WHITE EAGLE
RESOURCES LTD

ABN 43 147 799 951

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2014

Directors

Mr Benjamin Bussell – Non-Executive Director
Mr Jeremy Bond – Non-Executive Director
Mr Stuart Richardson – Non-Executive Director

Company Secretary
Mr Matthew Foy

Auditors

BDO (Audit) WA Pty Ltd
38 Station Street
Subiaco WA 6008

Registered Office

Office J, Level 2
1139 Hay St
West Perth WA 6005

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Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Bankers

National Australia Bank
131 Victoria Street
Bunbury WA 6230

Stock Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange – Perth
Ticker: WEG

Australian Company Number
ACN 147 799 951

Australian Business Number
ABN 43 147 799 951

Share Registry

Security Transfers Registers
770 Canning Highway
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Domicile and Country of Incorporation
Australia

The Directors submit their report on the consolidated entity (referred to hereafter as the **Group**) consisting of White Eagle Resources Limited (the **Company, White Eagle**) and the entity it controlled for the year ended 30 June 2014.

1. DIRECTORS

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

Mr Jeremy Bond, Non-Executive Director
BCom, BEcons, BArts

Mr Bond graduated from the University of Western Australia with a Bachelor of Commerce (Accounting and Finance), Bachelor of Economics (International Banking) and Bachelor of Arts (Political Science). Mr Bond is currently a fund manager and founder of Terra Capital, a small cap natural resource fund based in Australia. This fund invests in both public and private resource deals throughout the world.

Mr Bond is not currently on the board of any other listed company. In the last three years Mr Bond has held positions on the following boards; Black Mountain Resources Limited (resigned August 2011) and OreCorp Limited (formerly Silver Stone Resources Ltd) (resigned 28 February 2013).

Mr Stuart Richardson, Non-Executive Director (appointed 12 August 2013)
B.Bus, CPA

Mr. Richardson has experience in capital markets in both Australia and overseas in the field of stockbroking and investment banking. He is a founding director of Blackwood Capital Limited, an Australian based investment bank operating in capital markets, advisory services and funds management in equities and private equity funds. He holds a Bachelor of Business from the Swinburne University of Technology, Melbourne, Australia, and is a CPA.

Mr Richardson is currently a director of UnderCoverWear Limited. In the last three years Mr Richardson has not held any other directorships.

Mr Benjamin Bussell, Non-Executive Director
B.Bus, GIA(Cert)

Mr Bussell is a Senior Accountant with over 14 years' experience in public accounting, corporate accounting and taxation. He is currently the Chief Financial Officer of several ASX listed mineral exploration companies. In the last three years Mr Bussell has held positions on the following boards; Auroch Minerals NL (resigned 14 January 2013) and SWW Energy Limited (resigned 16 September 2013).

Dr Saliba Sassine, Non-Executive Director (resigned 12 August 2013)
BEc. (Hons), PhD, SA Fin

Dr Saliba Sassine is an experienced company executive and director. He is Chairman of S&A Capital Pty Ltd, a boutique investment and project origination group specialising in resources, energy and renewables. Dr Sassine has held positions at Chairman or CEO level in a number of listed and privately held companies and has directed and advised on the activities of a number of start-up and early stage enterprises at pre and post-IPO. Dr Sassine has also worked as a senior ministerial and government adviser in Australia and represented the Western Australian Government on a number of state and national advisory boards and committees. Dr Sassine is a Senior Associate Member of the Securities Institute of Australia. He is Chairman of the Perth Theatre Trust, Chairman of the POWA Institute, and a member of the board of the WA Academy of Performing Arts.
In the last three years Dr Sassine has held positions on the following boards; Laconia Resources Limited and Consegna Group Limited (previously Helicon Group Ltd) (resigned 12 April 2011).

Mr Matthew Foy, Company Secretary
BCom, GradDipAppFin, GradDipACG, SAFin, AGIA, ACIS

Mr Foy, previously a Senior Adviser at the ASX has five years' experience in facilitating the compliance of listed companies. Mr Foy is a member of Governance Institute of Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia. Mr Foy is Company Secretary to several ASX listed companies.

2. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

	Fully Paid Ordinary Shares
Mr Benjamin Bussell	-
Mr Jeremy Bond	30,242,981
Mr Stuart Richardson (appointed 12 August 2013)	6,480,000
	36,722,981

There are no options held by directors.

3. DIVIDENDS

No dividend has been paid during the year and no dividend is recommended for the year.

4. DIRECTORS' MEETINGS

No Directors' meetings were physically held during the financial year and the Board conducted its function via director resolutions with the full participation of the Board.

For details of the function of the Board, Audit Committee and Remuneration Committee, please refer to the Corporate Governance Statement.

5. PRINCIPAL ACTIVITIES

White Eagle Resources Limited is an Australian-based exploration company established to acquire, explore, evaluate and exploit global mineral resource projects and evaluate all opportunities to increase shareholder wealth.

6. REVIEW OF OPERATIONS

Acquisition of Lunalite International Pty Ltd

On 27 June 2014 the Company advised it had entered into a binding termsheet (**Agreement**) with the shareholders and board of to acquire up to 100% of Lunalite International Pty Ltd (**Lunalite**) (**Transaction**). Lunalite operates in the rapidly expanding digital outdoor media sector. Lunalite has successfully designed, installed and tested one of the world's first Cross Track Digital Media systems (**XTD**) using large format LED screens to replace the current static print cross track media posters found in rail stations.

Transaction Highlights

- Lunalite has been awarded a 7 year contract by Metro Trains Melbourne Pty Ltd (**MTM**), the operator of the Melbourne rail network, to install and operate 32 XTD screens across its 3 underground rail stations (**Melbourne Contract**).
    - Lunalite has appointed APN Outdoor as its exclusive sales agent in respect of the Melbourne Contract for an initial period of 12 months.
    - 32 screens expected to be installed, fully operational and generating revenue for Lunalite by October 2014.
- Lunalite has been awarded a separate contract for up to 7 years by Queensland Rail (**QR**), the operator of the Queensland rail network, to install and operate 15 screens across 5 stations (**Queensland Contract**).
    - 15 screens expected to be installed, fully operational and generating revenue for Lunalite by May 2015.
- Lunalite is currently developing a complementary mobile phone 'App' which leverages its XTD server platform to provide a personalised rail security (**PRO*tech*T**) and direct advertising capability.

Figure 1: Operational Cross-Track Digital Media system at Central Station, Melbourne.

About Lunalite

Lunalite is an emerging service provider to the growing Out-of-Home Advertising (**OOH Advertising**) sector. In Australia in 2013, total revenue from the OOH Advertising Sector was estimated to be $543.8 million[1] across formats including billboards, street furniture, taxis, bus and tram externals, and airports.

Lunalite's specific initial focus within the OOH Advertising Sector is rail stations. Globally, hundreds of millions of commuters use rail stations every day and media companies throughout the world understand the financial benefits of advertising to commuters as they wait for their trains, namely:

- Large volume captive audiences with long dwell times; and
- Audience demographics for various locations can be well specified.

Through its proprietary XTD system, Lunalite has designed a solution which gives the advertising market a medium to provide digital advertising to rail commuters from a cross track location whilst they await their train. To date, cross track advertising within train stations globally has largely been accomplished via static media posters which are expensive to print and mount, difficult to maintain / change (by virtue of their location) and losing appeal in a market becoming increasingly dominated by digital alternatives.

The key attributes of Lunalite's XTD system include:

- Custom engineered large format digital LED screens with stereo sound to display TV commercials.
- Wirelessly coupled to a proprietary XTD train approaching system.
- Dynamic content management system software which enables adverts to be changed wirelessly at any time.
- Meets OHS and regulatory requirements to satisfy both government and rail operator requirements as evidenced by completion of successful 6 month trails in both Melbourne and Queensland.

[1] Estimated total revenue of the Out-of Home Advertising Sector in 2013 by the Outdoor Media Association (http://www.oma.org.au/facts-and-figures/industry-performance)

- Offers a server platform to install phase two of the XTD package – "the App" to provide a personalised rail security and direct advertising capability.

Lunalite has already commenced the installation of the Melbourne Contract and estimate a total cost to complete of approximately $3.5 million. This will be part funded via a capital raising to be undertaken directly in Lunalite with the balance to be funded by White Eagle once the Transaction completes.

In conjunction with the installation and commissioning of the Melbourne and Queensland Contracts, Lunalite is undertaking further discussions with various international rail operators and media groups regarding the potential roll out of its XTD system on international rail networks.

Term Sheet

On the 27 of June 2014, White Eagle executed a binding termsheet that, subject to the satisfaction of a number of conditions precedent outlined below, will result in White Eagle acquiring up to 100% of the issued capital of Lunalite.

Under the terms of the Agreement, White Eagle will acquire up to 100% of Lunalite for the following consideration:

- 520.0 million ordinary fully paid shares in White Eagle.
- 380.0 million Performance Shares which will convert to fully paid ordinary shares upon the achievement of the Milestones 1, 2, 3 and 4 as outlined below:

Milestone	**Number of Shares to be Issued**
Milestone 1: Successful installation and first revenue to Lunalite from the Queensland-based Contract	60.0 million
Milestone 2: The agreed 'security mobile application' being developed and either: a) adopted by one rail operator; or b) achieving a minimum of 200,000 subscribers.	60.0 million
Milestone 3: Lunalite generating net revenue of at least $5.0 million in any 12 month period.	60.0 million
Milestone 4: Lunalite being awarded an off-shore XTD contract of at least 40 screens and that contract being installed and generating revenue to Lunalite	200.0 million

Conditions Precedent

The Transaction is subject to a number of conditions being satisfied, including:

i) Completion of a capital raising by Lunalite of at least $2.65 million;

ii) Execution of an formal share sale and purchase agreement (**SSA**);

iii) White Eagle raising a minimum of $1.0 million in conjunction with re-complying with Chapters 1 & 2 of the ASX Listing Rules; and

iv) White Eagle shareholder approval.

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

The acquisition of Lunalite will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Recompliance**). The Company will despatch a notice of meeting (NOM) to shareholders seeking the relevant approvals to undertake this process, with such notice to contain detailed information relating to the acquisition of Lunalite. The Company will also be required to undertake a share consolidation (**Consolidation**) at a price to be determined closer to dispatch of the NOM.

Name Change

As part of the transaction, the Company will seek the approval of shareholders to change its name to XTD Limited.

Board Change

Lunalite will be entitled to nominate three persons to the Board of Directors on completion of the Transaction.

Indicative Capital Structure on Completion

	Number of Shares (Pre-Consolidation)
Current Issued Capital	398,102,531
Upfront consideration Shares to be issued to Lunalite	520,000,000
Shares to be issued as consideration for the $2.65 million capital raising to be undertaken in Lunalite	530,000,000
Minimum $1.0m Re-compliance Capital Raising[2]	200,000,000
Total Shares on Issue following Completion and Recompliance	**1,648,102,531**
Performance Shares	**380,000,000**

Pardoo Nickel Project

During the Period the Company advised it had entered into a tenement sale agreement with Segue for the outright purchase of Pardoo Tenements E45/2146 and E45/3464 (**Pardoo Tenements**) in the Pilbara region of Western Australia (**Figure 2**).

[2] For illustrative purposes the Indicative Capital Structure table above assumes the $1.0 Minimum Recompliance Capital Raising is undertaken at pre-Consolidation price equivalent to $0.005. However it should be noted that if the share price is at a higher price prior to Recompliance, the capital raising may be undertaken at a higher price. Furthermore the Company may decide to raise more than $1.0 million.

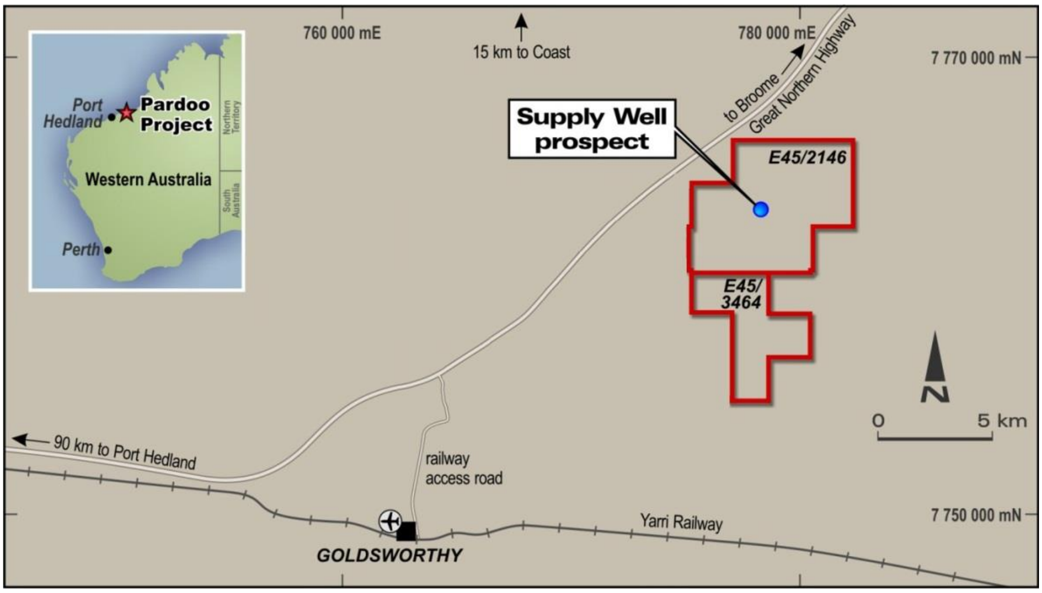

Figure 2: Pardoo tenements E45/2146 and E45/3464

The Pardoo Tenements comprise two of the four tenements that were the subject of the previous joint venture with Segue.

The Pardoo Tenements are located adjacent to the Great Northern Highway, some 100 km east-northeast of Port Hedland and 17 km north-northwest of Mt Goldsworthy. The project area is 15 km from the coast and is in close proximity to power, rail and port facilities.

The project area contains magmatic and shear-hosted base metal mineralisation. Zinc mineralisation has been discovered at the Supply Well prospect. This mineralisation is associated with the regional east-northeasterly trending Pardoo Fault zone. It is an unusual style of disseminated and semi-massive nickel and copper sulphide mineralisation that appears to be stratabound within metasediments and cherts of the Gorge Creek Group.

At Supply Well, wide spaced drilling has intersected significant widths of low grade nickel, copper and zinc mineralisation in chert of the Nimingarra Iron Formation. The main sulphide minerals identified in drill core are pyrite and pyrrhotite with variable quantities of chalcopyrite. Petrological studies have also identified minor amount of pentlandite with violarite and covellite.

Acquisition Terms – Pardoo Project

White Eagle agreed to purchase the Pardoo Tenements outright, for total cash consideration of $20,000 (ex. GST). The agreement was conditional on the approval by the Company's shareholders and a meeting of shareholders to approve the purchase was held on 27 September 2013.

CORPORATE

During the Period ASX provided the Company with conditional approval to be reinstated to trading. The conditions of the reinstatement included, amongst other things, completion of the acquisition of the Pardoo Tenements and the Company demonstrating it has $1 million net of all liabilities in working capital. On 27 September 2013 the Company lodged a non-renounceable entitlements issue to raise approximately $1,057,821 before costs (**Rights Issue**). The Rights Issue provided eligible shareholders the right to subscribe for one new share for every share held at an issue price of $0.005 per share.

The Rights Issue closed on 25 October 2013 raising $381,691 by the issue of 76,338,331 ordinary shares at $0.005 per share. On 19 December 2013 the Company placed 110,200,000 ordinary shares pursuant to the Shortfall Offer at a price of $0.005 per share. Following the Rights Issue and placement of Shortfall shares the Company satisfied the ASX conditions for reinstatement and on 23 December 2013 the Company's securities were reinstated to trading on ASX.

On 12 August 2013, the Company advised that Mr Stuart Richardson had been appointed as non-executive director. In addition the Company advised that Dr Saliba Sassine stepped down as non-executive director.

7. FINANCIAL RESULTS

The cash and cash equivalents as at 30 June 2014 totalled $914,494 (2013: $289,620). The net asset position as at 30 June 2014 was $903,855 (2013: $367,749). The net loss after tax for the year attributable to the members of the Group was $329,114 (2013: $683,977).

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 June 2014 the Company advised it had entered into a binding termsheet with the shareholders and board of to acquire up to 100% of Lunalite International Pty Ltd (**Lunalite**) (**Transaction**). Subject to certain conditions precedent to the Transaction, the Company will be renamed XTD Limited commence operations in cross track digital media installation and service provider.

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 7 July 2014 the Company provided an update with respect of the proposed acquisition of Lunalite. The Company advised that Lunalite had successfully completed its $2.65 million capital raising (**Capital Raising**). The funds raised pursuant to the Capital Raising were applied towards the installation of 32 Cross Track Digital Media (XTD) systems across the Melbourne underground rail network pursuant to its 7 year contract with Metro Trains Melbourne Pty Ltd (**Melbourne Contract**). Following completion of the Capital Raising, Lunalite placed orders and paid deposits for the key components of the XTD systems and is on track for the Melbourne Contract to be fully installed, operational and generating revenue during October 2014.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(i) the Group's operations in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the Group's state of affairs in future financial years.

10. LIKELY FUTURE DEVELOPMENTS, PROSPECTS AND EXPECTED RESULTS OF OPERATIONS

Following completion of the Transaction the Directors intend to focus on operations in cross track digital media installation and service provider.

11. ENVIRONMENTAL REGULATIONS

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group.

12. GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Group is cognisant of the reporting requirements under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse Energy Efficient Reporting Act 2007, and believes it has adequate processes in place to endure compliance with these Acts.

13. REMUNERATION REPORT (Audited)

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

A Remuneration Governance
B Remuneration Structure
C Details of Remuneration
D Share-based compensation
E Equity instruments issued on exercise of remuneration options
F Value of options to Directors

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the key management personnel of the Group as follows:

Mr Benjamin Bussell – Non-Executive Director	
Mr Jeremy Bond – Non-Executive Director	
Mr Stuart Richardson – Non-Executive Director	Appointed 12 August 2013
Dr Saliba Sassine – Non-Executive Director	Resigned 12 August 2013

Use of remuneration consultants

The Company did not employ services of consultants to review its existing remuneration policies.

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

The Company received more than 98% of "yes" proxy votes on its remuneration report for the 2013 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

A Remuneration Governance

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and Executives of the Group. The performance of the Group depends upon the quality of its key management personnel. To prosper the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Group does not engage the services of any remuneration consultants.

B Remuneration Structure

Executive and Non-Executive remuneration arrangements

The remuneration of Executive and Non-Executive Directors (NED) consists of Directors' fees, payable in arrears. They serve on a month to month basis and there are no termination benefits payable. They do not receive retirement benefits but are able to participate in share option based incentive programmes in accordance with Group policy.

Following reinstatement to trading on ASX in December 2013 payment of Directors recommenced.

Directors are paid consulting fees on time spent on Group business, including reasonable expenses incurred by them on business of the Group, details of which are contained in the Remuneration Table disclosed as Section C of this Report. Remuneration of Executive and Non-Executive Directors are based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors.

The Group does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors or any retirement benefits and, as such, there are no performance related links to the existing remuneration policies.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum as per the Group's constitution and may be varied by ordinary resolution of the shareholders in general meeting.

C Details of Remuneration

The key management personnel of the Group are the Directors of White Eagle Resources Limited. There are no other executives or key management personnel. Details of the remuneration of the Directors of the Group are set out below:

	Short-term benefits	**Post-employment benefits**	**Share-based payment**		
30/06/2014	**Salary & fees $**	**Superannuation $**	**Performance shares $**	**Total $**	**Percentage remuneration consisting of options for the year**
Directors					
Dr Sassine	-	-	-	-	0%
Mr Bond	9,153	847	-	10,000	0%
Mr Richardson	10,000	-	-	10,000	0%
Mr Bussell	10,000	-	-	10,000	0%
Total	**29,153**	**847**	**-**	**30,000**	**-**

30/06/2013	Short-term benefits Salary & fees $	Post-employment benefits Superannuation $	Share-based payment Performance shares $	Total $	Percentage remuneration consisting of options for the year
Directors					
Dr Sassine (i)	-	-	-	-	0%
Mr Bond (ii)	-	-	-	-	0%
Mr Bussell (iii)	-	-	-	-	0%
Total	**-**	**-**	**-**	**-**	**-**

(i) Dr Sassine (Non-Executive Director) (appointed on 25 February 2011, resigned 12 August 2013)
(ii) Mr Bond (Non-Executive Director) (appointed on 1 February 2012)
(iii) Mr Bussell (Non-Executive Director) (appointed on 27 February 2012)

No remuneration was paid to Dr Sassine, Mr Bond or Mr Bussell during the year due to the company being suspended from trading on the ASX for the entire period of their Directorships.

Service Agreements

There are no executives or key management personnel, other than the directors, engaged by the Group.

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director. Non-executive directors are paid $2,000 per month for their services, with any additional consulting paid at a rate of $1,000 per day. No remuneration was paid to Dr Sassine, during the year due to the company being suspended from trading on the ASX for the period under employment.

Remuneration and other terms for the Executive Directors and other key management personnel are also formalised in service agreements. There are currently no Executive Directors employed by the Group.

D Share-based Compensation

The Group rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options (the "Plan"). There are no performance requirements to be met before exercise can take place. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

The issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted, provides incentive for management to improve the Group's performance.

Options granted under the Plan carry no dividend or voting rights. The grant date equals the vesting date for all options. No options were exercised as at the date of this report.

No options over ordinary shares in the Group were provided as remuneration to the Directors and key management personnel of the Group during the year (2013:Nil).

No shares were issued on exercise of options granted during the year (2013:Nil).

E Equity Instruments Issued on Exercise of Remuneration Options

No shares were issued during the year to Directors or key management as a result of exercising remuneration options (2013:Nil).

F Value of options to Directors

No options were granted, exercised or lapsed during the year to Directors as part of their remuneration.

G Equity instruments disclosures relating to key management personnel

2014	Opening Balance	Received as Remuneration	Received During Year on Exercise of Options	Net Change Other	Closing Balance
Directors					
Mr Stuart Richardson (i)	-	-	-	1,330,000	**1,330,000**
Dr Saliba Sassine (ii)	**500,000**	-	-	(500,000)	**-**
Mr Jeremy Bond	**10,315,936**	-	-	14,250,000	**24,565,936**
Mr Benjamin Bussell	**-**	-	-	-	**-**
	10,815,936	**-**	-	**15,080,000**	**25,895,936**

(i) Mr Richardson (Non-Executive Director) (appointed on 12 August 2013)
(ii) Dr Sassine (Non-Executive Director) (resigned on 12 August 2013)

H Other transactions with key management personnel

During the year, the Group was charged $51,000 (2013: $nil) by Minerva Corporate Pty Ltd. Minerva Corporate Pty Ltd provided accountancy, company secretarial and registered office services to the Group on normal commercial terms. Ben Bussell is a director of Minerva Corporate. The balance owing at year end is $6,600.

During the year, the Group was charged $20,000 (2013: $194,328) by Segue Resources Ltd. The Group acquired two mineral exploration tenements from Segue Resources Limited and previously had a farmin joint venture agreement with Segue Resources Ltd. Matthew Foy is the Company Secretary of the Group and is a Director and Company Secretary of Segue Resources Limited. The balance owing at year end is Nil.

End of Audited Remuneration Report

14.SHARES UNDER OPTION

At the date of this report, there were no options over unissued ordinary shares in the Company on issue.

15.PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

16. INDEMNIFYING OFFICERS

During the financial year the Group paid a premium of $12,857 to insure the directors and officers of the company and its Australian based controlled entities against a liability incurred as such a director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such as an officer or auditor.

17. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

The Board of Directors advises that non-audit services were provided by the Group's auditors during the year. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporation Act 2001* for the following reasons:

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

	2014 $	2013 $
Audit Services		
BDO (WA) Audit Pty Ltd	26,094	26,586
Non-Audit Services		
BDO (WA) Corporate Finance Pty Ltd - Investigating Accountants Report	6,732	5,126
Total	**32,826**	**31,712**

18.AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 16.

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

Mr Ben Bussell
Perth, Western Australia
Date: 27 August 2014

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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF WHITE EAGLE RESOURCES LTD

As lead auditor of White Eagle Resources Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of White Eagle Resources Ltd and the entity it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 27 August 2014

The Board of Directors of White Eagle Resources is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company and its controlled entity on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to the shareholders, it seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the Group is delegated by the Board to the Managing Director and Company Secretary / Financial Controller. The Board ensures that the Managing Director and Company Secretary / Financial Controller are appropriately qualified and experienced to discharge his responsibilities, and has in place procedures to assess the performance for the Group's officers, contractors and consultants. Due to the size and scale of the Group there is no formal appointment of a Chief Executive Officer.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. It has a number of mechanisms in place to ensure this is achieved, including the following:

- Board approval of a strategic plan, designed to meet shareholder needs and manage business risk;
- implementation of operating plans and budgets by management and Board monitoring progress against budget; and
- procedures to allow directors, in the furtherance of their duties, to seek independent professional advice at the Company's expenses.

MONITORING OF THE BOARD'S PERFORMANCE AND COMMUNICATION TO SHAREHOLDERS

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is to be reviewed annually by the Chairman. Directors whose performance is unsatisfactory are asked to retire.

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory. The Statement below discloses the extent to which the Company has followed the Principles and Recommendations, furthermore, the Board of the Company currently has in place a Corporate Governance Plan which is located on the Company's website.

PRINCIPLES AND RECOMMENDATIONS		COMMENT
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Directors monitor the business affairs of the Group on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board. Due to the size of the Company and current operations there is no CEO and it is the intention to appoint a CEO when required, however, the Corporate Governance Charter contains a statement of practices and processes the Board has adopted to discharge its responsibilities. It includes the processes the Board has implemented to undertake its own tasks and activities, the matters it has reserved for its own consideration and decision-making, the authority delegated to the CEO, including limits on how the CEO can execute that authority and provides guidance on the relationship between the Board and the CEO. The matters that the Board has specifically reserved for its decision are: • the appointment and management of the CEO; • approval of the overall strategy and annual budgets of the business; and • compliance with constitutional documents. The CEO is delegated the authority to ensure the effective day-to-day management of the business and the Board monitors the exercise of these powers. The CEO is required to report regularly to the Board on the performance of the Business. Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board reviews the remuneration policies applicable to all Directors and Executive Officers on an as needed basis.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	The Group will explain any departures from best practice recommendations 1.1 and 1.2 in its future annual reports, including whether a performance evaluation for senior executives has taken place in the reporting year and whether it was in accordance with the process disclosed.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	The majority of the directors are not currently deemed independent with one out of three being independent.

2.2	The chair should be an independent director.	The chairman is currently not deemed independent.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	There is no chief executive officer role being fulfilled. The Group intends to seek out and appoint a chief executive officer in the future; however, due to the current limited size of the Group's operations it may not be appropriate to appoint a chief executive officer for some time.
2.4	The board should establish a nomination committee.	The Group is not of a size at the moment that justifies having a separate Nomination Committee. However, matters typically dealt with by such a committee are dealt with by the Board of Directors.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	An informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.
2.6	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	The Group will provide details of each director, such as their skills, experience and expertise relevant to their position, together with an explanation of any departures from best practice recommendations 2.1, 2.2, 2.3, 2.4 and 2.5, in its annual reports. Refer to the Directors Report above.
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 as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	A Corporate Code of Conduct is included within the Group's Corporate Governance Plan.
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 measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company has adopted a diversity policy to address equal opportunities in the hiring, training and career advancement of Directors, officers and employees.

3.3	Companies should disclose in each annual report the measureable objectives for achieving set by the board in accordance with the diversity policy and progress in achieving them.	The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company Due to the size of the Company, the Board does not consider it appropriate at this time, to formally set objectives for gender diversity.
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	As at 30 June 2014 the Company has no female employee or Board Member.
3.5	Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	The Company will explain any departures (if any) from ASX Recommendations 3.2, 3.3 and 3.4 in its Annual Reports.
4.	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	The Group is not of a size at the moment that justifies having a separate Audit Committee. However, matters typically dealt with by such a committee are dealt with by the Board of Directors which consists of the Chairman, an executive director and two non-executive directors.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	Matters which typically would be dealt with by an Audit Committee are currently dealt with by the Board of Directors.
4.3	The audit committee should have a formal charter.	Such a charter is not considered necessary for the proper function of the committee given the composition of the Audit Committee and the Board.
4.4	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	The Group will explain any departures from best practice recommendations 4.1, 4.2 and 4.3 in future annual reports.
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 a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Group has a continuous disclosure program in place designed to ensure the compliance with ASX Listing Rule disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Group's financial position.

5.2	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	The company secretary who reports directly to the Board has been appointed the disclosure officer and is required to keep abreast of all material information and where appropriate, ensure disclosure of share price sensitive information.
6.	***Respect the rights of shareholders***	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Plan includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Shareholders are encouraged to attend and participate in general meetings.
6.2	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The Board aims to ensure that Security Holders are informed of all information necessary to assess the performance of the Company. Information is communicated to the shareholders through: • The annual report, which is distributed to all shareholders (other than those who elect not to receive it); • The AGM and other shareholder meetings called to obtain approval for Board action as appropriate; • Making available all information released to the ASX website immediately following confirmation of receipt by the ASX; • Encouraging active participation by shareholders at shareholder meetings; Encouraging all shareholders who are unable to attend general meetings to communicate issues or ask questions by writing to the Company.
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.	The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Group's policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

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.	The Board's collective experience will enable accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management will be recurring items for deliberation at Board Meetings. A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by Management as at the date of this report.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Due to the size of the Company, the Board signed the declaration in accordance with section 295A of the Corporations Act. The declaration is made and 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 risk.
7.4	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	The Group will provide an explanation of any departures from best practice recommendations 7.1, 7.2 and 7.3 (if any) in its annual reports.
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	A Remuneration Committee has not been established. The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non-executive director's remuneration form that of executive directors and senior executives. The Company's constitution also provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation). There are currently no options issued to non-executive directors. Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.
8.4	Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	The Board will consider what information to include in the corporate governance section of the Company's annual report in respect of remuneration policies at the relevant time. The Company will explain any departures (if any) from best practice recommendations 8.1, 8.2 and 8.3 in its future annual reports.

	Note	30-Jun-14 $	30-Jun-13 $
Revenue from continuing operations	8	12,903	4,277
Profit on disposal of assets		-	663
Other expenses	9	(86,432)	(69,754)
Exploration expenditure written off	9	(140,108)	(370,243)
Finance costs	9	-	(14,101)
Joint venture extension fees	9	-	(112,500)
Personnel expenses	9	(30,000)	-
Professional fees	9	(85,477)	(122,319)
Loss from continuing operations before income tax		**(329,114)**	**(683,977)**
Income tax benefit/(expense)	10	-	-
Loss from continuing operations after income tax		**(329,114)**	**(683,977)**
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		**(329,114)**	**(683,977)**
Loss for the year is attributable to:			
Owners of the Company		(329,114)	(683,977)
		(329,114)	(683,977)
Total comprehensive loss for the year attributable to:			
Owners of the company		(329,114)	(683,977)
		(329,114)	(683,977)
		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share	24	(0.10)	(0.53)
Diluted loss per share		N/A	N/A

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 28 to 53.

	Notes	30-Jun-14 $	30-Jun-13 $
Current Assets			
Cash & cash equivalents	11	914,494	289,620
Trade & other receivables	12	27,190	20,760
Total Current Assets		**941,684**	**310,380**
Non-Current Assets			
Exploration & evaluation expenditure	13	-	98,517
Total Non-Current Assets		**-**	**98,517**
TOTAL ASSETS		**941,684**	**408,897**
Current Liabilities			
Trade and other payables	14	37,829	41,148
Total Current Liabilities		**37,829**	**41,148**
TOTAL LIABILITIES		**37,829**	**41,148**
NET ASSETS		**903,855**	**367,749**
EQUITY			
Equity attributable to the equity holders of the Company			
Contributed equity	15	6,501,878	5,636,658
Share-based payment reserve	16	242,180	242,180
Accumulated losses	17	(5,840,203)	(5,511,089)
TOTAL EQUITY		**903,855**	**367,749**

The above consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 28 to 53.

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

	Issued Capital $	Share-based Payment Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2013	**5,636,658**	**242,180**	**(5,511,089)**	**367,749**
Loss for the year	-	-	(329,114)	(329,114)
Total comprehensive loss for the year	**-**	**-**	**(329,114)**	**(329,114)**
Transactions with owners in their capacity as owners:				
Issue of share capital	932,692	-	-	932,692
Capital raising costs	(67,472)	-	-	(67,472)
At 30 June 2014	**6,501,878**	**242,180**	**(5,840,203)**	**903,855**

	Issued Capital $	Share-based Payment Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2012	**4,588,633**	**242,180**	**(4,827,112)**	**3,701**
Loss for the year	-	-	(683,977)	(683,977)
Total comprehensive loss for the year	**-**	**-**	**(683,977)**	**(683,977)**
Transactions with owners in their capacity as owners:				
Issue of share capital	507,552	-	-	507,552
Conversion of convertible notes	583,545	-	-	583,545
Capital raising costs	(43,072)	-	-	(43,072)
At 30 June 2013	**5,636,658**	**242,180**	**(5,511,089)**	**367,749**

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on page 28 to 53.

	Note	30-Jun-14 $	30-Jun-13 $
Cash flows from operating activities			
Payment to suppliers and employees		(208,239)	(249,507)
Interest received		12,851	4,277
Interest paid		(17)	-
Net cash outflow from operating activities	**23**	**(195,405)**	**(245,230)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(41,841)	(290,730)
Deposit paid on Akjilga Silver Project		-	-
Repayment of loans by related parties		-	-
Net cash outflow from investing activities		**(41,841)**	**(290,730)**
Cash flows from financing activities			
Proceeds from (payments for) issue of shares, net of share issue costs		862,120	351,980
Proceeds from issue of convertible note		-	366,668
Net cash inflow from financing activities		**862,120**	**718,648**
Net increase/(decrease) in cash and cash equivalents		624,874	182,688
Cash and cash equivalents at beginning of year		289,620	106,932
Cash and cash equivalents at end of year		**914,494**	**289,620**

The above consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 28 to 53.

1. REPORTING ENTITY

White Eagle Resources Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory at the beginning of the Annual Report.

The consolidated financial statements of the Company and its subsidiary are for the year ended 30 June 2014. The financial statements were authorized for issue by the Board of Directors on 27 August 2014.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on the date the directors' report and declaration was signed. White Eagle Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the presentation currency of the Group.

(d) Use of estimates and judgments

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

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Note 25 – Share-based payment arrangements - The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

(ii) Note 13 – Exploration & evaluation expenditure - The Group's accounting policy for exploration and evaluation is set out in note 4(f). If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Profit or Loss and Other Comprehensive Income.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies have been consistently applied by the Consolidated Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period, except the following:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 13 Fair Value Measurement
- AASB 119 Employee benefits
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

Adoption of new and revised accounting standards

In the year ended 30 June 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

Main changes include AASB 119 Employee benefits

- Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans.
- Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

- Subtle amendments to timing for recognition of liabilities for termination benefits.
- Employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability.

The company currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to IAS 19 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012. Leave liabilities for any employees with significant balances of leave outstanding who are not expected to take their leave within 12 months will be discounted, which may result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by the Group entities.

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of White Eagle Resources Limited (the "Company" or "Parent Entity") as at 30 June 2014 and the results of its subsidiary for the year. White Eagle Resources Limited and its subsidiary together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

(ii) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(d) Financial instruments

(i) Non-derivative financial assets
Financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Non-derivative financial assets comprise deposits, loans and receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. They are included in current assets except those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

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

(ii) Non-derivative financial liabilities
Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables. They are recognised initially at fair value and subsequently at amortised cost.

(iii) Impairment of financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

(iii) Impairment of financial assets (continued)
All impairment losses are recognised in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(e) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

Depreciation is calculated on a prime cost method so as to write off the net cost of each asset during their expected useful life of 3 to 7 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds from disposal with the net carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Exploration and evaluation expenditure

Exploration, evaluation and development costs represent intangible assets and are accumulated in respect of each identifiable area of interest. These costs are carried forward where right of tenure to the area of interest is current or where the grant of rights to tenure is considered to be probable and to the extent that costs are expected to be recouped through the sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year in which the decision is made. Each area of interest is also reviewed at the end of each accounting year and accumulated costs are written off to the extent that they will not be recoverable in the future. Each area of interest is also reviewed at the end of each reporting period and accumulated costs are written off to the extent that rights to tenure have been lost.
Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(h) Other financial assets

The Group classifies its investments in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.
Investments in subsidiaries are carried at cost, net of any impairment losses.

(i) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Borrowings

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Contributed equity

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.

(l) Employee Benefits

(i) Share-based payment transactions
The share option program allows the consolidated entity employees and consultants to acquire shares of the Company (See note 25). The fair value of options granted is recognised as an employee or consultant expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the year during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(ii) Wages, salaries and annual leave
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Earnings per share

(i) Basic earnings per share

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

(ii) 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.

(o) Income tax

The income tax expense or revenue for the year is the tax payable on the current year'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 to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

White Eagle Resources Limited and its wholly owned Australian controlled entity have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(p) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Business combinations (continued)

to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 (2009) are recognised at their fair value at the acquisition date, except where:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payments; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

(r) New standards and interpretation not yet adopted

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2014. They have not been adopted in preparing the financial statements for the year ended 30 June 2014 and are expected to impact the entity in the period of initial application.

In all cases the entity intends to apply these standards from application date as indicated in the table below.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New standards and interpretation not yet adopted (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2017[3]	Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity does not currently have any financial instruments.

[3] The application date of AASB 9 has been deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017 by AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.*

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New standards and interpretation not yet adopted (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 2013-9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Makes three amendments to AASB 9: • Adding the new hedge accounting requirements into AASB 9 • Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017, and • Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements. Under the new hedge accounting requirements: • The 80-125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI	Annual reporting periods beginning on or after 1 January 2015	The application date of AASB 9 has been deferred to 1 January 2017. The entity has not yet made an assessment of the impact of these amendments. The entity does not currently have any hedging arrangements in place.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group'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 Group. The Group uses different methods to measure different types of risk to which it is exposed.

The Board of Directors co-ordinate domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group holds the following financial instruments:

	30-Jun-14	30-Jun-13
	$	$
Financial assets		
Cash and cash equivalents	914,494	289,620
Trade and other receivables	27,190	20,760
	941,684	310,380
Financial liabilities		
Trade and other payables	37,829	41,148
	37,829	41,148

(a) Market risk

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and 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 Group manages foreign exchange risk by monitoring forecast cash flows in currencies other than Australian.

The Group has minimal exposure to foreign currency risk at the end of the year.

(ii) Price risk

The Group does not hold investments and therefore is not exposed to equity securities price risk.

(iii) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

5. FINANCIAL RISK MANAGEMENT (continued)

	30-Jun-14 $		30-Jun-13 $	
	Weighted average interest rate		Weighted average interest rate	
Financial assets				
Cash and cash equivalents	2.0%	914,494	3.0%	289,620

The Group does not have significant interest-bearing assets and percentage changes in interest rates would not have a material impact on the results. Group sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below.

		Interest rate risk			
		- 100 bps		+ 100 bps	
	Carrying amount	Profit AUD	Equity AUD	Profit AUD	Equity AUD
30 June 2014 Financial Assets					
Cash and cash equivalents	914,494	(8,864)	(8,864)	8,864	8,864

		Interest rate risk			
		- 100 bps		+ 100 bps	
	Carrying amount	Profit AUD	Equity AUD	Profit AUD	Equity AUD
30 June 2013 Financial Assets					
Cash and cash equivalents	289,620	(5,406)	(5,406)	5,406	5,406

Trade and other payables and trade and other receivables are not subject to interest rate risk.

(b) Credit risk

The Group has no significant concentration of credit risk. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings.

Cash at bank	30-Jun-14 $	30-Jun-13 $
National Australia Bank -AA	914,494	289,620

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short term debt and its risk with regard to liquidity relates to its ability to maintain its current operations prior to the generation of future income streams.

The Group's ability to raise equity funding in the market is paramount in this regard.

The Group manages liquidity by monitoring forecast and actual cash flows.

The table below analyses the group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

2014	<6 months $	>6-12 months $	>12 months $	Total Contractual Cash Flows $	Carrying Amount $
Financial liabilities					
Trade and other payables	37,829	-	-	37,829	37,829

2013	<6 months $	>6-12 months $	>12 months $	Total Contractual Cash Flows $	Carrying Amount $
Financial liabilities					
Trade and other payables	41,148	-	-	41,148	41,148

6. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Due to the short term nature of financial assets and liabilities, varying values approximate fair values.

7. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker.

The Group engages in one business in Australia, activity from which it earns revenues, and its results are analysed as a whole by the chief operating decision maker. Consequently revenue, profit and net assets for the operating segment and geographical segment are reflected in this annual report.

8. REVENUE

	30-Jun-14	30-Jun-13
	$	**$**
Revenue		
Interest income	12,903	4,277
Total revenue	12,903	4,277

9. EXPENSES

Loss for the year includes the following specific expenses:

	30-Jun-14	30-Jun-13
	$	**$**
Other expenses		
Corporate costs	56,009	39,875
Depreciation	-	5,155
Telephone and communications expense	-	18
Other expenses	30,423	24,706
	86,432	**69,754**
Finance costs		
Interest expense	-	14,101
	-	**14,101**
Joint venture expenses		
Joint venture extension fee	-	112,500
	-	**112,500**

9. EXPENSES (continued)

	30-Jun-14	30-Jun-13
	$	**$**
Exploration expenditure written off		
Other	140,108	370,243
	140,108	**370,243**
Personnel expenses		
Directors' fees	30,000	-
	30,000	**-**
Professional fees		
Accounting expenses	23,160	19,423
Administration expenses	-	4,917
Audit expenses	26,094	26,587
Consultants	24,000	30,000
Company Secretarial expenses	9,000	7,956
Legal expenses	3,223	33,436
	85,477	**122,319**

10. INCOME TAX EXPENSES

	30-Jun-14	30-Jun-13
	$	$
(a) Income tax expense:		
Current income tax	-	-
Current income tax benefit	-	-
	-	-
(b) Reconciliation of Income tax expense to prima facie tax payable:		
Loss before income tax	(329,114)	(683,977)
Prima facie income tax at 30% (2013: 30%)	(98,734)	(205,193)
Tax effects of non-deductible expenditure	-	114,949
	(98,734)	(90,244)
Income tax benefit not recognised	98,734	90,244
Income tax expense/(benefit)	-	-
(c) Unrecognised deferred tax assets arising on timing differences and losses		
Losses	98,734	445,556
Deductible temporary differences	-	(29,555)
Unrecognised deferred tax assets	**98,734**	**416,001**

The tax benefits of the above deferred tax assets will only be obtained if:

a. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b. The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
c. No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

11. CASH AND CASH EQUIVALENTS

a. Reconciliation to cash at the end of the year

	30-Jun-14	30-Jun-13
	$	$
Cash at bank and in hand	914,494	289,620
	914,494	**289,620**

The Group does not have any restrictions on any cash held at bank or on hand.

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 5(a)(iii).

12. TRADE & OTHER RECEIVABLES

	30-Jun-14	30-Jun-13
	$	$
Other receivables	17,548	14,409
Prepayments	9,642	6,351
	27,190	**20,760**

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 5 for more information on the risk management policy of the group and the credit quality of the Group's trade receivables.

13. EXPLORATION AND EVALUATION EXPENDITURE

	30-Jun-14	30-Jun-13
	$	$
Carrying amount of exploration and evaluation expenditure	140,108	98,517
Reconciliation:		
Balance at the beginning of the year	98,517	178,030
Additions	41,591	290,730
Expenditure written off	(140,108)	(370,243)
Balance at the end of the year	**-**	**98,517**

The ultimate recoupment of exploration and evaluation costs carried forward is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

14. TRADE & OTHER PAYABLES

	30-Jun-14	30-Jun-13
	$	$
Trade creditors	21,022	25,128
Sundry creditors	-	3,100
Accrued expenses	15,000	12,920
Other payables	1,807	-
	37,829	**41,148**

Trade and other payables are non-interest bearing liabilities stated at cost and are predominantly settled within 30 days.

15. ISSUED CAPITAL

(a) Share Capital

	30-Jun-14	
	$	No.
Fully paid ordinary shares	6,501,878	398,102,531

	30-Jun-13	
	$	No.
Fully paid ordinary shares	5,636,658	211,564,200

At 30 June 2014 the Company sees the likelihood of the performance share milestones as being remote and as such no value has been taken into account.

(b) Movements in ordinary share capital

	30-Jun-14		
Issue of ordinary shares during the Year	**$**	**No.**	**Issue price per ordinary share**
Opening balance	5,636,658	211,564,200	-
Issue of share capital	932,692	186,538,331	$0.005
Share raising costs	(67,472)	-	-
Balance at 30 June 2014	**6,501,878**	**398,102,531**	

15. ISSUED CAPITAL (continued)

(b) Movements in ordinary share capital (continued)

	30-Jun-13		
Issue of ordinary shares during the Year	**$**	**No.**	**Issue price per ordinary share**
Opening balance	4,588,633	44,100,000	-
Conversion of convertible notes	583,545	116,708,951	$0.005
Issue of share capital	507,552	50,755,249	$0.01
Share raising costs	(43,072)	-	-
Balance at 30 June 2013	**5,636,658**	**211,564,200**	

Ordinary shares

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

At shareholders meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Company's capital includes share capital, reserves and accumulated losses. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Company may issue new shares in order to meet its financial obligations.

(c) Options

No options were issued during the year.

16. RESERVES

	30-Jun-14 $	30-Jun-13 $
Share-based payments reserve		
Balance at the beginning of the year	242,180	242,180
Balance at the end of the year	**242,180**	**242,180**

(a) Nature and Purposes of Reserves

(i) Share-based Payment Reserves

This reserve is used to record the value of equity benefits to Directors as part of their remuneration and various Brokers to the Initial Public Offering. When the options are exercised the amount recorded in the Share-based Payment Reserve relevant to those options is transferred to share capital.

17. ACCUMULATED LOSSES

	30-Jun-14	30-Jun-13
Accumulated losses at the beginning of the financial year	(5,511,089)	(4,827,112)
Net loss attributable to members of the Group	(329,114)	(683,977)
Accumulated losses at the end of the financial year	(5,840,203)	(5,511,089)

18. RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is White Eagle Resources Limited.

(b) Subsidiaries

Group structure

	Country of incorporation	Class of shares	Ownership interest 2013	Ownership interest 2012
Parent Entity				
White Eagle Resources Ltd	Australia	Ordinary		
Subsidiary				
Red Hawk Resources Ltd	Australia	Ordinary	100%	100%

Red Hawk Resources Ltd was incorporated on 16 May 2011.

18. RELATED PARTY TRANSACTIONS (continued)

(c) Key management personnel compensation

The key management personnel compensation is as follows:

	30-Jun-14	30-Jun-13
	$	$
Short-term benefits	29,153	-
Post-employment benefits	847	-
Share-based payments	-	-
	30,000	-

19. REMUNERATION OF AUDITORS

	30-Jun-14	30-Jun-13
	$	$
Amounts received or due and receivable by BDO (WA) Audit Pty Ltd for:		
(i) An audit or review of the financial report of the entity.	**26,094**	**26,586**
Amounts received or due and receivable by BDO (WA) Corporate Finance Pty Ltd		
(ii) Other services in relation to the entity and any other entity in the consolidated group - Independent Auditor's Report	**6,732**	**5,126**
Total auditor remuneration	**32,826**	**31,712**

20. COMMITMENTS

a. Exploration expenditure commitments

	30-Jun-14	30-Jun-15
	$	$
Tenement	**Commitment**	**Commitment**
E45/2146	$70,000	$70,000
E45/3464	$20,000	$20,000
Total minimum commitment	**$90,000**	**$90,000**

21. CONTINGENT LIABILITIES

No contingent liabilities were noted for the Group for the year ended 30 June 2014.

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 7 July 2014 the Company provided an update with respect of the proposed acquisition of Lunalite. The Company advised that Lunalite had successfully completed its $2.65 million capital raising (**Capital Raising**). The funds raised pursuant to the Capital Raising were applied towards the installation of 32 Cross Track Digital Media (XTD) systems across the Melbourne underground rail network pursuant to its 7 year contract with Metro Trains Melbourne Pty Ltd (**Melbourne Contract**). Following completion of the Capital Raising, Lunalite placed orders and paid deposits for the key components of the XTD systems and is on track for the Melbourne Contract to be fully installed, operational and generating revenue during October 2014.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(i) the Group's operations in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the Group's state of affairs in future financial years.

23. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Reconciliation of net loss after income tax to net cash flows from operating activities.	**30-Jun-14 $**	**30-Jun-13 $**
Net loss after income tax	**(329,114)**	**(683,977)**
Adjustments for:		
Depreciation	-	5,155
Exploration and evaluation expenditure written off	140,108	370,243
Profit on disposal of property, plant and equipment	-	(663)
Change in assets and liabilities		
Increase in trade and other receivables	(3,088)	-
Increase in trade and other payables	(3,311)	64,012
Net cash outflow from operating activities	**(195,405)**	**(245,230)**

24. EARNINGS PER SHARE

a. Basic loss per share

The calculation of basic loss per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of $189,006 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2014 of 322,229,970 calculated as follows:

	30-Jun-14 $	30-Jun-13 $
Loss attributable to ordinary shareholders	(329,114)	(683,977)
Weighted average number of ordinary shares	322,229,970	128,562,560
Basic loss per share (cents per share)	(0.102)	(0.530)

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

25. SHARE-BASED PAYMENTS

No share-based payments were made during the year ended 30 June 2014. No Employee Share Option Plan options were issued during the year ended 30 June 2014.

26. PARENT ENTITY FINANCIAL INFORMATION

	30-Jun-14 $	30-Jun-13 $
Current Assets	914,494	310,380
Non-Current Assets	27,190	98,517
Total Assets	**941,684**	**408,897**
Current Liabilities	37,829	41,148
Total liabilities	**37,829**	**41,148**
Contributed equity	6,501,878	5,636,658
Reserves	242,180	242,180
Accumulated losses	(5,840,203)	(5,511,089)
Total equity	**903,855**	**367,749**
Profit/(loss) for the year	(329,114)	(683,976)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income/(loss) for the year	**(329,114)**	**(683,976)**

26. PARENT ENTITY FINANCIAL INFORMATION (continued)

a. Guarantees and Contingent Liabilities

Refer to note 21 for details of guarantees and contingent liabilities.

b. Contractual Commitments

Refer to note 20 for details of contractual commitments.

In the opinion of the Directors of White Eagle Resources Limited (the "Company"):

1. The attached financial statements, notes thereto and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) giving 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

   (c) the financial statements also complies with International Financial Reporting Standards as disclosed in note 2(a) to the financial statements.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the Directors

Mr Ben Bussell
Non-Executive Director
Perth, Western Australia
27 August 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of White Eagle Resources Ltd

Report on the Financial Report

We have audited the accompanying financial report of White Eagle Resources Ltd, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, 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.

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 White Eagle Resources Ltd, 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 White Eagle Resources Ltd 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 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 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 White Eagle Resources Ltd for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 27 August 2014

The following additional information was applicable as at 27 August 2014.

There are a total of 398,102,531 ordinary fully paid shares on issue.

DISTRIBUTION OF SHARE HOLDERS

Distribution of Holders	Number of Fully Paid Ordinary Shareholders
1 – 1,000	8
1,001 – 5,000	25
5,001 – 10,000	84
10,001 – 100,000	241
100,001 and above	214
TOTAL	**572**

RESTRICTED SECURITIES

There are currently no escrowed securities on issue.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

SHARE BUY-BACKS

There is no current on-market buy-back scheme.

SUBSTANTIAL SHAREHOLDERS

The name of the substantial shareholders and the number of shares to which they are entitled are:

Fernland Holdings Pty Ltd	26,322,955 (6.61%)
6466 Investments Pty Ltd	26,010,996 (6.53%)

TWENTY LARGEST SHARE HOLDERS (As at 26 August 2014)

No.	Name	Number Held	Percentage
1	J P MORGAN NOMINEES AUSTRALIA LIMITED	74,520,921	18.72%
2	FERNLAND HOLDINGS PTY LTD <CELATO A/C>	26,322,955	6.61%
3	6466 INVESTMENTS PTY LTD	26,010,996	6.53%
4	KOBIA HOLDINGS PTY LTD <THE KOBIA A/C>	18,290,248	4.59%
5	BLU BONE PL	17,150,000	4.31%
6	INSWINGER HLDGS PL	11,250,000	2.83%
7	EXELIN PL	10,000,000	2.51%
8	CUSTODIAL SVCS PL	10,000,000	2.51%
9	HALAFAX HLDGS PL	10,000,000	2.51%
10	TWO TOPS PL	6,332,831	1.59%
11	BUCKET SUPER PL <BUCKET S/F A/C>	6,000,000	1.51%
12	CHASE BUSINESS CONS PL <CHASE SUPER FUND>	6,000,000	1.51%
13	RBC INVESTOR SVCS AUST NO <18277 BRUCE FOYE>	6,000,000	1.51%
14	BOSTON FIRST CAP PL	5,560,000	1.40%
15	MURIE IAN BARRIE <ALEVAN A/C>	5,550,000	1.39%
16	CHIFLEY PORTFOLIOS PL <DAVID HANNON A/C>	5,186,789	1.30%
17	JMW & LOB BUSINESS GRP PL	5,000,000	1.26%
18	TODD BRETT ANTHONY	4,800,000	1.21%
19	STEPHENS GRP PL	4,600,000	1.16%
20	WISEVEST PL	4,085,000	1.03%
	Sub-Total	**262,659,740**	**65.99%**
	Total Remaining Balance	**135,442,791**	**34.01%**
	Grand Total	**398,102,531**	**100.00%**

OTHER INFORMATION

White Eagle Resources Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.