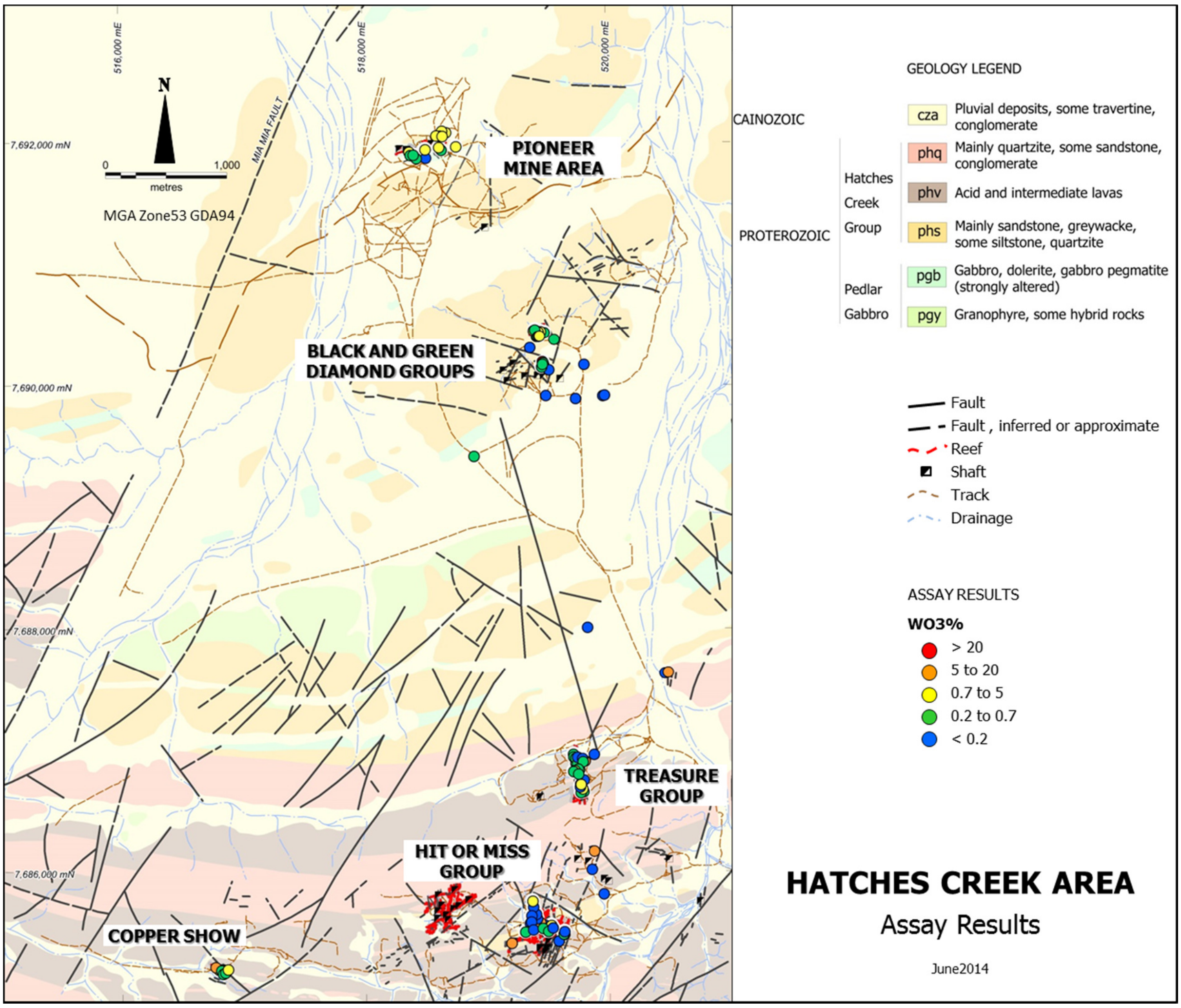

Figure 5 – Main Group of Historical mine areas at Hatches Creek

Pioneer Mine Area

The Pioneer workings are the most significant in the Hatches Creek field, comprising numerous lodes which strike in an easterly direction and dip 45-65 degrees to the south. Numerous mullock dumps as well as battery sands occur adjacent to the Pioneer Mine. The workings extend to at least 65m below surface, see Figure 6 with the Pioneer head frame in the background.

Visible wolframite mineralisation was noted in many of the quartz rock chip samples. Historically, the Pioneer mine produced wolfram, scheelite, bismuthinite, gold and minor copper. The recorded average grade of the run-of-mine ore was **2.5% WO_3**. All samples were assayed results for WO_3, Sn, Mo, Bi, Au and Ag.

Eight (8) bulk samples from the first round of sampling averaged **0.56% WO_3** and 0.61 ppm Au from battery sands and mullock samples averaged **0.76% WO_3** and 0.38 ppm Au. In the second field program a further six (6) bulk samples were taken at various locations within the extensive dumps and tailings associated with the old mine, with a combined total weight of 63.97kg. Bulk samples returned an average of **1.27% WO_3** this included a high value of **3.67% WO_3.**

Figure 6 – Photograph of the Pioneer headframe in the background, Old Battery site and tailings in the foreground.

Black Diamond and Green Diamond Group

The "Black and Green Diamond" workings are part of what was known historically as the Central Group, which is located approximately 2km south-east of the Pioneer Group. The workings lie on a north-west trending hill known as **Wolfram Hill.**

In the first round of sampling eleven (11) bulk samples were collected from the Black Diamond and Green Diamond mine waste dumps and eluvial slopes. Mullock samples **averaged 0.84% WO_3** with a peak value of **1.4% WO_3, 0.65% Cu and 0.63% Bi**. Eluvial and alluvial samples from Wolfram Hill averaged **0.11% (1.1kg/t) WO_3 per tonne** with a peak value of **0.45% WO_3 per tonne**. The second field program concentrated on the mullock dumps only, a further thirteen (13) bulk samples were collected the Mullock dump assay results returned a weighted average **0.66% WO_3**

Hit or Miss Group

The "Hit or Miss Group" are part of the southern group of workings and are located approximately 5kms due south of the Pioneer Mine.

Eluvial and Alluvial material at the Hit or Miss Group occurs on a number of steep sided gullies and creeks that drain into the Hit or Miss area with extensive historic mine workings evident on the hillsides and within the main gully. This area is considered to have significant economic potential. Masters Gully and Silver Granite are included in the group.

In the initial sampling program eleven (11) bulk samples from mine dumps and five (5) rock chip samples from lode material were collected from Hit or Miss, Masters Gully and Silver Granite mines. Mine waste samples **averaged 0.89% WO_3**. The second program concentrated on the Hit or Miss workings only, a further fourteen (14) bulk samples from mine dumps were collected, the combined weight of these was 94.3kg. Mine waste samples **averaged 0.28% WO_3** with results from the Chinaman shaft area returning the highest result of **0.93% WO_3.**

Treasure Group

The "Treasure Group" workings cover an extensive area that occupies two valleys and the sides of the adjacent hills in the central part of the Hatches Creek Wolfram Field. The Treasure Group boasted a general store, a generator shed and large living quarters and office, the ruins of which are still evident.

Treasure Group workings appear to exhibit the purest quartz-wolfram lode with minimal copper, molybdenum or other mineralisation evident. Historical production grades here were the highest in the field with an average head grade of 4% WO_3.

Five (5) bulk samples were collected from the Treasure group mine dumps in the first round of sampling and they returned **0.53% WO_3.** The second round of sampling was extensive with Seventeen (17) bulk samples were collected from the Treasure group mine dumps, with a combined total weight of 288.9kg.The weighted average grade of the dumps returned **0.52% WO_3**

Hatches Creek Metallurgical Work

A total of 41 samples were initially crushed to P100 -2mm and assayed with the remainder composited to create ten (10) composites (composites A to composite J, approximately weighing 10kg each). These composites were created from sampled collect in the first round of field work. The composites were created to represent either mullock or eluvial/alluvial samples from each location. Metallurgical processing specialist Nagrom Pty Ltd completed all the test work

Samples were crushed using a laboratory jaw crusher and screened at 2mm. The +2mm fraction was stage crushed to produce overall sample sizing of P_{100} 2mm. Each composite sample was wet screened and separated into a coarse + 0.5mm and fines -0.5mm fraction, dried and riffle split with small a 0.1kg split taken from each sized fraction for analysis. Each +0.5mm and -0.5mm sized fraction from each of the 10 composites were then subject to wet gravity separation on a Wilfley Table to produce individual concentrate and tails samples.

Each concentrate and tails sample from gravity separation stage of both +0.5mm and -0.5mm fractions were again dried, split and analysed. The coarse and fine wet table concentrates from all composites were individually assessed with a Rapid Disc Magnet for Magnetic characterisation, conducted at 3,500 gauss and 10,000 gauss settings respectively.

Hatches Creek Metallurgical Work (continued)

Three products were produced from magnetic separation, namely two magnetic fractions and one non-magnetic fraction. Non-magnetic fractions were further upgraded by panning of coarse fractions and wet tabling of fines for Scheelite recovery (See Figure 7). Products from the upgrading of non-magnetics included concentrates and tails for coarse fraction and concentrate and tails for the fines fraction. Riffle Splits were taken from each of these products for analysis.

All samples were analysed for WO_3, Sn, Fe_2O_3, MnO, SiO_2, Al_2O_3, TiO_2, CaO, MgO, As, P, S, Mo, Cu, Au, Ag, Bi and LOI1000

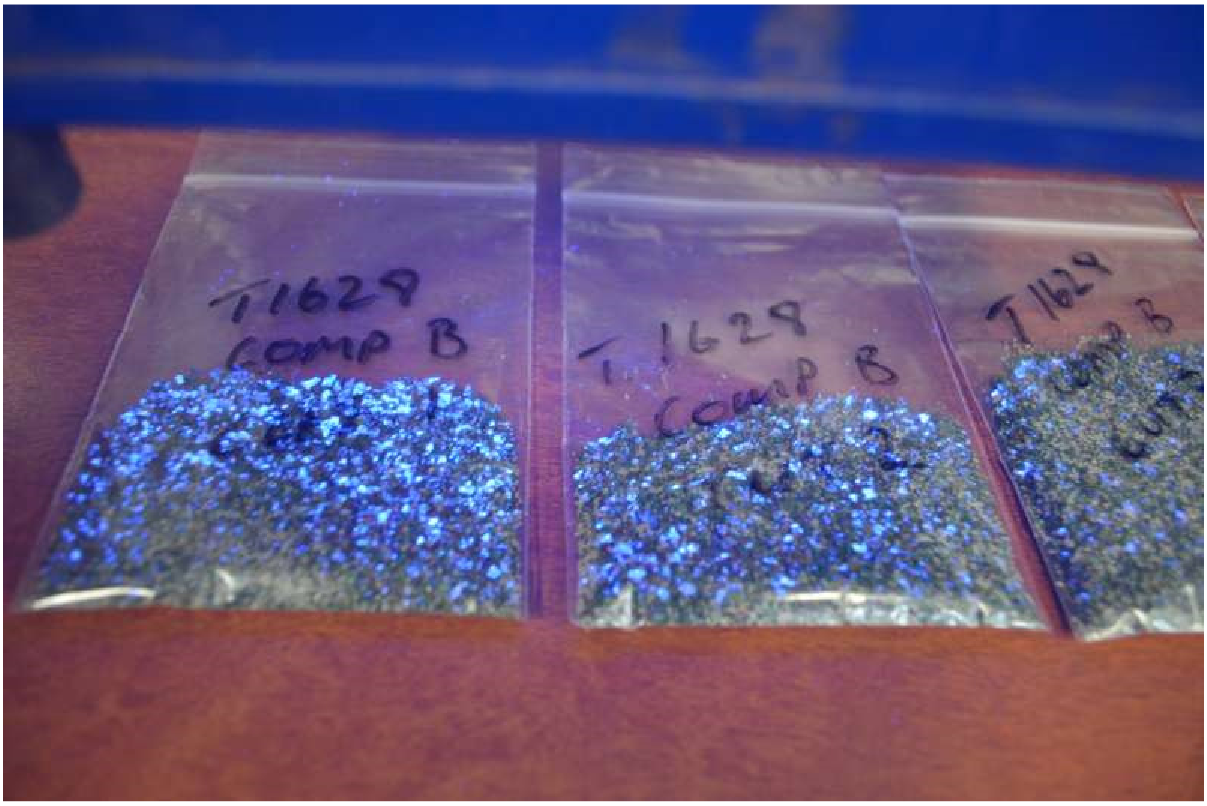

Figure 7: Final concentrate samples from Composite B under UV light showing Scheelite in the sample

Concentrates produced from Hit or Miss, Green Diamond and the Treasure Group returned the highest concentrate grades and recoveries. Some concentrates returned appreciable amounts of Cu, Bi and Au, especially from the Pioneer composite D.

The results indicate that there is potential for saleable tungsten concentrates to be produced from waste or mullock dumps from the Hatches Creek Mineral field.

The most promising result came from the Hit or Miss Area with test work on the composite sample C (generated from the mullock sampling) producing a concentrate **of 47.5% WO_3 recovering 74% of the contained WO_3**. The Hit or Miss Group are part of the southern group of workings and are located approximately 5km due south of the Pioneer Mine.

The Black and Green Diamond workings lie on a north-west trending hill known as Wolfram Hill. Test work on the composite sample H produced a concentrate grade of **38.4% WO_3 recovering 78% of the contained WO_3** and composite F produced a concentrate grade of 20% WO_3 with a 65% recovery of the contained WO_3.

A significant tonnage of waste and mullock, and previously mined material is located in the prospect areas, during the second field program waste dumps were surveyed at five areas of old workings namely Pioneer, Green Diamond, Black Diamond, Treasure and Hit or Miss.

Hatches Creek Metallurgical Work (continued)

The total volume of material quantified from this survey was **81,819 m^3.** No specific density measurements have been taken, dumps are compacted, the majority of dump material is weakly oxidized or fresh. It is estimated that the specific gravity of the individual rock types are between 2.5 $gmcm^3$ and 3.0 $gmcm^3$. Using a minimum of 2.5 $gmcm^3$ an approximate tonnage of the waste material would total around 200,000 tonnes.

The results of exploration activities represented in this activities report regarding the Hatches Creek Project have been previously reported to ASX via the Company's ASX Announcement Platform per the following:

6 February 2014 – *"Shallow high-grade Tungsten results highlight near-term development opportunity at Hatches Creek"*;
27 March 2014 – *"Tungsten concentrates successfully produced in first-pass metallurgical work"*;
12 June 2014 – *"Further high-grade Tungsten results confirm near-term processing potential"*; and
23 September 2014 – *"Maiden High-Grade Tungsten Resource to Underpin Development Studies"*

Corporate

<u>Capital raising</u>

On July 29 2013, 60 million shares were issued as consideration for the acquisition of Davenport Resources Pty Ltd.

Between September – December 2013, the Company placed 105,500,000 new ordinary shares at an issue price of $0.008 per share, together with one free attaching option (AJROB) for every two shares subscribed for (52,750,000 options). The offer raised $844,000 before associated capital raising fees. The Company also placed an additional 32,595,253 new shares under the same terms to settle creditor costs $281,618. No fees were paid on these shares. The offer represented $1,104,762 in total before associated capital raising fees.

In June 2014, the Company placed 85,000,000 at $0.001 per share to raise $85,000, together with 42,500,000 free attaching options (exercise price of $0.002 on or before 31 July 2019).

Subsequent to year end, the Company successfully completed a fully underwritten renounceable pro-rata rights issue. The offer provided 1.5 new Shares for every 1 Share held on the Record Date at an issue price of 0.1 cents ($0.001) each together with 1 free-attaching new option (exercise price of $0.002 on or before 31 July 2019), for every 2 new Shares issued. The offer raised $1,096,173 before costs and expenses and subject to receipt of subscription monies from the underwriter.

During the year, Mr Martin Ralston resigned as director and Chairman of the Company. Mr Neil Biddle replaced Mr Ralston as Chairman of the Company.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Arunta Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2014.

Directors
The following persons were directors of Arunta Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Neil Biddle
Mr Angus Edgar
Mr Adrien Wing
Mr Martin Ralston (resigned 30 July 2014)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:

- investment in and development of mineral exploration assets

Dividends
There were no dividends paid or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $1,073,923 (30 June 2013: $1,804,131).

Refer to the Activities Report that directly preceeds this Directors' Report.

Significant changes in the state of affairs
During the year the company underwent a number of capital raisings. On 29 July 2013, 60 million shares were issued as consideration for the acquisition of Davenport Resources Pty Ltd. Additional share issues during the year raised a total of $1,803,992 after associated costs.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 19 August 2014, the Company closed a capital raising of $1.1m (before costs and expenses) from a renounceable pro-rata Rights Issue of 1.5 new Shares for every 1 Share held at an issue price of 0.1 cents each together with 1 free-attaching new Option, exercisable at 0.2 cents and expiring on 31 July 2019, for every 2 new Shares issued.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr Angus Edgar
Title:	Non-Executive
Experience and expertise:	Angus Edgar has been employed in the finance/stockbroking industry since 1985 with the majority of that time employed with various share broking companies. During that period he has been directly involved with providing corporate advisory services to private and ASX listed companies and the listing of several new companies onto the ASX.
Other current directorships:	Regal Resources Limited
Former directorships (in the last 3 years):	None
Special responsibilities:	Mr Edgar is a member of the Company's Audit & Risk Committee and Remuneration Committee.
Interests in shares:	237,612,310 fully paid ordinary shares
Interests in options:	25,000,000 options expiring in March 2015 40,451,021 options expiring in December 2014 90,998,841 options expiring in July 2019

Name:	Mr Neil Biddle
Title:	Executive Chairman
Experience and expertise:	Mr Neil Biddle is a long-standing corporate member of the Australasian Institute of Mining and Metallurgy. He has over 25 years' experience in previous metal, base metal and iron ore exploration through Australia and overseas, as well as in the establishment, development and management of listed mining and exploration companies and has served on the boards of several ASX listed companies.
Other current directorships:	Pilbara Minerals Limited
Former directorships (in the last 3 years):	None
Special responsibilities:	Mr Biddle is a member of the Company's Audit & Risk Committee and Remuneration Committee.
Interests in shares:	136,630,863 fully paid ordinary shares
Interests in options:	16,250,000 options expiring in December 2014 45,844,995 options expiring in July 2019

Name:	Mr Adrien Wing
Title:	Non-Executive Director
Experience and expertise:	Mr Adrien Wing is CPA qualified. He practised in the audit and corporate divisions of a chartered accounting firm before working with a number of public companies listed on the Australian Stock Exchange as a corporate/accounting consultant and company secretary.
Other current directorships:	Red Sky Energy Limited
Former directorships (in the last 3 years):	New Age Exploration Limited
Special responsibilities:	Mr Wing is a member of the Company's Audit & Risk Committee and Remuneration Committee.
Interests in shares:	85,445,273 fully paid ordinary shares
Interests in options:	5,000,000 options expiring in March 2015 1,937,000 options expiring in December 2014 36,535,137 options expiring in July 2019

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Information on directors (Continued)

	Full Board		Audit & Risk Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Martin Ralston	1	1	-	-	-	-
Mr Angus Edgar	9	9	2	2	1	1
Mr Neil Biddle	9	9	2	2	1	1
Mr Adrien Wing	9	9	2	2	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

A Principles used to determine the nature and amount of remuneration

Remuneration philosophy
The performance of the company depends upon the quality of its directors and executive officers. To prosper, the company must attract, motivate and retain highly skilled directors and executive officers.

The directors' remuneration is comparable to similar sized companies in the technology and junior mining industry. There is no formal link between the consolidated entity's performance and the Directors' remuneration.

All directors, executives and employees have the opportunity to qualify for participation in the Employee Incentive Option Scheme, which provides incentives based upon share price growth. Qualification for participation in the scheme will be assessed by the Remuneration Committee.

Remuneration Committee
The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of an experienced and high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and superannuation salary sacrifice.

It is the Remuneration Committee's policy that employment letters are issued to directors and executives. These letters contain their responsibilities and remuneration paid.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Remuneration report (continued)

Non-executive directors remuneration
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time-to-time by a general meeting. The latest determination was at the Annual General Meeting held 18 November 2003 when shareholders approved an aggregate remuneration of $200,000 per annum to be apportioned amongst Non-executive Directors.

Non-executive directors are required to sign a Letter of Appointment that outlines the director's duties and responsibilities and the remuneration fee to be paid to that director in carrying out their duties. This fee covers both the Board and any committee position where the non-executive director is a member. In prior years, non-executive Directors have been granted options under the Employee Incentive Scheme as a form of remuneration that replaces a cash payment for carrying out duties as a director of the company and was considered to be fair as compared to options issued to other employees at that time. Any options issued to directors require shareholder approval.

Executive remuneration
The company aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity, so as to reward executives for meeting or exceeding targets set by reference to appropriate benchmarks; align the interests of executives with those of shareholders; and ensure remuneration is competitive by market standards.

It is the Remuneration Committee's policy that employment contracts must be entered into with the Chief Executive Officer and senior executives. Remuneration consists of fixed remuneration and variable remuneration including the issue of shares and options as a short term and long-term incentive. The proportion of shares and options issued is based upon the level of experience and knowledge of the global payment industry that is brought to the Company with the expectation that executives will secure significant contracts for the benefit of the Company and its shareholders. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Remuneration Committee as part of an assessment on that executive's performance. Although the Board has access to external independent advice if necessary, no such advice was sought during the year.

All incentives offered by the Group over the last five years to staff including directors, executives, management and employees did not have internal performance conditions nor were they tied to Group performance other than the exercise price. The Board considers the share price performance to be a key performance indicator.

Voting and comments made at the company's 29 November 2013 Annual General Meeting ('AGM')
The company received 99.0% of 'for' votes in relation to its remuneration report for the year ended 30 June 2013. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B Details of remuneration

Amounts of remuneration
Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of Arunta Resources Limited are set out in the following tables.

Remuneration report (continued)

2014	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Directors:							
Mr Martin Ralston **	3,333	-	-	-	-	-	3,333
Mr Adrien Wing	40,000	-	-	-	-	-	40,000
Mr Angus Edgar	178,000	-	-	1,665	-	-	179,665
Mr Neil Biddle	135,000	-	-	-	-	-	135,000
Other KMP:							
Mr Matthew Shackleton *	45,000	-	-	-	-	-	45,000
	401,333	-	-	1,665	-	-	402,998

* Appointed as chief executive officer for 3 months from September to November
** Resigned on 30 July 2013

2013	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Name	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Directors:							
Mr Martin Ralston	40,000	-	-	-	-	-	40,000
Mr Adrien Wing	40,000	-	-	-	-	-	40,000
Mr Neil Biddle *	45,000	-	-	-	-	-	45,000
Mr Angus Edgar	204,000	-	-	2,160	-	-	206,160
Other KMP:							
Mr Greg Bound **	90,000	-	-	-	-	-	90,000
Mr Gary Mackenzie ***	91,000	-	-	-	-	-	91,000
	510,000	-	-	2,160	-	-	512,160

* Appointed on 4 April 2013
** Executive Director of CLTNet Pty Ltd. On 18 June 2013, CLTNet Pty Ltd ceased to be subsidiary of Arunta Resources Limited
*** Director of Valleyarm Digital Ltd. On 4 February 2013, Valleyarm Digital Ltd ceased to be subsidiary of Arunta Resources Limited

Remuneration report (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2014	2013	2014	2013	2014	2013
Non-Executive Directors:						
Mr Martin Ralston	100%	100%	- %	- %	- %	- %
Mr Adrien Wing	100%	100%	- %	- %	- %	-%
Executive Directors:						
Mr Neil Biddle	100%	100%	- %	- %	- %	- %
Mr Angus Edgar	100%	100%	- %	- %	- %	-%
Other Key Management Personnel:						
Mr Greg Bound	-	100%	- %	- %	- %	- %
Mr Gary Mackenzie	-	100%	- %	- %	- %	- %

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Neil Biddle
Title: Executive Chairman
Details: In May 2014, Mr Neil Biddle assumed the role as the company's Chief Executive Officer for the purpose of managing the company's day to day affairs. Previously, Mr Biddle held a Non- Executive Director position.

Name: Mr Angus Edgar
Title: Non-Executive Director
Details: In the 2007 financial year, Mr Angus Edgar was appointed under contract as the company's Chief Executive Officer for the purpose of managing the company's day to day affairs until the company was in a position to appoint a Chief Executive Officer in a permanent role. In May 2014, Mr Neil Biddle assumed the role as the company's Chief Executive Officer and Mr Edgar became a Non-Executive Director. Mr Edgar's fee reduced from $17,000 to $5,000 per month.

Name: Mr Gary Mackenzie (until 4 February 2013)
Title: Managing Director - Valleyarm Digital Pty Ltd
Details: On 10 May 2012, Valleyarm Digital Pty Ltd entered into a service agreement with its Managing Director, Mr Gary Mackenzie. Mr Mackenzie was entitled to a base salary of $150,000 per annum plus superannuation (9%). The contract included bonuses payable in cash and equity if Valleyarm Digital Pty Ltd reached pre-determined EBITDA levels. Either party may terminate the agreement giving three months notice.

Remuneration report (continued)

Key management personnel have no entitlement to termination payments in the event of removal.

D Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2014	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
Mr Martin Ralston	-	-	-	-	-
Mr Angus Edgar	49,989,630	-	5,625,000	-	55,614,630
Mr Neil Biddle	19,000,000	-	24,940,873	-	43,940,873
Mr Adrien Wing	8,500,000	-	3,875,000	-	12,375,000
	77,489,630	-	34,440,873	-	111,930,503

2013	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
Mr Martin Ralston	-	-		-	-
Mr Angus Edgar	49,989,630	-	-	-	49,989,630
Mr Neil Biddle	-	-	19,000,000	-	19,000,000
Mr Adrien Wing	1,500,000	-	7,000,000	-	8,500,000
	51,489,630	-	26,000,000	-	77,489,630

Issue of options

There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

Options

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2014	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ acquired	Balance at the end of the year
Options over ordinary shares					
Mr Angus Edgar	61,911,854	-	-	3,539,167	65,451,021
Mr Neil Biddle	10,000,000	-	-	6,250,000	16,250,000
Mr Adrien Wing	5,000,000	-	-	1,937,500	6,937,500
	76,911,854	-	-	11,726,667	88,638,521

Remuneration report (continued)

2014	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
Mr Angus Edgar	65,451,021	-	65,451,021
Mr Neil Biddle	16,250,000	-	16,250,000
Mr Adrien Wing	6,937,500	-	6,937,500
	88,638,521	-	88,638,521

2013	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ acquired	Balance at the end of the year
Options over ordinary shares					
Mr Angus Edgar *	64,111,854	-	-	(2,200,000)	61,911,854
Mr Neil Biddle	--	-	-	10,000,000	10,000,000
Mr Adrien Wing	5,000,000	-	-	-	5,000,000
	69,111,854	-	-	7,800,000	76,911,854

* Options expired without having been exercised on 30 November 2012.

2013	Vested and exercisable	Vested and unexercisable	Vested at the end of the year
Options over ordinary shares			
Mr Angus Edgar	61,911,854	-	61,911,854
Mr Neil Biddle	10,000,000	-	10,000,000
Mr Adrien Wing	5,000,000	-	5,000,000
	76,911,854	-	76,911,854

E Additional information

The earnings of the consolidated entity for the five years to 30 June 2014 are summarised below:

	2010 $	2011 $	2012 $	2013 $	2014 $
Revenue	300,574	1,361,092	216,731	474,536	149,333
Loss after income tax	(101,278)	(271,983)	(1,117,457)	(1,756,566)	(1,073,922)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2010	2011	2012	2013	2014
Share price at financial year end ($A)	0.030	0.020	0.010	0.010	0.001
Basic earnings per share (cents per share) from continuing operations	(0.110)	(0.070)	(0.059)	(0.568)	(0.178)

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Arunta Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
Unlisted *	21 March 2015	$0.02	30,000,000
Listed options	20 December 2014	$0.02	246,354,457
Unlisted	18 December 2016	$0.03	15,000,000
			291,354,457

* relates to remuneration of key management personnel in the 2013 financial year.

Shares issued on the exercise of options

No shares of Arunta Resources Limited were issued on the exercise of options during the year ended 30 June 2014.

Indemnity and insurance of officers

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former audit partners of Advantage Advisors

There are no officers of the company who are former audit partners of Advantage Advisors.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

Advantage Advisors continues in office in accordance with section 327 of the Corporations Act 2001.

This report is in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:

Neil Biddle
Director

25 September 2014
Melbourne

Advantage Advisors Audit Partnership

Audit & Assurance Services

Level 7, 114 William Street
Melbourne VIC 3000
Australia

GPO Box 2266
Melbourne VIC 3001
Australia

ABN 47 075 804 075

T +61 3 9274 0600

F +61 3 9274 0660

audit@advantageadvisors.com.au

advantageadvisors.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ARUNTA RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

a) no contraventions of the auditor independence requirements as set out in 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.

Advantage Advisors

James Ridley

ADVANTAGE ADVISORS AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

JAMES RIDLEY
PARTNER

Dated in Melbourne on this 25th day of September 2014.

General information

The financial report covers Arunta Resources Limited as a consolidated entity consisting of Arunta Resources Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Arunta Resources Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Arunta Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14
31 Queen Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25 September 2014.

Arunta Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue from continuing operations	4	128,486	168,078
Other income	5	20,847	306,458
Expenses			
Administration and corporate expenses		(185,418)	(178,467)
Employee benefits expense		(504,547)	(444,283)
Legal and professional fees		(115,714)	(224,028)
Depreciation and amortisation expense	6	(9,182)	(4,505)
Impairment of assets	6	(11,475)	(1,297,967)
Other expenses		(151,033)	(72,196)
Marketing costs		(78,347)	(60,443)
Occupancy costs		(154,878)	(114,714)
Loss before income tax expense from continuing operations		(1,061,261)	(1,922,067)
Income tax expense	7	(12,662)	-
Loss after income tax expense from continuing operations		(1,073,923)	(1,922,067)
Profit after income tax expense from discontinued operations	8	-	165,501
Loss after income tax expense for the year		(1,073,923)	(1,756,566)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Reclassification of available-for-sale financial assets		-	(306,458)
Gain on sale of investments reclassified to profit and loss		(9,800)	-
Revaluation of available-for-sale financial assets		23,734	-
Foreign currency translation		-	(15,596)
Foreign currency translation from discontinued operations	8	-	(7,439)
Other comprehensive income for the year, net of tax		13,934	(329,493)
Total comprehensive loss for the year		(1,059,989)	(2,086,059)
Loss for the year is attributable to:			
Non-controlling interest		-	47,565
Owners of Arunta Resources Limited		(1,073,923)	(1,804,131)
		(1,073,923)	(1,756,566)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		-	47,565
Owners of Arunta Resources Limited		(1,059,989)	(2,133,624)
		(1,059,989)	(2,086,059)

Arunta Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	Consolidated 2014 Cents	2013 Cents
Earnings per share from continuing operations attributable to the owners of Arunta Resources Limited			
Basic earnings per share	34	(0.178)	(0.568)
Diluted earnings per share	34	(0.178)	(0.568)
Earnings per share from discontinued operations attributable to the owners of Arunta Resources Limited			
Basic earnings per share	34	-	0.049
Diluted earnings per share	34	-	0.049
Earnings per share for loss attributable to the owners of Arunta Resources Limited			
Basic earnings per share	34	(0.178)	(0.519)
Diluted earnings per share	34	(0.178)	(0.519)

The financial statements should be read in conjunction with the accompanying notes.

Arunta Resources Limited
Statement of financial position
As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Assets			
Current assets			
Cash and cash equivalents	9	143,534	409,368
Trade and other receivables	10	132,015	252,423
Other	11	13,630	18,996
Total current assets		289,179	680,787
Non-current assets			
Loan receivables	12	-	698
Available-for-sale financial assets	13	20,267	61,833
Property, plant and equipment	14	15,357	24,539
Goodwill	15	252,490	-
Exploration and evaluation	16	2,267,797	1,284,364
Total non-current assets		2,555,911	1,371,434
Total assets		2,845,090	2,052,221
Liabilities			
Current liabilities			
Trade and other payables	17	195,725	156,541
Employee benefits	18	13,950	14,268
Provisions	19	12,000	12,000
Total current liabilities		221,675	182,809
Total liabilities		221,675	182,809
Net assets		2,623,415	1,869,412
Equity			
Issued capital	20	28,057,304	26,253,312
Reserves	21	173,934	150,000
Accumulated losses		(25,607,823)	(24,533,900)
Total equity		2,623,415	1,869,412

The financial statements should be read in conjunction with the accompanying notes.

Arunta Resources Limited
Statement of changes in equity
For the year ended 30 June 2014

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2013	26,253,312	150,000	(24,533,900)	-	1,869,412
Loss after income tax expense for the year	-	-	(1,073,923)	-	(1,073,923)
Other comprehensive income for the year, net of tax	-	13,934	-	-	13,934
Total comprehensive income for the year	-	13,934	(1,073,923)	-	(1,059,989)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	1,522,374	10,000	-	-	1,532,374
Settlement of creditors costs	281,618	-	-	-	281,618
Balance at 30 June 2014	28,057,304	173,934	(25,607,823)	-	2,623,415

	Contributed equity $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Consolidated					
Balance at 1 July 2012	24,175,681	1,059,273	(23,309,549)	(47,565)	1,877,840
Loss after income tax expense for the year	-	-	(1,804,131)	47,565	(1,756,566)
Other comprehensive income for the year, net of tax	-	(15,596)	-	-	(15,596)
Disposal of investments	-	(306,458)	-	-	(306,458)
Derecognition of foreign current translation reserve from discontinued operations	-	(7,439)	-	-	(7,439)
Total comprehensive income for the year	-	(329,493)	(1,804,131)	47,565	(2,086,059)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	2,077,631	-	-	-	2,077,631
Expiry of options	-	(579,780)	579,780	-	-
Balance at 30 June 2013	26,253,312	150,000	(24,533,900)	-	1,869,412

The financial statements should be read in conjunction with the accompanying notes.

Arunta Resources Limited
Statement of cash flows
For the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Interest received		5,327	11,598
Northern Territory Government funding		22,328	-
Receipts from customers		142,693	156,661
Payments to suppliers and employees		(960,989)	(1,318,365)
Net cash used in operating activities	32	(790,641)	(1,150,106)
Cash flows from investing activities			
Payments for investments		-	(99,800)
Payments for exploration and evaluation		(414,417)	(358,532)
Proceeds from sale of investments		76,347	479,456
Loans to related and other parties		(5,466)	(110,000)
Net cash used in investing activities		(343,536)	(88,876)
Cash flows from financing activities			
Proceeds from issue of shares		929,000	1,464,004
Repayment of borrowings		-	(50,000)
Payments for capital raising costs		(60,657)	(106,373)
Net cash from financing activities		868,343	1,307,631
Net increase/(decrease) in cash and cash equivalents		(265,834)	68,649
Cash and cash equivalents at the beginning of the financial year		409,368	324,566
Effects of exchange rate changes on cash		-	16,153
Cash and cash equivalents at the end of the financial year	9	143,534	409,368

The financial statements should be read in conjunction with the accompanying notes.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 ('AASB') and the Corporations Act 2001, as appropriate for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern

For the year ended 30 June 2014, the consolidated entity incurred a total comprehensive loss of $1,059,989 (2013: $2,086,059) and incurred negative cash flows from operations of $790,641 (2013: $1,150,106).

As at 30 June 2014, the consolidated entity's current assets exceeded its current liabilities by $67,504 (2013: surplus of $497,978). As at 30 June 2014, the consolidated entity had accumulated losses of $25,607,823 (2013: $24,533,900).

The consolidated entity has a history of successful capital raisings and has raised $929,000, before costs of $66,626 in the financial year ended 30 June 2014 (2013: $1,464,004). Subsequent to balance date an additional capital raising of $1,096,174 (before costs and expenses) occurred as disclosed in Note 31. Under ASX listing rules Chapter 7, the consolidated entity has the ability to issue up to 25% of new securities in a twelve month period without requiring shareholder approval and the directors of the consolidated entity will consider further capital raisings in the financial year ending 30 June 2015 to fund operational cash flow requirements.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding and the consolidated entity's ability to effectively manage its operations and working capital requirements, the directors believe that the consolidated entity will continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Arunta Resources Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Arunta Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial report is presented in Australian dollars, which is Arunta Resources Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rate, which approximates the rate at the date of the transaction, for the period. This is done unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of transactions are used. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity.

The foreign currency reserve is recognised in the statement of profit or loss and other comprehensive income when the foreign operation or net investment is disposed of.

Note 1. Significant accounting policies (continued)

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Note 1. Significant accounting policies (continued)

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets
Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Significant accounting policies (continued)

Impairment of financial assets
The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 - 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 1. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on short-term and long-term borrowings
- interest on hire purchases

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. Significant accounting policies (continued)

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 1. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Transol Corporation Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing 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.

Comparative figures
When required by Accounting Standards, comparative figures have been restated to conform to changes in presentation for the current period.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the entity after deduction of all its liabilities. Equity instruments issued by the Group are recognised as proceeds received net of direct issue costs.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or designated as at FVTPL. A financial liability is classified as held for trading if it has been acquired for the purpose of repurchasing it in the near term or on initial recognition it is part of a portfolio of identified financial instruments the Group manages together and has a recent actual pattern of short-term profit-taking. Financial assets are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Accounting Standards and Interpretations adopted
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments removed the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 the amendments did not have a material impact on the consolidated entity.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create and accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2012-3 Amendment to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Fair value and hierarchy of financial instruments
The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity’s current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Exploration and evaluation asset
The consolidated entity has recognised an asset for exploration and evaluation work conducted on projects in the Northern Territory. The directors have determined that the activities of the projects have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. The expenditure incurred has therefore been carried forward as an asset in accordance with the consolidated entity's accounting policy.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into two (2013: four) operating segments : Mining and exploration, CLTNet (2013 only), Digital Music (2013 only) and Management Services. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax.

The information reported to the CODM is on at least a monthly basis.

Operating segment information

2014	Mining & Exploration $	CLTNet (Discontinued) $	Digital music (Discontinued) $	Management services $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue						
Sales to external customers	-	-	-	-	-	-
Intersegment sales	-	-	-	-	-	-
Total sales revenue	-	-	-	-	-	-
Other revenue	20,298	-	-	108,188	-	128,486
Total revenue	20,298	-	-	108,188	-	128,486
EBITDA	20,298	-	-	(1,072,377)	-	(1,052,079)
Depreciation and amortisation						(9,182)
Loss before income tax expense						(1,061,261)
Income tax expense						(12,662)
Loss after income tax expense						(1,073,923)
Assets						
Segment assets	2,520,287	-	-	324,803	-	2,845,090
Total assets						2,845,090
Liabilities						
Segment liabilities	8,586	-	-	213,089	-	221,675
Total liabilities						221,675

Note 3. Operating segments (continued)

2013	Mining & exploration $	CLTNet (Discontinued) $	Digital music (Discontinued) $	Management services $	Intersegment eliminations/ unallocated $	Consolidated $
Revenue						
Sales to external customers	-	493,415	895,840	-	-	1,389,255
Intersegment sales	-	-	-	68,917	(68,917)	-
Total sales revenue	-	493,415	895,840	68,917	(68,917)	1,389,255
Grant revenue	-	-	209,601	-	-	209,601
Other revenue	-	-	319	474,536	-	474,855
Total revenue	-	493,415	1,105,760	543,453	(68,917)	2,073,711
EBITDA	-	174,017	(95,966)	(501,659)	(30,486)	(454,094)
Depreciation and amortisation						(4,505)
Impairment of assets						(1,297,967)
Loss before income tax expense						(1,756,566)
Income tax expense						-
Loss after income tax expense						(1,756,566)
Assets						
Segment assets	1,284,364	-	-	767,857	-	2,052,221
Total assets						2,052,221
Liabilities						
Segment liabilities	15,195	-	-	167,614	-	182,809
Total liabilities						182,809

Geographical information

	Sales to external customers		**Geographical non-current assets**	
	2014 $	**2013 $**	**2014 $**	**2013 $**
Australia	128,486	895,840	2,845,090	1,309,601
New Zealand	-	493,415	-	-
	128,486	1,389,255	2,845,090	1,309,601

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue

	Consolidated	
	2014	2013
	$	$
From continuing operations		
Other revenue		
Interest received - other persons	5,275	11,418
Other revenue	123,211	156,660
Revenue from continuing operations	128,486	168,078

Note 5. Other income

	Consolidated	
	2014	2013
	$	$
Net gain on disposal of investments	20,847	306,458

Note 6. Expenses

	Consolidated	
	2014	2013
	$	$
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	9,182	4,505
Impairment		
Trade and other receivables	11,475	-
Loans to related parties	-	110,000
Impairment of investment in Digistore Solutions International Pty Ltd	-	1,100,000
Impairment of investment in Regal Resources	-	36,667
Impairment of investment in WCP Resources	-	26,300
Impairment of investment in Mining Projects Group Ltd	-	25,000
Total impairment	11,475	1,297,967
Rental expense relating to operating leases		
Minimum lease payments	148,957	106,134

Note 7. Income tax expense

	Consolidated	
	2014	**2013**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,061,261)	(1,804,131)
Tax at the statutory tax rate of 30%	(318,378)	(541,240)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	3,589	561,091
Other allowable items	(13,763)	(442,586)
Tax losses deducted	12,662	118,173
Under provision in prior period	-	194,138
Tax losses not brought into account	328,552	110,424
Income tax expense	12,662	-
Current tax expense	-	-
Deferred tax expense	12,662	-
Income tax expense	12,662	-
Tax assets not recognised (at 30%)		
Unused tax losses for which no deferred tax asset has been recognised	2,504,553	1,864,719
Temporary differences	(636,944)	(350,806)
Potential tax benefit	1,867,609	1,513,913

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Discontinued operations

Description
On 4 February 2013, Valleyarm Digital Ltd and Music Services Asia Pte Ltd ceased to be subsidiaries of Arunta Resources Limited. For this reason, they have been disclosed as discontinued operations in 2013.

On 18 June 2013, CLTNet Pty Ltd, CLTNet NZ Pty Ltd, QL(Aust) Pth Ltd, CLTNet NZ Ltd and QL Pty Ltd(NZ) ceased to be subsidiaries of Arunta Resources Limited. For this reason, they have been disclosed as discontinued operations in 2013.

The $1,100,000 impairment of investments recognised in Note 13 in 2013 is in relation to the consolidated entity's investment in Digistore Solutions International Pty Ltd. This investment was transferred to Strategic Equity Investments Ltd (SEI) on 4 February 2013.

Note 8. Discontinued operations (continued)

Financial performance information

	Consolidated 2014 $	2013 $
Grant received	-	209,601
Professional services revenue	-	1,389,255
Interest	-	319
Total revenue	-	1,599,175
Administration and corporate expenses	-	(769,484)
Employee benefits expense	-	(355,392)
Advertising and marketing	-	(32,422)
Legal and professional fees	-	(138,774)
Impairment of receivables	-	(86,016)
Depreciation and amortisation expense	-	(357)
Other expenses	-	(136,596)
Finance costs	-	(2,084)
Total expenses	-	(1,521,125)
Profit before income tax expense	-	78,050
Income tax expense	-	-
Profit after income tax expense	-	78,050
Gain on sale before income tax	-	87,451
Income tax expense	-	-
Gain on disposal after income tax expense	-	87,451
Profit after income tax expense from discontinued operations	-	165,501

Cash flow information

	Consolidated 2014 $	2013 $
Net cash used in operating activities	-	137,148
Net increase in cash and cash equivalents from discontinued operations	-	137,148

Note 8. Discontinued operations (continued)

Carrying amounts of assets and liabilities

	Consolidated	
	2014	2013
	$	$
Cash and cash equivalents	-	192,138
Trade and other receivables	-	246,058
Property, plant and equipment	-	1,315
Total assets	-	439,511
Trade and other payables	-	(408,043)
Total liabilities	-	(408,043)
Net assets	-	31,468

Details of the disposal

	Consolidated	
	2014	2013
	$	$
Total sale consideration	-	126,358
Carrying amount of net assets sold	-	(31,468)
Derecognition of foreign currency reserve	-	(7,439)
Gain on disposal before income tax	-	87,451
Income tax expense	-	-
Gain on disposal after income tax	-	87,451

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	2014	2013
	$	$
Cash at bank	143,534	409,368

Note 10. Current assets - trade and other receivables

	Consolidated	
	2014	2013
	$	$
Trade receivables	33,982	44,545
Other receivables	83,636	126,358
Interest receivable	312	364
GST receivable	14,085	81,156
	132,015	252,423

Impairment of receivables
The consolidated entity has recognised a loss of $11,475 in respect of impairment of receivables for the year.

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $27,039 as at 30 June 2014 ($12,622 as at 30 June 2013).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2014	2013
	$	$
0 to 3 months overdue	-	-
3 to 6 months overdue	27,039	12,622
	27,039	12,622

Note 11. Current assets - other

	Consolidated	
	2014	2013
	$	$
Prepayments	13,630	18,996

Note 12. Non-current assets - receivables

	Consolidated 2014 $	Consolidated 2013 $
Loan to related party - Digistore	-	220,000
Provision for impairment of loans	-	(220,000)
Loan - other entities	-	698
	-	698

Note 13. Non-current assets - available-for-sale financial assets

	Consolidated 2014 $	Consolidated 2013 $
Shares in listed entity - Regal Resources Limited	20,267	13,333
Shares in listed entity – WCP Resources Limited	-	23,500
Shares in listed entity – Mining Projects Group Limited	-	25,000
	20,267	61,833

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2014 $	2013 $
Opening fair value	61,833	1,668,644
Additions	-	99,800
Disposals	(73,572)	(518,644)
Revaluation increments/(decrements)	32,006	(87,967)
Impairment of assets	-	(1,100,000)
Closing fair value	20,267	61,833

Refer to note 23 for further information on financial instruments.

Shares in Regal Resources Limited were received as part consideration of sale of an investment in the financial year ended 30 June 2011. These have been adjusted to the quoted share price at each reporting date. Due to a recent increase in the quoted share price, the increase in fair value of the investment has been recognised in the Statement of Profit or Loss and Other Comprehensive Income in the current year.

On 6 February 2013, the company purchased 500,000 shares in WCP Resources Limited. These shares were sold in the current financial year.

On 18 March 2013, the company purchased 6,250,000 shares in Mining Projects Group Limited. These shares were sold in the current financial year.

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2014 $	Consolidated 2013 $
Leasehold improvements - at cost	25,270	25,270
Less: Accumulated depreciation	(9,913)	(8,207)
	15,357	17,063
Plant and equipment - at cost	49,742	49,742
Less: Accumulated depreciation	(49,742)	(42,266)
	-	7,476
	15,357	24,539

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold $	Plant & Equipment $	Total $
Consolidated			
Balance at 1 July 2012	15,608	11,988	27,596
Additions/(Disposals)	3,120	(1,672)	1,448
Depreciation expense	(1,665)	(2,840)	(4,505)
Balance at 30 June 2013	17,063	7,476	24,539
Additions/(Disposals)	-	-	-
Depreciation expense	(1,706)	(7,476)	(9,182)
Balance at 30 June 2014	15,357	-	15,357

Note 15. Non-current assets - intangibles

	Consolidated 2014 $	Consolidated 2013 $
Goodwill	252,490	-

Refer to Note 33 for details on goodwill.

Note 16. Non-current assets - exploration and evaluation

	Consolidated	
	2014	**2013**
	$	**$**
Exploration and evaluation - at cost	2,267,797	1,284,364

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration	Total
	$	$
Consolidated		
Balance at 1 July 2012	206,529	206,529
Additions (i)	1,077,835	1,077,835
Balance at 30 June 2013	1,284,364	1,284,364
Acquisition costs (ii)	532,617	532,617
Additions	450,816	450,816
Balance at 30 June 2014	2,267,797	2,267,797

(i) On 20 December 2012, the company issued 60,000,000 (1.2 cents per share) valued at $720,000 as consideration for gaining a 51% interest in the Southern Cross Bore Project.
(ii) Refer to Note 33 for details.

The remaining additions relate to exploration work on the project.

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2014	**2013**
	$	**$**
Trade payables and accruals	195,725	156,541

Refer to note 23 for further information on financial instruments.

Note 18. Current liabilities - employee benefits

	Consolidated	
	2014	**2013**
	$	**$**
Annual leave entitlements	13,950	14,268

Note 19. Current liabilities - provisions

	Consolidated 2014 $	Consolidated 2013 $
Other	12,000	12,000

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Note 20. Equity - issued capital

	Consolidated		Consolidated	
	2014 Shares	2013 Shares	2014 $	2013 $
Ordinary shares - fully paid	730,782,408	447,687,155	28,057,304	26,253,312

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 July 2012	255,486,960		24,175,681
Issue of shares	22 October 2012	31,500,000	$0.012	378,000
Issue of shares	5 December 2012	31,500,000	$0.012	378,000
Issue of shares – Southern Cross Bore Project	20 December 2012	60,000,000	$0.012	720,000
Issue of shares	20 December 2012	7,000,000	$0.012	84,000
Issue of shares	23 April 2013	200,195	$0.002	4,004
Issue of shares	14 May 2013	62,000,000	$0.001	620,000
Costs of capital raising				(106,373)
Balance	30 June 2013	447,687,155		26,253,312
Issue of shares – Southern Cross Bore Project	29 July 2013	60,000,000	$0.011	660,000
Issue of shares	8 October 2013	91,125,000	$0.008	729,000
Settlement of creditors costs	8 October 2013	14,131,250	$0.008	113,050
Settlement of creditors costs	18 December 2013	5,214,003	$0.012	62,568
Issue of shares	18 December 2013	14,375,000	$0.008	115,000
Settlement of creditors costs	18 December 2013	13,250,000	$0.008	106,000
Issue of shares	5 June 2014	85,000,000	$0.001	85,000
Costs of capital raising		-		(66,626)
Balance	30 June 2014	730,782,408		28,057,304

Note 20. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

Note 21. Equity - reserves

	Consolidated	
	2014	**2013**
	$	**$**
Available-for-sale reserve	13,934	-
Share-based payments reserve	160,000	150,000
	173,934	150,000

Available-for-sale reserve
The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets. An increment of $13,934 was recorded in the current year.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. During the year, 15,000,000 share options (refer to Note 35) were issued to settle creditor liability of $10,000.

Note 22. Equity - dividends

There were no dividends paid or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Consolidated				
New Zealand dollars	-	158,802	-	13,758
Singapore dollars	-	19,586	-	442,656
	-	178,388	-	456,414

	AUD strengthened			AUD weakened		
Consolidated - 2014	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
New Zealand Dollars	10%	-	-	10%	-	-
Singapore Dollars	10%	-	-	10%	-	-
		-	-		-	-

Note 23. Financial instruments (continued)

	AUD strengthened			AUD weakened		
Consolidated - 2013	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
New Zealand Dollars	10%	-	(14,504)	10%	-	14,504
Singapore Dollars	10%	-	42,307	10%	-	(42,307)
		-	27,803	10%	-	(27,803)

Price risk
The consolidated entity is exposed to price risk in relation to its listed investments

	Average price increase			Average price decrease		
Consolidated - 2014	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in Regal Resources Ltd	50%	-	10,134	50%	-	(10,134)
		-	10,134		-	(10,134)

	Average price increase			Average price decrease		
Consolidated - 2013	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in Regal Resources Ltd	50%	-	6,667	50%	(6,667)	(6,667)
Shares in WCP Resources Ltd	50%	-	11,750	50%	(11,750)	(11,750)
Shares in Mining Projects Ltd	50%	-	12,500	50%	(12,500)	(12,500)
		-	30,917		(30,917)	(30,917)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is 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. The consolidated entity does not hold any collateral.

At 30 June 2014 the total value of receivable past due and not impaired was $27,039 (2013: $12,622). Impairment charge of $11,475 (2013: $NIL) has been recognised in relation to trade receivables.

Note 23. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2014	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	195,725	-	-	-	195,725
Provisions	12,000	-	-	-	12,000
Total non-derivatives	207,725	-	-	-	207,725

Consolidated - 2013	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	156,541	-	-	-	156,541
Provisions	12,000	-	-	-	12,000
Total non-derivatives	168,541	-	-	-	168,541

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Note 23. Financial instruments (continued)

Consolidated - 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares - listed entity	20,267	-	-	20,267
Total assets	20,267	-	-	20,267

Consolidated - 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares - listed entity	61,833	-	-	61,833
Total assets	61,833	-	-	61,833

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 24. Key management personnel disclosures

Directors
The following persons were directors of Arunta Resources Limited during the financial year:

Mr Angus Edgar
Mr Neil Biddle
Mr Adrien Wing
Mr Martin Ralston (resigned 30 July 2014)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the 2014 and 2013 financial years:

Mr Matthew Shackleton – chief executive officer for 3 months from September to November 2014
Mr Greg Bound - Executive Director of CLTNet Pty Ltd
Mr Gary Mackenzie - Director of Valleyarm Digital Ltd

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2014 **$**	**2013** **$**
Short-term employee benefits	401,333	510,000
Post-employment benefits	1,665	2,160
	402,998	512,160

Related party transactions
Related party transactions are set out in note 28.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated	
	2014	2013
	$	$
Audit or review of the financial statements	38,200	54,950

Note 26. Contingent liabilities

The consolidated group has guaranteed a rental bond for the operating premises. At 30 June 2014 the extent of possible consolidated group exposure is $40,920.

Note 27. Commitments

	Consolidated	
	2014	2013
	$	$
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
One to five years	246,675	-
Over 5 years	10,750	-
	257,425	-
Operating leases		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	65,365	84,899
One to five years	-	65,365
	65,365	150,264

If the consolidated entity decides to relinquish certain exploration leases and/or does not meet its obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of the carrying values. The sale, transfer and/or farm-out of explorations rights to third parties will reduce or extinguish these obligations.

Operating lease commitments are the non-cancellable operating lease on office space expiring within one year with an option to extend. The lease has various escalation clauses. On renewal, the terms of the lease are renegotiated.

Note 28. Related party transactions

Parent entity
Arunta Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2014	**2013**
	$	**$**
Other income:		
Rental and administrative expenses charged to Melbourne Capital Limited, an associated entity of Mr Angus Edgar	20,241	19,726
Rental and administrative expenses charged to Regal Resources Limited, an associated entity of Mr Angus Edgar	82,552	96,347
Payment for goods and services:		
Consultancy services provided to CLTNet Pty Ltd by Aztech Venture Partners, an associated entity of Mr Greg Bound	-	97,500
Company Secretarial services provided to Arunta Resources Ltd by Northern Star Nominees Pty Ltd, an associated entity of Mr Adrien Wing	79,400	73,400
Other transactions:		
Payment for acquisition of shares in Mining Projects Group Limited, an entity related to Mr Angus Edgar	-	50,000

Note 28. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2014	**2013**
	$	**$**
Current receivables:		
Trade receivables from Regal Resources Ltd, an entity related to Mr Angus Edgar	32,158	30,013
Trade receivables from Melbourne Capital Pty Ltd, an entity related to Mr Angus Edgar	1,825	1,910
Current payables:		
Underwriting services provided by Serec Pty Ltd, an associated entity of Mr Angus Edgar	-	7,000
Company Secretarial services provided by Northern Star Nominees Pty Ltd, an associated entity of Mr Adrien Wing	19,140	-

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2014	**2013**
	$	**$**
Non-current receivables:		
Loan to Digistore Solutions International Pty Ltd, an associated entity of Mr Angus Edgar	-	220,000

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2014 $	Parent 2013 $
Loss after income tax	(1,455,390)	(1,882,182)
Total comprehensive income	(1,455,390)	(2,188,640)

Statement of financial position

	Parent 2014 $	Parent 2013 $
Total current assets	287,081	680,787
Total assets	2,455,038	2,052,221
Total current liabilities	213,088	182,809
Total liabilities	213,088	182,809
Equity		
Issued capital	28,057,304	26,253,312
Available-for-sale reserve	13,934	-
Options reserve	160,000	150,000
Accumulated losses	(25,989,288)	(24,533,900)
Total equity	2,241,950	1,869,412

Contingent liabilities
The parent entity contingent liabilities as at 30 June 2014 and 30 June 2013 are disclosed in Note 26.

Commitments
Commitments of the parent relate to office leases and are identical to those of the consolidated entity. Refer to Note 27.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment

Note 30. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Equity holding	
Name of entity	**Country of incorporation**	**2014 %**	**2013 %**
Davenport Resources Pty Ltd	Australia	100.00	-

Note 31. Events after the reporting period

On 19 August 2014, the Company closed a capital raising of $1.1m (before costs and expenses) from a renounceable pro-rata Rights Issue of 1.5 new Shares for every 1 Share held at an issue price of 0.1 cents each together with 1 free-attaching new Option, exercisable at 0.2 cents and expiring on 31 July 2019, for every 2 new Shares issued.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2014 $	**2013 $**
Loss after income tax expense for the year	(1,073,923)	(1,756,566)
Adjustments for:		
Depreciation and amortisation	9,182	4,505
Gain on sale of investments	(20,847)	-
Impairment of trade and other receivables	-	1,100,000
Impairment of other financial assets	-	87,967
Impairment of loan to related parties	-	110,000
Change in operating assets and liabilities:		
Increase in trade and other receivables	124,634	81,108
Decrease in prepayments	5,367	42,929
Increase in other operating assets	-	(1,447)
Decrease in deferred tax asset	12,662	-
Increase/(decrease) in trade and other payables	152,602	(517,378)
Increase in employee benefits	(318)	5,234
Increase in other provisions	-	(306,458)
Net cash used in operating activities	(790,641)	(1,150,106)

Note 33. Non-cash investing and financing activities

Acquisition of Controlled Entity

On 26 July 2013, the Company issued 60,000,000 shares (1.1 cents per share) valued at $660,000 which was approved by shareholders of Arunta Resources Limited at the 2012 Annual General Meeting as consideration for gaining a 100 percent interest in the Southern Cross Bore Project resulting in the acquisition of Davenport Resources Pty Ltd, which is the sole owner and holder of Southern Cross Bore Project tenements.

The goodwill is attributable to the high prospect contains in the historical Hatches Creek mining field where there are numerous exploited quartz veins containing wolframite, a tungsten mineral.

Details of the acquisition are as follows:

	Acquiree's carrying amount $	Fair Value $
GST receivable	4,227	4,227
Exploration leases	532,617	532,617
Trade and other payables	(135,833)	(135,833)
Loans	(6,163)	(6,163)
Income tax benefit for losses incurred till 30 June 2013	-	12,662
Net assets acquired	394,848	407,510
Goodwill		252,490
Acquisition-date fair value of the total consideration transferred		660,000
Representing:		
Arunta Resources Limited shares issued to vendor		660,000

During the prior year the company issued 60,000,000 ordinary shares at an issue price of $0.012 to acquire 51% in the Southern Cross Bore Project.

Settlement of Creditors

During the current year, 32,595,253 shares (refer to Note 20) were issued to settle creditor costs of $281,618.

Note 34. Earnings per share

	Consolidated 2014 $	Consolidated 2013 $
Earnings per share from continuing operations		
Loss after income tax attributable to the owners of Arunta Resources Limited	(1,073,923)	(1,922,067)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	602,615,026	338,277,681
Weighted average number of ordinary shares used in calculating diluted earnings per share	602,615,026	338,277,681
	Cents	**Cents**
Basic earnings per share	(0.178)	(0.568)
Diluted earnings per share	(0.178)	(0.568)

	Consolidated 2014 $	Consolidated 2013 $
Earnings per share from discontinued operations		
Loss after income tax	-	117,936
Non-controlling interest	-	47,565
Loss after income tax attributable to the owners of Arunta Resources Limited	-	165,501
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	-	338,277,681
Weighted average number of ordinary shares used in calculating diluted earnings per share	-	338,277,681
	Cents	**Cents**
Basic earnings per share	-	0.049
Diluted earnings per share	-	0.049

Note 34. Earnings per share (continued)

	Consolidated 2014 $	Consolidated 2013 $
Earnings per share for loss		
Loss after income tax	(1,073,923)	(1,756,566)
Non-controlling interest	-	(47,565)
Loss after income tax attributable to the owners of Arunta Resources Limited	(1,073,923)	(1,804,131)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	602,615,026	338,277,681
Weighted average number of ordinary shares used in calculating diluted earnings per share	602,615,026	338,277,681

	Cents	Cents
Basic earnings per share	(0.178)	(0.519)
Diluted earnings per share	(0.178)	(0.519)

Note 35. Share-based payments

Set out below are details of options on issue:

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Corporate Advisory Costs	Free Attaching Options	Exercised	Balance at the end of the year
22/02/2012	21/03/2015	$0.02	30,000,000	-	-	-	30,000,000
18/12/2013	20/12/2014	$0.02	-	-	246,354,457	-	246,354,457
18/12/2013	18/12/2016	$0.03	-	15,000,000	-	-	15,000,000
			30,000,000	15,000,000	246,354,457	-	291,354,457

Arunta Resources Limited
Directors' declaration
30 June 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

____
Neil Biddle
Director

25 September 2014
Melbourne

Advantage Advisors Audit Partnership
Audit & Assurance Services
Level 7, 114 William Street
Melbourne VIC 3000
Australia
GPO Box 2266
Melbourne VIC 3001
Australia
ABN 47 075 804 075
T +61 3 9274 0600
F +61 3 9274 0660
audit@advantageadvisors.com.au
advantageadvisors.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARUNTA RESOURCES LIMITED

Report on the Financial Report
We have audited the accompanying financial report of Arunta Resources Limited and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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. 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.

ADVANTAGE ADVISORS
Chartered Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARUNTA RESOURCES LIMITED (Continued)

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

Opinion
In our opinion:

(a) the financial report of Arunta Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern
Without qualifying our opinion, we draw attention to Note 1: Going Concern in the financial report which indicates that the consolidated entity incurred a total comprehensive loss and incurred negative cash flows from operations during the year ended 30 June 2014. These conditions, along with other matters as set forth in Note 1: Going Concern, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore realise its assets and extinguish its liabilities in the normal course of business.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 14 to 19 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.

Opinion
In our opinion, the Remuneration Report of Arunta Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Advantage Advisors

James Ridley

ADVANTAGE ADVISORS AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

JAMES RIDLEY
PARTNER

Dated in Melbourne on this 25th day of September 2014.

Principles and Recommendations		Compliance
Principle 1 – Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved for the Board and those delegated to manage and disclose those functions.	Yes. The Board has adopted a Board Charter that formalises its roles and responsibilities and defines matters that are reserved for the Board and specific matters that are delegated to management.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes. The Board meets annually to review the performance of executives. The senior executives performance is assessed against performance of the Company as a whole.
1.3	Provide the information indicated in Guide to reporting on Principle 1.	Yes. A copy of the Board Charter is available at www.aruntaresources.com.au.
Principles 2 – Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	Yes. The Board has two non-executive directors and one executive director.
2.2	The chair should be an independent director.	No. Mr Martin Ralston was the Chairman and considered by the Board to be independent. He resigned on 30 July 2013. Mr Neil Biddle is now the Chairman and is not considered by the Board to be independent.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	No. Mr Neil Biddle is the Chairman and Chief Executive Officer.
2.4	The Board should establish a nomination committee.	Yes. Given the size and scale of Arunta Resources Limited, the role of a nomination committee is carried out by the full Board. The Board has adopted a Nomination Committee Charter that formalises its roles and responsibilities.
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes. The full Board assumes responsibility for the ongoing evaluation of the performance of the Board individual directors and, where applicable, its committees.
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes. A copy of the Nomination Committee Charter is available at www.aruntaresources.com.au.
Principle 3 – Promote ethical and responsible decision making		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code.	Yes. The Board has adopted a Corporate Code of Conduct Policy and Executive Code of Conduct Policy. The policy establishes a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. A copy of the policy is available at www.aruntaresources.com.au.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	Yes. The Board has adopted a Diversity Policy.

3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity	Yes. The Company currently has no employees.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes. The Company has: 0 female employee in the whole organisation. 0 female employees in senior executive positions. 0 female employees on the Board.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes. A copy of the Diversity Policy is available at www.aruntaresources.com.au
Principles 4 – Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	Yes. The Board has adopted an Audit Committee Charter to independently verify and safeguard the integrity of Company's financial reporting.
4.2	The audit committee should be structured so that it consists only of non-executive directors, a majority of independent directors, is chaired by an independent chair, who is not chair of the Board and have at least three members.	Yes. Given the size of Arunta Resources Limited, the role of an audit committee is carried out by the full Board. The Board has adopted an Audit Committee Charter that formalised its roles and responsibilities.
4.3	The audit committee should have a formal charter.	Yes.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes. A copy of the Audit Committee Charter is available at www.aruntaresources.com.au.
Principle 5 – Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes. The Company has adopted a Continuous Disclosure Policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes. A copy of the Continuous Disclosure Policy is available at www.aruntaresources.com.au.
Principle 6 – Respect the rights of shareholders		
6.1	Companies should design a communication policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes. The Board has adopted a Communication Policy which details ways the Company communicate with its shareholders effectively. The Company uses its website, annual reports, market announcements, media disclosures and newsletter to communicate with its shareholders, as well as encourages participation at general meetings.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Yes. A copy of the Communication Policy is available at www.aruntaresources.com.au.

Principle 7 – Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes. The Company has adopted a Business Risk Policy to identify and manage business risks. The Managing Director is responsible for managing risk, reporting risks to the Board and determining strategies to mitigate risks. Ultimate responsibility for risk oversight and risk management rests with the Board.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes. Whilst management has not formally reported to the Board as to the effectiveness of the Company's management of its material business risks, the Board believes the risk management and internal control systems designed and implemented by management and the full Board are adequate given the size and nature of the Company's activities. The Company intends to develop the risk reporting framework into a detailed policy as its operations continue to grow.
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 Corporation Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes. The Board has received a statement from the directors fulfilling the roles of the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is found on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes. A copy of the Business Risk Policy is available at www.aruntaresources.com.au.

Principle 8 – Remunerate fairly and responsibly		
8.1	The Board should establish a remuneration committee.	Yes. The Board considers that given the current size of the Board, this function is efficiently achieved with full board participation. Accordingly, the Board has adopted a Remuneration Committee Charter to ensure executives; non-executives and employees are remunerated fairly and reasonably.
8.2	The remuneration committee should be structured so that it consists of a majority of independent directors, is chaired by an independent director and has at least three members.	Yes. Refer to comments above at 8.1. The full Board consists of three members.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes. The Board has adopted a Remuneration policy which is designed to motivate executives; non-executives and employees to pursue long-term growth and success of the Company.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes. A copy of the Remuneration Committee Charter is available at www.aruntaresources.com.au.

Arunta Resources Limited's corporate governance practices were in place for the financial year ended 30 June 2014 and to the date of signing the directors' report. The Board has also undertaken to conduct a full review of its corporate governance policies with the view to adopting revised versions during the new financial year.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Arunta Resources Limited, please refer to our website: www.aruntaresources.com.au.

The shareholder information set out below was applicable as at 11 September 2014.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	755
1,001 to 5,000	213
5,001 to 10,000	133
10,001 to 100,000	349
100,001 and over	360
	1,810
Holding less than a marketable parcel	1,510

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	**% of total shares issued**
Serec Pty Ltd	197,927,875	10.83
Oceanic Cap Pty Ltd	132,843,696	7.27
Biddle Partners Pty Ltd	128,630,863	7.04
Ackerman Group Holdings Ltd	124,057,846	6.79
Mikado Corp Pty Ltd	116,777,750	6.39
Northern Star Nominees Pty Ltd	81,695,273	4.47
Aust Heritage Group Pty Ltd	49,671,849	2.72
St Barnaba Investment Pty Ltd	47,466,400	2.60
Mungala Investment Pty Ltd	39,281,843	2.15
Capp Peter Barrett	34,025,000	1.86
2M RES Pty Ltd	32,900,000	1.80
Bodie Investments Pty Ltd	30,000,000	1.64
Petlin Nominees	28,000,000	1.53
Millikan M I + J A W	27,000,000	1.48
Emarzi Pty Ltd	26,687,500	1.46
Van Den Berg Fiona N	26,000,000	1.42
Regal Resources Ltd	21,200,000	1.16
Smith Elwi Ann	20,000,000	1.09
Trent Mark	20,000,000	1.09
LTL Cap Pty Ltd	17,500,000	0.96
	1,201,665,895	65.75

Twenty largest quoted option holders
The names of the twenty largest security holders of quoted options are listed below:

	Number held	% of total options issued
Serec Pty Ltd	79,214,287	13.41
Oceanic Cap Pty Ltd	63,921,847	10.82
Mikado Corp Pty Ltd	47,533,325	8.05
Biddle Partners Pty Ltd	45,844,995	7.76
Ackerman Group Holdings Ltd	37,253,887	6.31
Northern Star Nominees Pty Ltd	35,410,137	6.00
Aust Heritage Group Pty Ltd	24,835,925	4.21
St Barnaba Investment Pty Ltd	19,239,920	3.26
Capp Peter Barrett	14,750,000	2.50
Van Den Berg Fiona N	12,612,500	2.14
2M RES Pty Ltd	12,500,000	2.12
Millikan M I + J A W	12,500,000	2.12
Mungala Investments Pty Ltd	11,784,554	2.00
Petlin Nominees	10,000,000	1.69
Smith Elwi Ann	10,000,000	1.69
Trent Mark	10,000,000	1.69
Bodie Investments Pty Ltd	9,000,000	1.52
Emarzi Pty Ltd	8,006,250	1.36
Ningbo Inwit Pty Ltd	7,500,000	1.27
LTL Cap Pty Ltd	7,250,000	1.23
	479,157,627	81.15

Substantial shareholders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Angus Edgar	237,612,310	13.01
Neil Biddle	136,630,863	7.48

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Arunta Resources Limited
Mining tenement schedule
30 June 2014

Title Number	Registered Holder	%	Statues (G – Grant, A – Application)	Area sq kms
Northern Territory				
EL 28045	Davenport Resources Pty Ltd	100	G	73
EL 29062	Davenport Resources Pty Ltd	100	A	61
EL 22912	Davenport Resources Pty Ltd	100	G	25
EL 23463	Davenport Resources Pty Ltd	100	G	6
EL 29827	Davenport Resources Pty Ltd	100	A	16
EL 30090	Davenport Resources Pty Ltd	100	A	557