Wildhorse Energy Limited
ABN 98 117 085 748

Annual Financial Report
for the year ended 30 June 2014

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The annual report covers Wildhorse Energy Limited as the consolidated group (“the Consolidated Group”) consisting of Wildhorse Energy Limited and its subsidiaries. The financial report is presented in Australian dollars.

CORPORATE DIRECTORY

DIRECTORS
Ian Middlemas (Chairman)
Mark Hohnen (Non-Executive Director)
Mark Pearce (Non-Executive Director)

COMPANY SECRETARY
Sophie Raven

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ASX & AIM CODE
WHE

DIRECTORS' REPORT

The Directors (jointly the "Board") present their report on the Consolidated Group consisting of Wildhorse Energy Limited ("WHE" or "the Company") and its controlled entities for the year ended 30 June 2014.

1. Directors

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

Current Directors	
Mr Ian Middlemas	Chairman
Mr Mark Hohnen	Non-Executive Director
Mr Mark Pearce	Non-Executive Director – Appointed 29 August 2014
Former Directors	
Mr Matt Swinney	Managing Director – Resigned 29 August 2014
Mr Brett Mitchell	Non-Executive Director – Resigned 29 August 2014
Mr Johan Brand	Technical Director – Resigned 25 July 2014
Mr James Strauss	Non-Executive Director – Resigned 29 August 2014
Dr Konrad Wetzker	Non-Executive Director – Resigned 29 August 2014

Unless otherwise disclosed, Directors held their office from 1 July 2013 until the date of this report.

Current Directors and Officers

Mr Ian Middlemas | *Chairman*
Qualifications – B.Com, CA

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 21 January 2010 and Chairman on 29 August 2014. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Paringa Resources Limited (October 2013 – present), Berkeley Resources Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Papillon Resources Limited (May 2011 – present), Pacific Ore Limited (April 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Odyssey Energy Limited (September 2005 – present), Sierra Mining Limited (January 2006 – June 2014), Decimal Software Limited (July 2013 – April 2014), Global Petroleum Limited (April 2007 – December 2011) and Coalspur Mines Limited (March 2007 – October 2011).

Mr Mark Hohnen | *Non-Executive Director*

Experience and expertise: Mr Hohnen has been involved in the mineral business since the late 1970s. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as the oil and coal company Anglo Pacific Resources Plc.

During the three year period to the end of the financial year, Mr Hohnen has held directorships in Praetorian Resources Ltd (April 2012 – June 2014) and Mtemi Resources Ltd (January 2013 – present).

Mr Mark Pearce | *Non-Executive Director*
Qualifications – B.Bus, CA, FCIS, F Fin

Experience and expertise: Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in project acquisitions and the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 29 August 2014. During the three year period to the end of the financial year, Mr Pearce has held directorships in Prairie Mining Limited (August 2011 – present), Pacific Ore Limited (April 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Decimal Software Limited (July 2013 – April 2014) and Coalspur Mines Limited (March 2007 – October 2011).

2. Company Secretary

Ms Sophie Raven | *Company Secretary*
Qualifications – LLB

Experience and expertise: Ms Sophie Raven has practised corporate law for over 20 years in Australia, Chile and the Cayman Islands. In addition to the Company, Ms. Raven is currently also the Company Secretary for Cradle Resources Limited, an ASX listed company.

3. Operating and Financial Review

Operations

During the 2014 financial year the Company initially focused on progressing its underground coal gasification ('UCG') and uranium assets in a cost effective manner while also seeking possible strategic partners in order to enhance shareholder value and allow the further development of these projects.

In the second half of the 2014 financial year the Company narrowed the scope of its activities and then focused on reducing operating and administrative costs by reducing the number of projects it was funding and also staff numbers. On 29 August 2014, the Company announced a company restructure, share consolidation and new rights issue.

Company Restructuring

Effective 29 August 2014 Mr Ian Middlemas, (previously a Non-Executive Director) was appointed as Chairman of the Company while outgoing Chairman, Mr Mark Hohnen, has remained on the Board as a Non-Executive Director. Further, as part of the restructure of the Company and the Board, Mr Matthew Swinney resigned as Managing Director and Messrs James Strauss, Brett Mitchell and Konrad Wetzker all resigned as Non-Executive Directors of the Company. Mr Mark Pearce joined the Board as a Non-Executive Director.

Share Consolidation and One for Five Renounceable Rights Issue

On 29 August 2014, the Company advised plans to:

- seek shareholder approval for a 1 for 30 consolidation of shares, thereby reducing the number of shares on issue to approximately 13.6 million. The number of options on issue will also be consolidated on a 1 for 30 basis, with the exercise price of the options increasing in inverse proportion to the consolidation ratio ("Consolidation"); and

DIRECTORS' REPORT

- following completion of the Consolidation, the Company will undertake a 5 for 1 pro rata renounceable entitlements issue ("Entitlements Issue") to raise up to approximately $3.4 million before costs.

Eligible shareholders would be entitled to acquire five (5) new ordinary shares ("New Shares") for every ordinary share held at the record date (to be determined). New Shares under the Entitlements Issue will be offered at $0.05 per share (on a post Consolidation basis).

The Board is confident that following the recent cost cutting measures and ongoing company restructure, which had already significantly reduced the Company's operating and administrative expenses, the funds raised from the Entitlements Issue will enable the Company to pursue new opportunities in the resource and other sectors and to progress the Company's current projects.

Golden Eagle Uranium and Vanadium Project

The Golden Eagle Uranium and Vanadium Project holds nine U.S. Department of Energy (DOE) Uuranium/Vanadium Mining Leases, covering 22.7 km^2 located in the Uravan Mineral Belt, Colorado USA. Technical reports for a number of the lease have been drafted based on historic data, however, exploration drilling and core analysis need to be completed in order to finalize these reports. The leases will expire eight years after the courts complete their review of the ROD published this past spring in the Federal Register and the DOE allows the lease holders to resume activates on their leases. It should be noted that the lease can be held beyond their expiration through continued renewals and the continuation of lease maintenance, including exploration work and future production. Historically these DOE leases have been renewed for 10 year periods after the expiration date; existing leases issued to past Lessee's have been renewed dating back to 1974. Wildhorse also possess an option on Gold Eagle Mining Inc (GEMI) leases; GEMI has three DOE properties of which two have active operating permits.

Mecsek Hills Uranium Project

WHE examined a number of scenarios regarding the development of the Mecsek Hills Uranium Project which combines WHE's 13.7km^2 Pécs uranium licence and Hungarian state owned Mecsekérc ('ME') adjoining 19.6km^2 MML-E uranium licence. The project has a total JORC Inferred Resource of 48.3Mt at 0.072% U_3O_8 for 77Mlbs of U_3O_8 and an Exploration Target of an additional 55-90Mlbs of U_3O_8 with a grade range of 0.075-0.10% U_3O_8.

As discussed above, exploration activities for all projects were substantially reduced to conserve cash. As a result, no active exploration work has been undertaken on this project in recent months, and further exploration activities for 2015 will not be finalized until the recapitalisation process is completed.

It should be noted that the license for this project will expire in March 2016. In absence of the Company recommencing activities in the near future, then the license may be withdrawn by the relevant authorities. Should this occur, then the Company will focus its efforts on progressing the Golden Eagle Uranium and Vanadium Project (as discussed above) and acquiring new projects.

UCG Portfolio

The Company holds one primary UCG asset, which is the Mecsek Hills UCG Project.

Following the previously initiated strategic review and partnership search, the Company signed on 24 February 2014 a Heads of Agreement ('the HOA'), whereby Singapore Exchange listed Linc Energy agreed to acquire a 100% interest in WHE's UCG assets for a consideration of the equivalent of $4.04 million in shares of Linc Energy. The primary asset is the Mecsek Hills UCG Project.

In line with the HOA, Linc Energy provided operational and financial support of $100,000 per month over a four month period ending 30 June 2014 for a total of $400,000 in contributed (non-recourse) funding. On 11 August 2014, Linc Energy advised the Company that it no longer wished to proceed with any further discussions or completion of the coal sale transaction contemplated by the HOA.

As discussed above, exploration activities for all projects were substantially reduced to conserve cash. As a result, no active exploration work has been undertaken on this project in recent months. Effective from 31 December 2013, this project has been classified as a discontinued operation.

It should be noted that the license for this project will expire on December 31, 2014. In absence of the Company recommencing activities in the near future, then the license may be withdrawn by the relevant authorities. Should this occur, then the Company will focus its efforts on progressing its Mecsek Hills Uranium and / or Golden Eagle Uranium and Vanadium Projects (as discussed above) and acquiring new projects.

Financial Position

The Consolidated Group reported a loss for the period of $40,146,445 (2013: $7,983,999). The net loss of the Consolidated Entity is mainly attributable to the Exploration and Evaluation impairment expenses of $4,014,897 (2013: $68,845) and the loss of $32,355,862 (2013: $2,929,424) from discontinued operations recognised in respect of the Group's exploration and evaluation assets. Based on current market conditions and best available information, a decision was made during the year to fully impair the carrying value of the UCG and European uranium assets.

As at 30 June 2014 the Consolidated Group has $404,143 (2013: $5,417,836) cash at bank. No dividends have been paid or declared by the Company during the financial period ended 30 June 2014.

The Company has announced plans to undertake a 5 for 1 pro rata renounceable entitlements issue to raise up to approximately $3.4 million before costs ("Entitlements Issue"). The Board is confident that following the recent cost cutting measures and ongoing company restructure, which had already significantly reduced the Company's operating and administrative expenses, the funds raised from the Entitlements Issue will enable the Company to pursue new opportunities in the resource and other sectors and to progress the Company's current projects.

Business Strategies and Prospects for Future Financial Years

The objective of the Company is to create long-term shareholder value through the discovery, development and acquisition of potentially viable projects in the natural resource and energy sector.

To date, the Company has not commenced production. To achieve its objective, the Company currently has the following business strategies and prospects over the medium to long term:

- continue to develop the Company's current uranium project;
- continuing to examine other new business development opportunities in the natural resource energy sector, both locally and overseas;
- apply for new oil and gas exploration interests; and
- explore other non-energy related business development opportunities in the resources sector.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

- *The Company's current capital raising activities may not be successful* – The Company has announced plans to undertake a 5 for 1 pro rata renounceable entitlements issue to raise up to approximately $3.4 million before costs. Whilst the Directors are satisfied that they will be able to raise sufficient capital when required to enable the Consolidated Group to meet its obligations as and when they fall due, there can be no guarantee that the Company will be able to raise sufficient capital to undertake exploration activities that will result in a successful discovery of economically recoverable reserves and/or pursue and complete acquisitions of new projects;
- *The Company's exploration properties may never be brought into production* – The exploration for, and development of, energy and/or natural resource projects involves a high degree of risk. Few properties which are explored are ultimately developed into production. To mitigate this risk, the Company will

undertake systematic and staged exploration and testing programs on its projects. However there can be no guarantee that the exploration activities will result in a successful discovery of economically recoverable reserves;

- *New Projects and Acquisitions* – The Company has to date and will continue to actively pursue and assess other new business opportunities in the natural resources and energy sectors. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If any acquisition is completed, the Company will need to reassess, at that time, the funding allocated to any current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with a new project/business activities will remain;

- *The Company's activities will require further capital* – The exploration and any development of future and current projects will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Company's projects or even a loss of project interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;

- *The Company may be adversely affected by fluctuations in commodity prices,* which fluctuate widely, and are affected by numerous factors beyond the control of the Company. Future production, if any, from the Company's projects will be dependent upon the price of the related commodity being adequate to make these projects economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, this policy will be reviewed periodically going forward; and

- *Global financial conditions may adversely affect the Company's growth and profitability* – Many industries, including the energy and natural resources industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

4. Events subsequent to reporting date

Since the end of the financial year, the following events have taken place:

Company Restructuring

Effective 29 August 2014 Mr Ian Middlemas, (previously a Non-Executive Director) was appointed as Chairman of the Company while outgoing Chairman, Mr Mark Hohnen, has remained on the Board as a Non-Executive Director. Further, as part of the restructure of the Company and the Board, Mr Matthew Swinney has resigned as Managing Director and Messrs James Strauss, Brett Mitchell and Konrad Wetzker have all resigned as Non-Executive Directors of the Company. Mr Mark Pearce joined the Board as a Non-Executive Director.

Share Consolidation and One for Five Renounceable Rights Issue

On 29 August 2014, the Company advised plans to:

- seek shareholder approval for a 1 for 30 consolidation of shares, thereby reducing the number of shares on issue to approximately 13.6 million. The number of options on issue will also be consolidated on a 1 for 30 basis, with the exercise price of the options increasing in inverse proportion to the consolidation ratio ("Consolidation"); and
- following completion of the Consolidation, the Company will undertake a 5 for 1 pro rata renounceable entitlements issue ("Entitlements Issue") to raise up to approximately $3.4 million before costs.

Eligible shareholders would be entitled to acquire five (5) new ordinary shares ("New Shares") for every ordinary share held at the record date (to be determined). New Shares under the Entitlements Issue will be offered at $0.05 per share (on a post Consolidation basis). The Board is confident that following the recent cost cutting measures and ongoing company restructure, which had already significantly reduced the Company's operating and administrative expenses, the funds raised from the Entitlements Issue will enable the Company to pursue new opportunities in the resource and other sectors and to progress the Company's current projects.

Linc Heads of Agreement

The previously announced Head of Agreement between Wildhorse Energy and Linc Energy in relation to the acquisition of the Company's coal assets officially expired on 21 July 2014 but the Company has announced on 22 July 2014 that negotiations were still ongoing with Linc Energy. On 11 August 2014 the Company has then subsequently announced that Linc Energy has officially decided to not pursue the acquisition of the Company's coal assets.

Cancellation of One for Two Non-Renounceable Rights Issue

As announced on 12 June 2014, the Company was to undertake a one for two pro-rata non-renounceable rights issue at $0.007 per share to raise up to approximately $1.435 million (before costs). On 21 July 2014 the Company announced that the WHE Board had extended the closing date of the offer by fourteen business days from 24 July 2014 to 13 August 2014 in order to allow additional time for shareholders to respond to the offer made to them. On 19 August 2014 the Company then announced a further extension, with ASX approval, to the date for notification to the ASX of under-subscription and the issue date for the rights issued shares being entered into shareholder security holdings, to 22 August 2014. Subsequently on 22 August 2014 the Company has announced the cancellation of this rights issue and that a review and possible restructuring would be undertaken of its Board, operations and strategy.

5. Environmental regulations

The Consolidated Group operations are subject to significant environmental regulation under international legislation in relation to its conduct of evaluation of coal and uranium deposits. The directors are of the opinion that sufficient procedures and reporting processes have been established to enable the Consolidated Group to meet its responsibilities and that the Consolidated Group's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Environmental Legislation where applicable.

6. Directors' meetings

The number of meetings of the Company's board of Directors held during the period ended 30 June 2014, and the number of meetings attended by each Director were:

DIRECTORS' MEETINGS	*Eligible to Attend*	*Attended*
Mr Mark Hohnen	2	2
Mr Matt Swinney	2	2
Mr Brett Mitchell	2	2
Mr Ian Middlemas	2	2
Mr Johan Brand	2	2
Mr James Strauss	2	2
Dr Konrad Wetzker	2	2

A Remuneration Committee (comprising Mark Hohnen, James Strauss and Ian Middlemas) was formed by the Company on 4 October 2010. The Remuneration Committee did not meet during the year ended 30 June 2014.

The Audit Committee members comprise Brett Mitchell and Konrad Wetzker. The Audit Committee did not meet during the year ended 30 June 2014.

Given the nature of the Company's current activities and Board composition, effective from 29 August 2014, the Company has disbanded both the Audit Committee and the Remuneration Committee with the full Board now assuming those functions.

7. Remuneration report (Audited and Restated)

The information provided in this remuneration report has been audited as a requirement of section 308(3C) of the Corporations Act 2001.

This remuneration report sets out remuneration information for the Company's Non-Executive Directors, executive directors, and other key management personnel ('KMP') of the Consolidated Group and the Company.

The remuneration reporting pertaining to 2013 compensation has been restated, refer section (i) for more detail.

Compensation of Key Management Personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Group key management personnel reward framework is to ensure reward for performance is competitive and appropriate to attract and retain experienced Directors and key management personnel. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. As a result of the evaluation and development nature of the Company's activities, the overall level of compensation does not focus on the earnings of the Company.

Compensation is provided by the Company to its executive key management personnel by way of base salary, short-term bonus, performance shares, granting employee options, superannuation and health benefits. Non-Executive Directors are remunerated by way of fees, granting options and statutory superannuation.

Given the evolving nature of the Company's business it continues to review and redesign the overall compensation plan for all employees.

DIRECTORS' REPORT

Directors' Fees

During the year, one non-executive director, Mr Middlemas, did not receive any director fees. One non-executive director, Mr Wetzker, received fees of $27,000, and the other non-executive directors received fees of up to $6,000. The level of director fees effective from 1 July 2014 has not been set as yet, and will only be considered by the Board upon the successful completion of the current Company recapitalisation process.

Key Management Personnel Pay

The key management personnel pay and reward framework has three components:

- Base pay and benefits, including superannuation and health;
- Short-term bonus; and
- Long-term incentives through participation in the Company Employee Option Plan and the Company's Employee Performance Rights Plan (adopted by the Company's shareholders on 1 June 2010 and renewed at the Company's Annual General Meeting held on 28 November 2012).

The combination of these components comprises each executive's total remuneration.

Base Pay

Base pay is structured as a total employment cost package which is delivered as a combination of cash, superannuation and health benefits. A competitive base pay is calculated on a total cost basis and includes any fringe benefits tax (FBT) charges related to employee benefits, which comprises the fixed component of pay and rewards, necessary to attract and retain talented, qualified and effective executives. Base pay was determined in accordance with both market standards and on the advice of external consultants such as Patterson and Associates, London when considered appropriate. From 1 July 2014, base pay will be reviewed annually by the Board. The process will now consist of a review of company and individual performance, relevant comparative remuneration externally and internally and, only where appropriate, external advice on policies and practices.

Use of remuneration consultants

Contrary to past financial periods, during the financial year ended 30 June 2014 the Company's Remuneration Committee has not employed the services of Patterson and Associates (a consultant used in the past) to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design. This decision was taken due to the fact that no changes have been made to the remuneration policies while no new management personnel have been employed during the financial year ended 30 June 2014. The Board is satisfied that the current remuneration levels have been determined free from undue influence from any members of the key management personnel. From 1 July 2014, the Board will review levels of remuneration taking into account the Company's and individual performance, relevant comparative remuneration externally and internally and, only where appropriate, external advice on policies and practices from suitable consultants.

Performance-linked compensation

The Consolidated Group currently has no fixed formula for the cash component of performance based remuneration built into Director or key management personnel remuneration packages. Compensation levels are reviewed by the Board through a process that considers individual and overall performance of the Consolidated Group. There is no direct link between shareholder wealth and performance linked compensation.

The Remuneration Committee of the Company was responsible for setting the remuneration packages of individual Directors. This included agreeing, with the Board, the framework for remuneration of all executive Directors, the Company Secretary and such other members of the executive management of the Company as it is designated to consider. The Remuneration Committee was also responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. Effective from 29 August 2014, the Company has disbanded the Remuneration Committee with the full Board now assuming those functions.

Long-term incentive

Options are issued under the Company's remuneration policy, which provides opportunity for senior executives to receive options over ordinary shares based upon their performance. The ability to exercise these options is conditional on the length of the period the option holder committed to work for the Company.

Short-term incentive

The Remuneration Committee considers the performance of each member of the Company and may at their discretion allocate a bonus. No key management person has received a short-term bonus during the financial period ended June 30, 2014.

Company Employee Option Plan and Company Employee Performance Rights Plan

The Consolidated Group believes encouraging its executives and other employees to become shareholders is a significant method of aligning their interests with those of shareholders. Equity participation is accomplished through the Company's Employee Option Plan and the Company's Employee Performance Rights Plan.

Under the Company's Employee Option Plan options are granted to employees taking into account a number of factors including the amount and term of options previously granted, base salary, performance and competitive factors.

There is no specific performance criteria required to be met for the vesting of options. The issue of options is at the discretion of the Remuneration Committee and Board.

There are no performance criteria, other than continued employment, required to be met to exercise options. No other performance hurdles were implemented due to the Company's desire to encourage longevity of employment as the primary criteria.

During the financial year, no options were issued to Directors, however, Chris Dinsdale the Company's CFO has been issued options and rights as outlined in the sections iii and iv.

Consequences of performance on shareholder wealth

In considering the Consolidated Group performance and benefits for shareholders wealth, the Directors have regard to the following indicators in respect of the current financial year and previous financial years:

	2014 **$**	**2013** **$**	**2012** **$**	**2011** **$**
Company loss	(40,146,445)	(7,983,999)	(11,901,389)	(10,374,610)
Dividend	-	-	-	-
Change in share price	(0.02)	(0.02)	(0.23)	0.08

Market capitalisation and increase/decrease in share price are monitored by the Board. The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Executives. Currently, this is facilitated through the issue of options to Directors and executives to encourage the alignment of personal and shareholder interests.

i. Details of remuneration (restated)

Compensation of Key Management Personnel for the year ended 30 June 2014 is as follows:

	Short-Term Benefits				Post Employment		Share Based Payment		Total		
	Salary and fees[1]	Cash Bonus	Non monetary benefits	Other short-term employee benefits	Superannuation	Termination benefits	Options	Share Performance Rights[2]		Proportion of remuneration performance related %	Value of options as proportion of remuneration %
Directors	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD		
Mark Hohnen	5,833	-	-	-	-	-	-	-	5,833	-	-
Matt Swinney	261,365	-	-		20,945	-	-	-	282,310	-	-
Brett Mitchell	6,000	-	-	-	-	-	-	-	6,000	-	-
Ian Middlemas	-	-	-	-	-	-	-	-	-	-	-
James Strauss	6,000	-	-	-	-	-	-	-	6,000	-	-
Johan Brand	101,214	-	-	-	-	-	-	-	101,214	-	-
Konrad Wetzker	27,000	-	-	-	-	-	-	-	27,000	-	-
Other Key Management Personnel											
Chris Dinsdale	174,938	-	-	-	13,466	130,505[3]	-	9,064	327,973	3%	(3%)
Sophie Raven	48,363	-	-	-	-	-	-	-	48,363	-	-
	630,713	-	-	-	34,411	130,505	-	9,064	804,693	1%	(1%)

[1] Salaries contracted in foreign currency have been translated by using the prevailing foreign exchange rates defined in the Accounting Policy.
[2] Share performance rights have been issued as per section (iii) and (iv) below and were converted to ordinary shares on 27 May 2014.
[3] Chris Dinsdale employment contract was terminated on 31 January 2014 and was replaced with a daily rate employment contract. The termination benefit was paid during the year.

DIRECTORS' REPORT

Compensation of Key Management Personnel for the year ended 30 June 2013 is as follows. Options and rights were granted to Chris Dinsdale on 6 June 2013, the details on which are disclosed in sections (iii) and (iv) of this report. The 2013 remuneration report had not ascribed a fair value for these options and rights and this has been restated in the table below:

	Short-Term Benefits				Post Employment		Share Based Payment		Total Restated		
	Salary and fees[1]	Cash Bonus	Non monetary benefits	Other short-term employee benefits	Superannuation	Termination benefits	Options[2] Restated	Share Performance Rights[3] Restated		Proportion of remuneration performance related Restated	Value of share based payment as proportion of remuneration Restated
Directors	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**%**	**%**
Mark Hohnen	70,000	-	-	-	-	-	-	-	70,000	-	-
Matt Swinney	304,131	-	-	-	22,872	-	-	-	327,003	-	-
Brett Mitchell	31,000	-	-	-	-	-	-	-	31,000	-	-
Ian Middlemas	36,000	-	-	-	-	-	-	-	36,000	-	-
James Strauss	36,000	-	-	-	-	-	12,588	-	48,588	26%	26%
Johan Brand	201,645[4]	-	-	-	-	-	102,667	-	304,312	34%	34%
Konrad Wetzker	56,000[5]	-	-	-	-	-	45,976	-	101,976	45%	45%
Other Key Management Personnel											
Chris Dinsdale	194,667	29,353	-	17,747	32,245[6]	-	72,696	40,374	387,082	37%	29%
Sophie Raven	45,000	-	-	-	-	-	-	-	45,000	-	-
	974,443	29,353	-	17,747	55,117	-	233,927	40,374	1,350,961	19%	20%

[1]Salaries contracted in foreign currency have been translated by using the prevailing foreign exchange rates defined in the Accounting Policy.
[2]Listed options and rights values are related to current year amortization of stock options issued in previous years, detailed information is included in Note 29 and under Analysis of options and rights in Director's Report on page 16.
[3]Share performance rights have been issued relating as per section (iii) and (iv) below.
[4]$125,274 was received as Technical Director; $76,371 was received as a Consultant.
[5]Including $20,000 additional consultant fee.
[6]Superannuation payment inclusive of 1 July 2011 until 30 June 2013.

No other long term benefits have been provided to key management personnel.

ii. Contracts for Services

Where appropriate written appointment letters are issued to Non-Executive Directors upon appointment to the Board, these letters summarise the terms, including compensation, relevant to the office of the Director. Remuneration and other terms of employment for the Executive Directors and other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of bonuses, other benefits including health and superannuation, and participation in the Company Employee Option Plan and Company Employee Performance Rights Plan. Other major provisions of the agreement relating to remuneration are set out below (expressed in AUD unless otherwise stated).

Employment Contracts with Key Management Personnel

Other than as set out below, no director or Key Management Personnel is employed by the Company under a contract.

Directors and Key Personnel	Terms of contract	Amount
Ian Middlemas		
Chairman	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	TBD*
Mark Hohnen & Mark Pearce		
Non-Executive Director	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	TBD*
Chris Dinsdale Chief Financial Officer	-Daily rate timesheet based employment exclusive of medical plan and superannuation - Monthly salary is not to exceed previous salary of € 12,333 per month - No termination benefits is specified in the agreement	31 January 14 – 30 June 14
Sophie Raven		
Company Secretary	-On going contract -No termination benefit is specified in the agreement	Monthly contract

* The level of non-executive director fees effective from 1 July 2014 has not been set as yet by the Board, and will only be considered by the Board upon the successful completion of the current Company recapitalisation process.

Former Directors who resigned after 30 June 2014 have not received termination benefits.

iii. Analysis of options and rights over equity instruments granted as compensation to key management personnel

KMP	Number of options/ Rights	Date granted	Vested during FY13 %	Vested during FY14 %	Fair value per option / right at grant date $	Exercise price per option / right $	Date vested	Financial year in which options vest
Chris Dinsdale								
Options	666,667	6-Jun-13	100%	-	0.03	0.12	6-Jun-13	2013
	666,667	6-Jun-13	100%	-	0.02	0.16	6-Jun-13	2013
	666,666	6-Jun-13	100%	-	0.02	0.2	15-Jun-13	2013
	1,000,000	6-Jun-13	100%	-	0.03	0.091	15-Jun-13	2013
Rights	247,190	6-Jun-13	100%	-	0.05	N/A	6-Jun-13	2013
	247,190	6-Jun-13	100%	-	0.05	N/A	6-Jun-13	2013
	247,189	6-Jun-13	100%	-	0.05	N/A	6-Jun-13	2013
	247,189	6-Jun-13	27%	73%	0.05	N/A	4-Sept-13	2014

The share performance rights entitle the holder to shares subject to satisfying continuous employment at the following dates:

Rights	
741,569	06-Jun-13
247,189	04-Sep-13

All share performance rights were converted to ordinary shares on 27 May 2014 disclosed in Note 24.

The inputs used in the measurement of the fair values of the options at grant date were as follows:

KMP Options	666,667	666,667	666,666	1,000,000
Fair value at grant date	0.03	0.02	0.02	0.03
Share price at grant date	0.05	0.05	0.05	0.05
Exercise price	0.12	0.16	0.2	0.091
Expected volatility	100%	100%	100%	100%
Expected life	3.5	3.5	3.5	3.5
Exercise dividend	0%	0%	0%	0%
Risk free rate	2.5%	2.5%	2.5%	2.5%

iv. Options and rights over equity instruments granted as compensation

3,000,000 options and 988,758 share performance rights were granted as compensation to Chris Dinsdale as at 06 June 2013. Terms of the granted options are disclosed on page 86 under Unlisted Options schedule. The 988,758 share performance rights were converted to ordinary shares on 27 May 2014. No other options and rights were granted to Directors and other Key Management Personnel during the financial year ended 30 June 2014.

v. Analysis of movements in share options and rights (Restated)

Options 30 June 2014 Name	Grant Date	Number of options vested during the year	Value of options granted during the year $	Value of options exercised during the year $	Number of options lapsed during the year **	Value of options lapsed in the year $ *
Directors						
Mark Hohnen	-	-	-	-	6,000,000	32,883
Matt Swinney	-	-	-	-	7,000,000	37,896
Brett Mitchell	-	-	-	-	2,000,000	10,961
Johan Brand	-	-	-	-	9,000,000	11,206
Total		**-**	-	-	**24,000,000**	**92,946**

*The value of options lapsed during the year represents the benefit forgone and is calculated at the date the option lapsed using the Black Scholes option-pricing model.
** No options for key management personnel that were either previously issued or that vested during the year were exercised. The options of Mark Hohnen (6,000,000), Matt Swinney (7,000,000), Brett Mitchell (2,000,000) and Johan Brand (9,000,000) were expired during the current financial year.

Rights 30 June 2014 Name	Grant Date	Number of rights vested during the year	Value of rights granted during the year $	Value of Rights exercised during the year $ *	Number of rights lapsed during the year	Value of rights lapsed in the year $
Other Key Management Personnel						
Chris Dinsdale	-	247,189	-	9,890	-	-
Total		**247,189**	-	**9,890**	**-**	**-**

*The value of rights exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the rights were exercised.

Options 30 June 2013 Restated Name	Grant Date	Number of options vested during the year	Value of options granted during the year $ *	Value of options exercised during the year $	Number of options lapsed during the year	Value of options lapsed in the year $
Other Key Management Personnel						
Chris Dinsdale (restated)	06-June-2013	3,000,000	72,696	-	-	-
Total		**3,000,000**	72,696	-	**-**	**-**

*The value of options granted is the fair value of the options calculated at grant date.

Rights 30 June 2013 Restated Name	Grant Date	Number of rights vested during the year	Value of rights granted during the year $	Value of Rights exercised during the year $ *	Number of rights lapsed during the year	Value of rights lapsed in the year $
Other Key Management Personnel						
Chris Dinsdale	06-June-2013	741,569	49,438	-	-	-
Total		**741,569**	**49,438**	**-**	**-**	**-**

*The value of rights granted is the fair value of the options calculated at grant date.

vi. Analysis of movements in share options and rights (Restated)

30 June 2014	Balance at beginning of year 1 July 2013	Granted as Remuneration	Exercised	Lapsed	Balance at end of year 30 June 2014	Vested and exercisable
Directors						
Mark Hohnen	6,000,000	-		(6,000,000)	-	-
Matt Swinney	7,000,000	-		(7,000,000)	-	-
Brett Mitchell	2,000,000	-		(2,000,000)	-	-
Johan Brand	9,000,000	-		(9,000,000)	-	-
James Strauss	2,000,000	-		-	2,000,000	2,000,000
Konrad Wetzker	2,000,000	-		-	2,000,000	2,000,000
Key Management Personnel						
Chris Dinsdale (restated)						
- Options	3,000,000	-	-	-	3,000,000	3,000,000
- Rights	988,758	-	(988,758)	-	-	-
Sophie Raven	-	-		-	-	-
Total	**31,988,758**	**-**	**(988758)**	**(24,000,000)**	**7,000,000**	**7,000,000**

vii. Analysis of movements in shares

30 June 2014	Balance 1 July 2013	Granted as Remuneration	On Exercise of Options/ rights	Lapsed	Balance 30 June 2014
Directors					
Mark Hohnen	996,581	-	-	-	996,581
Matt Swinney	714,335	-	-	-	714,335
Brett Mitchell	-	-	-	-	-
Ian Middlemas	5,100,000	-	-	-	5,100,000
Johan Brand	735,294	-	-	-	735,294
James Strauss	259,067	-	-	-	259,067
Key Management Personnel					
Chris Dinsdale					
- exercise of rights	-	-	-	988,758	988,758
Total	**7,805,277**	**-**	**-**	**988,758**	**8,794,035**

End of audited Remuneration Report

8. Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Exercise price (A$)	Expiry date	Number of options
22-Nov-10	$0.30	22-Nov-14	1,333,333
22-Nov-10	$0.40	22-Nov-14	1,333,334
22-Nov-10	$0.50	22-Nov-14	266,672
22-Nov-10	$0.60	22-Nov-14	1,599,997
22-Nov-10	$0.70	22-Nov-14	266,664
08-Jun-11	$0.50	30-Jun-15	666,667
08-Jun-11	$0.60	30-Jun-15	666,667
08-Jun-11	$0.70	30-Jun-15	666,666
27-Mar-14	$0.12	16-Nov-16	1,721,173
27-Mar-14	$0.16	16-Nov-16	1,721,172
27-Mar-14	$0.20	16-Nov-16	1,721,169
27-Mar-14	$0.091	16-Nov-16	1,000,000
Total			**12,963,514**

The relevant interest of each director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the Company and related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares
Mark Hohnen	996,581
Ian Middlemas	5,100,000

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity. During the year no options were exercised (2013: 347,637 options were exercised).

Insurance of officers

During the year the Company paid $17,013 premium to insure Directors and officers of the Company and its subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Consolidated Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT

9. 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 the Consolidated Group are important.

Details of the amounts paid or payable to the auditor (KPMG) or associated entities for non-audit services are provided below.

The Board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

During the year KPMG provided tax and other advisory services in the amount of $67,837 (tax advisory services: $7,307, legal advisory services: $60,530).

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

10. Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

The Directors' Report is made in accordance with a resolution of the Board.

Signed in accordance with a resolution of the Directors:

MARK PEARCE
Non-Executive Director

Dated this 26th day of September 2014

Competent Persons Statements

The information in the report that relates to the Mecsek Hills Uranium Project Mineral resource was estimated in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2004 JORC Code). There have been no material changes to the Mineral Resources since the ASX announcement dated 19 January 2011 and titled "Uranium Resource of 77Mlbs Confirmed Through Execution of Co-operation Agreement with Hungarian State Owned Entities". – see www.wildhorse.com.au The estimate was based on information compiled by Mr Lauritz Barnes and Mr Neil Inwood who are both Members of The Australasian Institute of Mining and Metallurgy. Mr Barnes is an independent consultant and, at the time of the announcement in 2011, Mr Inwood was employed by Coffey Mining. Mr Barnes is the Competent Person responsible for the database, modelling, estimation methodology and Classification. Mr Inwood has reviewed the resource estimate and consent to take dual responsibility for the estimation methodology and Classification. Both Messrs Barnes and Inwood have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person a defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Barnes and Inwood approve and consent to the inclusion in the report of the matters and defined Mineral Resources information in the form and context in which it appears.

The geological modelling and estimation of the Exproration Target for the Mecsek Hills Uranium Project of 55 to 90 Mlbs of U3O8 with a range of 0.075 to 0.10% U3O8 was also compiled by Mr Barnes and Mr Inwood. There have been no material changes to the Exploration Target since the ASX announcement dated 31 January and titled "New Exploration Target of 55 to 90 Mlbs Significantly Increases the Total Resource Potential for the Mecsek Hills Uranium Project".

The size and grade of the Exploration target is conceptual in nature and it is uncertain if further exploration will result in the determination of a mineral resource. There is currently insufficient data to define a JORC compliant Mineral Resource for the Exploration Target. Mr Lauritz Barnes and Mr Neil Inwood, independent consultants (Competent Persons) have reviewed the historical data available for the Mecsek Hills Uranium Project and both made visits to the area. The Competent Persons consider the Exploration Target to be reasonable based on the data available. Mr Barnes has furthermore confirmed that there was no change to the Exploration Target following the relinquishment of the Abaliget license during the March 2014 quarter.

Wildhorse confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions underpinning the resource estimates continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original ASX announcements.

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

To: the directors of Wildhorse Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG.

KPMG

R Gambitta
Partner

Perth

26 September 2014

DIRECTORS' DECLARATION

In the opinion of the Directors of Wildhorse Energy Limited:

a The consolidated financial statements and notes set out on pages 29 to 70, are in accordance with the Corporations Act 2001 and:

- **i** give a true and fair view of the Consolidated Group financial position as at 30 June 2014 and of its performance for the financial year ended on that date, and
- **ii** comply with Australian Accounting Standards and the Corporations Regulations 2001.

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

c The remuneration disclosures included in the Directors' report in sections 7 (as part of the audited Remuneration Report); for the year ended 30 June 2014, comply with section 300A of the *Corporations Act 2001*.

d The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Directors:

MARK PEARCE
Non-Executive Director

Dated this 26th day of September 2014

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

		CONSOLIDATED GROUP	
		30-Jun-14	30-Jun-13
Continuing operations	*Notes*	AUD	AUD
Other income	7	683,602	492
Employee benefits	10	(763,663)	(2,244,400)
Professional costs	9	(1,088,138)	(1,127,164)
Premises		(64,675)	(79,286)
Travel		(211,466)	(292,899)
Depreciation and amortisation		(9,095)	(367,131)
Other costs	8	(316,977)	(512,052)
Impairment of exploration	21	(4,014,897)	(68,845)
Impairment of asset held for sale	18	-	(46,251)
Impairment of other assets		(3,116)	(1,245)
Loss on disposal of U.S. companies	11	(1,986,423)	-
Financial income	12	17,424	152,238
Financial expense	13	(33,159)	(468,032)
Loss before tax from continuing operations		(7,790,583)	(5,054,575)
Tax expense	14	-	-
Loss from continuing operations		(7,790,583)	(5,054,575)
Discontinued operations			
Net loss from discontinued operations (net of income tax)	5	(32,355,862)	(2,929,424)
Loss for the year		(40,146,445)	(7,983,999)
Loss attributable to:			
Members of the parent entity		(40,136,215)	(7,967,750)
Non-controlling interest		(10,230)	(16,249)
		(40,146,445)	(7,983,999)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference - continuing operations		1,749,184	427,602
Foreign currency translation difference - discontinued operations		2,345,510	3,965,618
Other comprehensive income for the period, net of income tax		4,094,694	4,393,220
Total comprehensive loss for the period		(36,051,751)	(3,590,779)
Total comprehensive loss attributable to			
Members of the parent entity		(36,043,667)	(3,590,779)
Non-controlling interest		(8,084)	-
		(36,051,751)	(3,590,779)
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents per share)	6	(9.9)	(2.0)
Basic and diluted loss per share - continuing operation	6	(1.9)	(1.3)

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		CONSOLIDATED GROUP	
	Notes	30-Jun-14 AUD	30-Jun-13 AUD Re-presented
CURRENT ASSETS			
Cash and cash equivalents	15	404,143	5,417,836
Sundry debtors and other receivables	17	124,470	467,204
Inventories		23,557	22,989
Assets held for sale	18	-	522,842
TOTAL CURRENT ASSETS		552,170	6,430,871
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	21	506,817	33,333,280
Property, plant and equipment	19	46,305	72,816
Intangible assets	20	41,664	67,655
Deposits held	16	93,806	318,890
TOTAL NON-CURRENT ASSETS		688,592	33,792,641
TOTAL ASSETS		1,240,762	40,223,512
CURRENT LIABILITIES			
Trade and other payables	22	163,689	601,488
Employee benefits provision	23	16,519	53,862
TOTAL CURRENT LIABILITIES		180,208	655,350
NON-CURRENT LIABILITIES			
Deferred tax liability	14	-	2,317,540
TOTAL NON-CURRENT LIABILITIES		-	2,317,540
TOTAL LIABILITIES		180,208	2,972,890
NET ASSETS		1,060,554	37,250,622
EQUITY			
Contributed equity	24	92,500,223	92,319,033
Reserves	25	1,705,930	3,817,618
Accumulated losses		(93,069,633)	(58,818,147)
TOTAL EQUITY ATTRIBUTABLE TO MEMBERS OF THE COMPANY		1,136,520	37,318,504
Non-controlling interest		(75,966)	(67,882)
TOTAL EQUITY		1,060,554	37,250,622

The above statement of financial position should be read in conjunction with the accompanying notes.

The 2013 comparatives have been re-presented for discontinued operations, see note 5.

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

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share based payments reserve AUD	Accumulated losses AUD	Total equity attributable to the owners of the Company AUD	Non-Controlling Interest AUD	Total equity AUD
At 1 July 2013	92,319,033	(3,673,012)	7,490,630	(58,818,147)	37,318,504	(67,882)	37,250,622
Comprehensive loss for the period							
Loss for period	-	-	-	(40,136,215)	(40,136,215)	(10,230)	(40,146,445)
Other comprehensive income/(loss)							
Foreign currency translation reserve	-	4,094,694	-	(2,146)	4,092,548	2,146	4,094,694
Total other comprehensive income/(loss)	-	4,094,694	-	(2,146)	4,092,548	2,146	4,094,694
Total comprehensive income/(loss) for period	-	4,094,694	-	(40,138,361)	(36,043,667)	(8,084)	(36,051,751)
Transactions with equity holders in their capacity as equity holders							
Issue of share capital net of transaction costs	181,190	-	-	-	181,190	-	181,190
Transfer of non-exercised options from share based payments reserve	-	-	(5,886,875)	5,886,875	-	-	-
Share based payments	-	-	(319,507)	-	(319,507)	-	(319,507)
Total contribution by and distributions to owners	181,190	-	(6,206,382)	5,886,875	(138,317)	-	(138,317)
At 30 June 2014	92,500,223	421,682	1,284,248	(93,069,633)	1,136,520	(75,966)	1,060,554

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share based payments reserve AUD	Accumulated losses AUD	Total equity attributable to the owners of the Company AUD	Non-Controlling Interest AUD	Total equity AUD
At 1 July 2012	92,293,343	(8,066,232)	7,163,843	(51,021,888)	40,369,066	(44,591)	40,324,475
Comprehensive loss for the period							
Loss for period	-	-	-	(7,967,750)	(7,967,750)	(16,249)	(7,983,999)
Other comprehensive income/(loss)							
Foreign currency translation reserve	-	4,393,220	-	7,042	4,400,262	(7,042)	4,393,220
Total other comprehensive income/(loss)	-	4,393,220	-	7,042	4,400,262	(7,042)	4,393,220
Total comprehensive loss for period	-	4,393,220	-	(7,960,708)	(3,567,488)	(23,291)	(3,590,779)
Transactions with equity holders in their capacity as equity holders							
Issue of share capital net of transaction costs	25,690	-	-	-	25,690	-	25,690
Share based payments	-	-	400,141	-	400,141	-	400,141
Reclassification from derivative liabilities	-	-	91,095	-	91,095	-	91,095
Transfer of non-exercised options from share based payments reserve	-	-	(164,449)	164,449	-	-	-
Total contribution by and distributions to owners	25,690	-	326,787	164,449	516,926	-	516,926
At 30 June 2013	92,319,033	(3,673,012)	7,490,630	(58,818,147)	37,318,504	(67,882)	37,250,622

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30-Jun-14 AUD	30-Jun-13 AUD
Cash flows from operating activities			
Cash paid to suppliers and employees		(3,027,249)	(3,833,673)
Cash paid to exploration suppliers and employees		(473,954)	(988,085)
Non-refundable funds received from Linc Energy Limited		400,000	-
Interest received		25,498	105,069
Net cash used in operating activities	26	(3,075,705)	(4,716,689)
Cash flows from investing activities			
Payments for plant and equipment and intangible assets		(6,347)	(59,485)
Payments for exploration and evaluation		(2,236,676)	(2,155,661)
Proceeds from sale of plant and equipment		363	8,560
Proceeds from sale of prospects		-	24,215
Proceeds from deposit released		222,179	824,755
Net cash used in investing activities		(2,020,481)	(1,357,616)
Cash flows from financing activities			
Proceeds from issue of shares net of issue costs		-	25,515
Payments for share issues		-	-
Net cash provided by financing activities		-	25,515
Net decrease in cash and cash equivalents		(5,096,186)	(6,048,790)
Foreign exchange movement on cash		82,493	661,808
Cash and cash equivalents at the beginning of the year		5,417,836	10,804,818
Cash and cash equivalents at the end of the year	15	404,143	5,417,836

The above statement of cash flows should be read in conjunction with the accompanying notes.

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

1. Summary of significant accounting policies

Wildhorse Energy Limited is an entity domiciled in Australia.

The principal activities of the Consolidated Group during the course of the financial year were the exploration and evaluation activities related to underground coal gasification projects and uranium projects in Europe. The Consolidated Group is a for-profit entity.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statement report includes Wildhorse Energy Limited and its subsidiaries as the Consolidated Group.

(a) Basis of Preparation

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

The annual report was authorised for issue by the Directors on 26th September 2014.

Basis of measurement
These financial statements have been prepared on the historical cost basis, with the exception of the following material item:

- assets held for sale are measured at fair value less the estimated costs of sale.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Consolidated Group accounting policies. Critical estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and may have a significant impact on the amounts recognised in the financial statements.
During the preparation of the 2014 financial statements critical judgements were made to assess the fair value of assets held for sale. Management made critical judgements to determine the valuation technique of these assets. Critical accounting estimates are included in Note 3.

Going Concern
As at 30 June 2014, the Consolidated Group had cash available of $404,143 and for the year ended 30 June 2014, the Group incurred a loss of $40,146,445 and a net cash outflow from operating activities of $3,075,705.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve month period from the date of this financial report. In this regard, on 29 August 2014, the Company advised plans to:

- seek shareholder approval for a 1 for 30 consolidation of shares, thereby reducing the number of shares on issue to approximately 13.6 million. The number of options on issue will also be consolidated on a 1 for 30 basis, with the exercise price of the options increasing in inverse proportion to the consolidation ratio ("Consolidation"); and
- following completion of the Consolidation, the Company will undertake a 5 for 1 pro rata renounceable entitlements issue ("Entitlements Issue") to raise up to approximately $3.4 million before costs.

If the entitlements issue is not completed, which, based on a number of recent Company recapitalisations the Directors have been involved with, appears unlikely, additional funding can be derived from either one or a combination of revised capital raising and debt financing. Based on the above, the Board has reasonable expectations that it can raise or realise additional cash resources. Accordingly, the Directors have prepared the financial report on a going concern basis.

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Should the Company be unable to obtain sufficient funding, there is a material uncertainty that may cast significant doubt over whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.
The financial statements do not include any adjustments as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Discontinued operation
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or held for sale, or is a subsidiary acquired exclusively with a view of resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued operation, the comparative statement is restated as if the operation had been discontinued from the start of the comparative period.

(b) Reclassification of comparative information
Certain comparatives have been reclassified to conform with the presentation and classification of the current financial year.

(c) Principles of Consolidation Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wildhorse Energy Limited as at 30 June 2014 and the results of all subsidiaries for the year then ended. Wildhorse Energy Limited and its subsidiaries together are referred to in these financial statements as the Consolidated Group.

Subsidiaries are those entities where the Consolidated Group assessed it has a control. The Consolidated Group considered all relevant facts and circumstances and controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Consolidated Group controls an investee if and only if it has all of the following elements:

- power over the investee, (i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns))
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the investor's returns

The Financial Statements of Subsidiaries are fully consolidated from the date on which control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Group.
Intercompany transactions, balances and any unrealised gains or losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Consolidated Group.
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

(d) Business Combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Consolidated Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Consolidated Group takes into consideration potential voting rights that currently are exercisable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the Consolidated Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Consolidated Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.
When share-based payment awards (replacement awards) are required to be exchanged for awards held by acquiree's employees (acquiree's awards) and relate to past services, than all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

(e) Segment Reporting
An operating segment is a component of the Consolidated Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Consolidated Group's other components, whose operating results are viewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The Consolidated Group segments have been identified as Hungary Coal, Hungary Uranium, United States of America and Central Europe.

Segment results that are reported to the Managing Director, who is the chief operating decision maker, include items directly attributed to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly, head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

(f) Foreign Currency Translation
Functional and presentation currency
Items included in the financial statements of the Consolidated Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Wildhorse Energy Limited's functional and presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Transactions and balances
Foreign currency transactions are translated into the functional currency at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign operations
The results and financial position of entities in the Consolidated Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rates at the reporting date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and all resulting exchange differences are recognised in other comprehensive income and presented in foreign currency translation reserve, as a separate component of equity; and
- goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at exchange rates at the reporting date.

When a foreign operation is sold, the cumulative amount in the translation reserve related to that foreign operation is recognised in the statement of comprehensive income as part of the gain or loss on sale. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

(g) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and tax paid. Revenue of the Company is recognised on services provided.

(h) Other income
Net gain on disposal of property, plant and equipment and financial instruments is presented as other income. Gain and losses on disposals are determined as the difference between the net proceeds from disposal and the carrying amount of the assets.
Fair value gains on financial assets (at fair value through profit or loss) are recognised as other income.

(i) Financial income and expense
Interest Income
Interest income is recognised on term deposits by using the effective interest method.

Foreign currency gains and losses
Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financial income or financial expense depending on whether foreign currency movements are in a net gain or net loss position.

(j) Income Tax
The income tax expense or income for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying value of the financial instruments amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in transactions other than a business combination that at the time of the transaction affects neither of accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 to the extent that it is probable that future taxable amounts will be available against which those deductible temporary differences and unused tax losses can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity 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 related to the same taxation authority. Current tax assets and tax liabilities are offset when 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.
Current and deferred tax is recognised in profit or 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.

Wildhorse Energy Limited and its wholly owned Australian controlled entities have not implemented the tax consolidation legislation.

(k) Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(l) Acquisition of Assets
The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(m) Impairment of Assets
Non-financial assets
The carrying amounts of non-financial assets other than inventories and deferred tax asset that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Exploration and evaluation expenditures that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure in further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit ('CGU') which is no larger than the area of interest.

The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets measured at amortised cost
An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and fair value. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, applying management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Consolidated Group will not be able to collect all amounts due according to the original terms of receivables. Impairment losses are recognised in statement of comprehensive income.

(n) Financial Instruments
The fair value of financial assets must be estimated for recognition, measurement and for disclosure purposes. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Group has transferred substantially all the risks and rewards of ownership. Risks arising from financial instruments are disclosed in Note 2.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of trade and other receivables.

Cash and cash equivalents comprise cash balances and cash call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Consolidated Group in the management of its short-term commitments.

Short term receivables with no stated interest rate are measured at the original contracted amount if the effect of discounting is immaterial. The maximum exposure to credit risk is represented by the carrying amount of these financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Financial liabilities
Financial liabilities are recognised initially at fair value less any directly attributable transaction costs and subsequently measured at amortised cost by using the effective interest rate method. Short term financial liabilities with no stated interest rate are measured at the original contracted amount if the effect of discounting is immaterial.

Financial liabilities comprise loans and borrowings and trade and other payables.

Trade and other payables represent unpaid liabilities for goods and services provided to the Consolidated Group. These amounts are unsecured and usually paid within 30 days of recognition.

(o) Plant and Equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.
Depreciation on plant and equipment assets is calculated using the straight line method to allocate their cost net of their residual values, over their estimated useful lives, as follows:

Plant and equipment	*2 – 7 years*

The assets' residual values and useful lives are reviewed, and adjusted if required, annually, at each reporting date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Impairment loss is recognised in other comprehensive income.

Gains and losses on disposals are determined as the difference between the net proceeds from the disposal and the carrying amount of the asset(s). These are included in the statement of comprehensive income as other income.

(p) Exploration and evaluation expenditure
Exploration and evaluation expenditures are expenditures incurred by the Consolidated Group in connection with the exploration and evaluation of mineral resources before the technical feasibility and commercial viability of extracting these resources can be proved. These expenditures are recognised as exploration and evaluation assets presented by specific areas where the Consolidated Group has legal rights to explore certain (Uranium, Coal and CBM) mineral resources.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

A regular review is undertaken to determine the appropriateness of the carrying value of exploration and evaluation assets.

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There is no need for recognition of any impairment loss in the following cases:

- the carrying value of the assets is expected to be recovered through successful exploitation;
- or expected to be recovered from sale of the area;
- or exploration and evaluation activities in the area have not reached a stage which permits a reasonable assessment of the recoverable value of the asset and active operations in, or relating to, the area are continuing.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Exploration and evaluation assets in respect of an area of interest which is abandoned are to be written off in full against profit in the year in which the decision to abandon the area is made. See accounting policy for impairment in Note 1(m).

(q) Intangible Assets

Intellectual properties are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of intellectual property over the estimated useful life which is one to three years.

(r) Assets held for sale

Assets held for sale are expected to be sold within 12 months and are measured at fair value. Their fair value is assessed based on the estimated realisable market value of the asset. The difference between the book value and estimated realisable market value is to be written off.

(s) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Share-based payments

Share-based compensation benefits are provided to employees via the Wildhorse Energy Limited Employee Option Plan and the Wildhorse Energy Employee Performance Rights Plan. Information regarding this scheme is set out in Directors' Report.

In relation to the Employee Option Plan, the fair value at grant date has been determined as zero, taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(t) Bonus plans

The Consolidated Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation, or as otherwise agreed by the Board of Directors.

(u) Dividends

Dividends are recognised as distributions within equity upon approval of the Company's shareholders.

(v) Earnings per Share

Basic earnings per share

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

Diluted earnings per share

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

(w) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and acquired assets are recognised net of the amount of associated GST and VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

(x) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Consolidated Group, except for AASB 9 Financial Instruments for which the Consolidated Group has not made an assessment of the impact of these amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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. 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 periods beginning on or after 1 January 2018	Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The Consolidated Group has not yet made an assessment of the impact of these amendments.

The Group has adopted the following new and revised accounting standards that are mandatory for annual periods beginning on or after 1 January 2014. These standards are applicable to the Group from 1 July 2013.

AASB 10 *Consolidated Financial Statements* introduces a revised definition of control and establishes a single control model that applies to all entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes guidance for applying the model.

The adoption of AASB 10 had no material effect on the financial position or the condensed consolidated financial statements of the Group.

AASB 11 *Joint Arrangements* and AASB 2011-7 *Amendments to Australian Accounting Standards* arising from the Consolidation and Joint Arrangements Standards uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists has changed.

The adoption of AASB 11 had no impact on the financial position or the condensed consolidated financial statements of the Group.

AASB 12 Disclosures of Interests in Other Entities prescribes the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. New disclosures have been introduced regarding the judgements made by management to determine whether control exists and to require summarised information about joint arrangements and subsidiaries with non-controlling interests.

The adoption of AASB 12 had no material impact on the accounting policies of the Group.

AASB13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards* arising from AASB13 provides a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when fair value is required to be used, but rather provides guidance on how to determine fair value when required or permitted.

The adoption of AASB 13 had no material effect on the financial position or the condensed consolidated financial statements of the Group.

AASB 119 *Employee Benefits* revises the definition of short-term employee benefits, to benefits that are expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service.

The adoption of AASB 119 (2011) had no material effect on the financial position or the condensed consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Financial risk management

The Consolidated Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Consolidated 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 Consolidated Group. The Consolidated Group does not engage in any hedging or derivative financial instruments. The Consolidated Group uses sensitivity analysis to measure foreign exchange risks and aging analysis for credit risk assessment. The Board of Directors carries out risk management.

The Consolidated Group holds the following financial instruments.

Carrying value of the financial instruments

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
FINANCIAL ASSETS		
Cash and cash equivalents	404,143	5,417,836
Sundry debtors and other receivables (excluding VAT, GST and prepayments)	174	60,788
Deposits held	93,806	318,890
	498,123	5,797,514
FINANCIAL LIABILITIES		
Trade and other payables	163,689	601,488
	163,689	601,488

(a) Market risk

Foreign Exchange Risk

The Consolidated Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hungarian Forint (HUF), Great Britain Pound (GBP), Euro (EUR), Czech Koruna (CZK), Polish Zloty (PLN), US dollar (USD) and South African Rand (ZAR).

Foreign exchange risk arises from future commercial transactions related to recognised assets and liabilities denominated in a currency that is not the individual companies functional currency. The risk is measured by using sensitivity analysis and cash flow forecasting.

The Consolidated Group has not entered into any derivative financial instruments to hedge anticipated future cash flows denominated in a foreign currency. The Board manages the purchase of foreign currency to meet operational requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The Consolidated Group exposure to foreign currency risk at the end of the reporting was as follows:

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Sundry debtors and other receivables in denomination currency:		
Sundry debtors and receivables – HUF	98,474	406,605
Sundry debtors and receivables – USD	-	-
Sundry debtors and receivables – CZK	1,207	10,331
Sundry debtors and receivables – ZAR	-	90
Sundry debtors and receivables – PLN	4,519	2,603
	104,200	419,630
Trade payables in denomination currency:		
Trade payables – USD	(1,540)	(1,579)
Trade payables – HUF	(58,517)	(183,118)
Trade payables – CZK	-	(547)
Trade payables – EUR	(3,338)	(15,744)
Trade payables – GBP	(1,919)	(50,946)
Trade payables – PLN	(43)	(604)
	(65,357)	(252,538)

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Deposits held in denomination currency:		
Deposits held – GBP	-	7,939
Deposits held – HUF	68,126	280,642
Deposits held – EUR	25,532	30,189
Deposits held – CZK	105	110
	93,763	318,880
Cash in denomination currency:		
Cash – CZK	11,970	13,166
Cash – EUR	3,824	792
Cash – GBP	8,373	2,929,560
Cash – HUF	98,313	1,153,614
Cash – PLN	3,351	12,954
Cash – USD	4,480	22,149
	130,311	4,132,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Consolidated Group sensitivity

Exchange rates per AUD as at 30 June:

	Reporting Date spot rate	
	30-Jun-14	30-Jun-13
USD	0.9429	0.9140
HUF	213.895	207.280
CZK	18.9741	18.2653
EUR	0.6907	0.7025
GBP	0.5535	0.6008
ZAR	9.9844	9.0297
PLN	2.8715	3.0383

A 10% increase or decrease in the value of the Australian dollar against the above currencies at 30 June would have the following effect:

	CONSOLIDATED		CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD	30-Jun-14 AUD	30-Jun-13 AUD
	Profit/(loss)	Profit/(loss)	Profit/(loss)	Profit/(loss)
	10 % increase	10 % increase	10% decrease	10% decrease
USD	(267)	(1,870)	327	2,286
HUF	(20,902)	(152,794)	25,554	186,747
CZK	(1,208)	(2,096)	1,476	2,563
EUR	(2,365)	(1,386)	2,891	1,692
GBP	(578)	(262,414)	717	320,728
ZAR	-	(8)	-	10
PLN	(712)	(1,360)	870	1,661
Total	(26,032)	(421,928)	31,835	515,687

Price risk
The Consolidated Group and Company have no exposure to equity securities price risk as there are no financial assets of this type. Neither the Consolidated Group nor the Company are exposed to commodity price risk.

Cash flow and fair value interest rate risk

The Consolidated Group does not have any long-term borrowing or long term deposits, which would expose it to significant cash flow interest rate risk.

(b) Credit Risk
Credit risk is managed on a Consolidated Group basis. Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures related to outstanding receivables and committed transactions.

All cash balances are held at internationally recognised institutions with the majority of cash being held with an A rated Australian Bank. Credit risk of receivables is identified by credit quality assessment, taking into account past experience, financial position and other factors.

The Consolidated Group does not have any past due financial assets and based on the credit quality assessment, the credit quality of financial assets is good.

The maximum exposure to credit risk of the Company is equal to the carrying amount of the financial assets, $498,123 (2013: $5,797,514).

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

(c) Liquidity Risk

Liquidity risk arises from the management of cash and cash equivalent resources. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensures the availability of funding through an adequate amount of committed credit facilities. The Consolidated Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At reporting date the Consolidated Group had sufficient cash reserves to meet its requirements. The Consolidated Group therefore had no credit standby facilities or arrangement for further funding in place.

Financial assets and liabilities contractual cash flows equal their carrying value.

The financial liabilities of $163,689 (2013: $601,488) comprised of trade and other payables incurred in the normal course of the business are covered by cash and cash equivalents of $404,143 (2013: $5,417,836) at the end of the financial year. These were non-interest bearing and due within the normal 30 days terms of creditor payments.

(d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for disclosure purposes.
The carrying values of sundry debtors and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

3. Critical accounting estimates

The Directors make estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key Estimates – Impairment

The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and evaluation expenditure

The Consolidated Group accounting policy for exploration and evaluation expenditure is set out in Note 1(p). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, assumptions of future changes in resource prices and operating expenses, expected changes in market conditions and the assessment of whether economic quantities of reserves have been found.

Any such estimates and assumptions may change due to future events and circumstances. If, after having capitalised expenditure under this policy, the Consolidated Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

For the year ended 30 June 2014, $37,631,330 of exploration and evaluation expenditure was impaired and is recognised in the comprehensive statement of income (included in Note 21 Exploration and evaluation expenditure).

Share based payments

The Consolidated Group's accounting policy for share based payments is set out in Note 1(s). The application of this policy requires certain assumptions to be made in relation to the value of options. Further details are included in Note 29.

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

Assets held for sale
Assets held for sale is to be recorded at the lower of cost or net realisable value. To determine the net realisable value the Company make assumptions about the market conditions and prices.

4. Segment information

Management has determined that the operating segments are based on reports reviewed by the chief operating decision maker, the Managing Director, which are used to monitor performance and make strategic decisions. The business is considered from both a geographic and functional perspective and has identified four reportable segments: Hungary Coal and Hungary Uranium, United States and Central Europe.

Management assesses the performance of the operating segments based on a measure of contribution to comprehensive income. This measure excludes items such as the effects of equity settled share based payments, and unrealised gains and losses on financial instruments, interest income, corporate expenses, as well as other centralised expenses not attributable to segments.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

Segment Report – 2014

	HUNGARY COAL 30-Jun-14 (Discontinued) AUD	HUNGARY URANIUM 30-Jun-14 AUD	UNITED STATES OF AMERICA 30-Jun-14 AUD	CENTRAL EUROPE 30-Jun-14 (Discontinued) AUD	TOTAL SEGMENT 30-Jun-14 AUD	UNALLOCATED/ ELIMINATIONS AND CORPORATE 30-Jun-14 AUD	CONSOLIDATED 30-Jun-14 AUD
Results							
Segment Result	(32,134,236)	(4,610,831)	(1,791,787)	(221,626)	**(38,758,480)**	(1,387,965)	**(40,146,445)**
Loss before tax for the period	(34,335,058)	(4,610,831)	(1,791,787)	(221,626)	**(40,959,302)**	(1,387,965)	**(42,347,267)**
Comprehensive loss for the period	(34,967,956)	(4,692,770)	(2,034,015)	(169,485)	**(41,864,226)**	5,812,475	**(36,051,751)**
Segment assets	302,527	500,411	511,297	21,153	**1,335,388**	(94,626)	**1,240,762**
Total assets	302,527	500,411	511,297	21,153	**1,335,388**	(94,626)	**1,240,762**
Liabilities							
Segment liabilities	9,215,019	3,463,626	1,540	1,548,242	**14,228,427**	(14,048,219)	**180,208**
Total liabilities	9,215,019	3,463,626	1,540	1,548,242	**14,228,427**	(14,048,219)	**180,208**
Other Segment Information							
Depreciation and amortisation	40,182	7,477	-	288	**47,947**	1,618	**49,565**
Impairment of exploration and evaluation asset	33,507,105	4,014,896	-	109,329	**37,631,330**	-	**37,631,330**
bImpairment of asset held for sale	-	-	-	-	**-**	-	**-**

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

Segment Report – 2013

	HUNGARY COAL 30-Jun-13 AUD	HUNGARY URANIUM 30-Jun-13 AUD	UNITED STATES OF AMERICA 30-Jun-13 AUD	CENTRAL EUROPE 30-Jun-13 AUD	TOTAL SEGMENT 30-Jun-13 AUD	UNALLOCATED/ ELIMINATIONS AND CORPORATE 30-Jun-13 AUD	CONSOLIDATED 30-Jun-13 AUD
Results							
Segment Result	(2,445,832)	(764,020)	(32,793)	(338,469)	**(3,581,114)**	(4,402,885)	**(7,983,999)**
Loss before tax for the period	(2,300,520)	(764,020)	(32,793)	(338,469)	**(3,435,802)**	(4,402,885)	**(7,838,687)**
Total Comprehensive loss for the period	(1,406,192)	(360,446)	12,880,286	(484,181)	**10,629,467**	(14,220,246)	**(3,590,779)**
Segment assets	31,318,035	4,529,002	526,439	108,495	**36,481,971**	3,741,541	**40,223,512**
Total assets-restated	31,318,035	4,529,002	526,439	108,495	**36,481,971**	3,741,541	**40,223,512**
Liabilities							
Segment liabilities	13,269,862	3,449,877	1,579	1,466,097	**18,187,415**	(15,214,525)	**2,972,890**
Total liabilities	13,269,862	3,449,877	1,579	1,466,097	**18,187,415**	(15,214,525)	**2,972,890**
Other Segment Information							
Depreciation and amortisation	45,650	12,491	80	259	**58,480**	354,560	**413,040**
Impairment of exploration and evaluation asset	1,381,551	68,845	-	283,703	**1,734,099**	-	**1,734,099**
Impairment of asset held for sale	-	-	46,251	-	**46,251**	-	**46,251**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	30-Jun-14 AUD	30-Jun-13 AUD
Reconciliation of reportable segment loss		
Total loss before tax for reportable segments	(40,959,302)	(3,435,802)
Eliminate inter segment income/(expenses)	(1,387,965)	(4,402,885)
Consolidated loss before income tax	(42,347,267)	(7,838,687)
Elimination of loss before income tax from discontinued operations	(34,556,684)	(2,784,112)
Total loss before tax from continuing operations	(7,790,583)	(5,054,575)

5. Discontinued operations

In the half year ended 31 December 2013 the Group was committed to the sale or the finding of a strategic partner(s) for its UCG business. As a result in February 2014 the Group entered into a Heads of Agreement with Linc Energy Limited, whereby Linc Energy will acquire 100% interest in WHE's UCG assets for a consideration of the equivalent of $4.04 million in shares of Linc Energy. On 11 August 2014, Linc Energy advised the Company that it no longer wished to proceed with any further discussions or completion of the coal sale transaction contemplated by the HOA. Exploration activities for all UCG projects were substantially reduced to conserve cash. As a result, limited exploration has been undertaken on this project in recent months. Effective from 31 December 2013, this project has been classified as a discontinued operation.

	CONSOLIDATED	
Results of discontinued operations	30-Jun-14 AUD	30-Jun-13 AUD
Income	7,698	77,224
Expenses	(947,948)	(1,196,082)
Impairment of exploration expense	(33,616,434)	(1,665,254)
Result from operating activities	**(34,556,684)**	**(2,784,112)**
Income tax (expense)/benefit (Note 14)	2,200,822	(145,312)
Result from operating activities, net of tax	**(32,355,862)**	**(2,929,424)**

Of the loss from discontinued operations of $32,355,862 (30 June 2013: $2,929,424) an amount of $32,347,315 is attributable to the owner's of the Company.

Basic and diluted loss of discontinued operations per share	(8.0)	(0.7)

The tax impact of the discontinued operations was incorrectly presented in the 31 December 2013 interim financial report. The refersal of the deferred tax liability was presented in other comprehensive income, however the correct treatment was a deferred tax benefit in profit or loss. This has been corrected in these financial statements.

Net cash from (used) in operating activities	(281,207)	(375,646)
Net cash from (used) in investing activities	(797,075)	1,210,722
Net cash from discontinued operations	(1,078,282)	835,076

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

6. Loss per share

(a) Basic earnings per share
Basic earnings per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

(b) 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. Diluted earnings per share are the same as basic earnings per share in 2014 and 2013 as the Consolidated Group is in a loss position.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Loss attributable to ordinary equity holders of the Parent	(40,136,215)	(7,967,750)
Loss attributable to Non-controlling interest	(10,230)	(16,249)
	(40,146,445)	(7,983,999)

	NUMBER OF SHARES	
	30-Jun-14	30-Jun-13
Weighted average number of ordinary shares for basic earnings per share	405,511,200	403,137,82 6
Basic and diluted earnings per share (cents)	(9.9)	(2.0)
Basic earnings per share (cents) from continuing operation	(1.9)	(1.3)
Basic earnings per share (cents) from discontinuing operation	(8.0)	(0.7)

As earnings per share (EPS) is a loss per share, any potential ordinary shares would be anti-dilutive. As a result, earnings per share is identical for the basic and diluted EPS calculations.

7. Other income

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD Re-presented
Gain on disposals	283,602	492
Other income	400,000	-
	683,602	492

Gain on disposals comprises of $58,816 accruals write off and $224,773 gain related to FCTR disposal of deregistered US companies.
The other income of $400,000 is non-refundable funds received from Linc Energy Limited in relation to the planned sale of the coal assets.

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

8. Other costs

	CONSOLIDATED 30-Jun-14 AUD	CONSOLIDATED 30-Jun-13 AUD Re-presented
Corporate costs	48,145	49,146
Share registry	43,849	49,667
Marketing and media	45,369	161,107
Insurance	49,208	86,757
Other taxes	5	1,134
Other expenses	130,401	164,241
	316,977	512,052

The other expenses of $130,401 (2013: $164,241) includes telephone cost, IT cost, bank charges and other operating expenses.

9. Professional costs

	CONSOLIDATED 30-Jun-14 AUD	CONSOLIDATED 30-Jun-13 AUD Re-presented
Audit fees	130,723	107,207
Taxation advice	75,707	41,118
Broker fees	39,823	40,685
Legal fees	309,722	209,513
Accounting fees	2,036	2,405
Company secretarial fees	44,613	45,841
Other professional fees	485,514	680,395
	1,088,138	1,127,164

Auditor's remuneration

	CONSOLIDATED 30-Jun-14 AUD	CONSOLIDATED 30-Jun-13 AUD Re-presented
Auditors of the Company		
Audit or review of the financial statements (KPMG)	130,640	101,594
Other non-KPMG audit services performed during the reporting period	83	5,614
	130,723	107,208

Professional costs include tax and other advisory services provided by KPMG in the amount of $67,837.

10. Employee benefits

	CONSOLIDATED 30-Jun-14 AUD	CONSOLIDATED 30-Jun-13 AUD Re-presented
Wages and salaries	919,938	1,547,528
Superannuation	29,354	36,655
Share-based payments (i)	(319,507)	400,141
Employee's compensation (share performance rights)	40,668	-
KMP's compensation (share performance rights)	9,064	
Other employee benefits	84,146	260,076
	763,663	2,244,400

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

(i) The $319,507 income of share based payments is made up of $66,099 share based payment expense for the reported period and $385,606 of prior year share based payment expense relating to 2,233,333 options for which the service and non-market conditions will not be met and has been reversed in the current period.

11. Loss on disposal of U.S. companies

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Loss on disposal of U.S. companies	1,986,423	-
	1,986,423	-

12. Financial income

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Interest income	17,304	47,143
Other financial income	120	-
Unrealised foreign exchange gain	-	105,095
	17,424	152,238

13. Financial expense

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Realised foreign exchange loss	(33,159)	(424,420)
Other financial expenses	-	(43,612)
	(33,159)	(468,032)

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

14. Income tax expense

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD Re-presented
a) Income tax expense/(income)		
Current income tax	-	-
Deferred income tax on discontinued operations	(2,200,822)	145,312
	(2,200,822)	145,312
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(42,347,267)	(7,983,999)
Tax at the Australian tax rate of 30%	(12,704,180)	(2,395,200)
Differences in overseas tax rates	(1,530,961)	869,754
Net effect of non-deductible expenses and income	12,015,213	650,708
Unused tax losses not recognised as deferred tax asset	19,106	1,020,050
	(2,200,822)	145,312
(c) Unused tax losses and credits		
Opening balance	10,245,110	9,225,060
Movement	(3,002,974)	1,020,050
Closing balance	7,242,136	10,245,110
(d) Unrecognised deferred tax assets arising on temporary differences and losses		
Tax losses	7,242,136	10,245,110
	7,242,136	10,245,110

The Company has estimated income tax losses of $7,242,136 (2013: $10,245,110) available to be offset against future taxable income. The significant decrease was mainly attributable to the tax loss carried forward by Wildhorse Energy Inc, having been deregistered during the current financial year. A deferred tax asset in relation to the losses has not been recognised by the Consolidated Group on the basis that it is not probable that there will be future taxable income available against which the tax losses can be utilised.

Deferred tax liability recognized in the amount of $2,317,540 as at 30 June 2013 was reversed parallel with the related exploration and evaluation assets impairment. No deferred tax asset is recognized.

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

Unused tax losses carried forward, for which no deferred tax asset has been recognised in the balance sheet comprises of the following:

Country	Amount in AUD	Description
Australia	3,872,412	Unused tax losses can be carried forward for indefinite period
Hungary	3,188,327	Unused tax losses can be carried forward for indefinite period
USA	30,625	Unused tax losses can be carried forward for 20 years
Poland	3,579	Unused tax losses can be carried forward for 5 years
Czech Republic	82,441	Unused tax losses can be carried forward for 5 years
South Africa	61,303	Unused tax losses can be carried forward for indefinite period
Hong Kong	3,449	Unused tax losses can be carried forward for indefinite period
TOTAL	**7,242,136**	

The Company has not consolidated for tax purposes.

The tax rate in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared to the previous reporting period.

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

15. Cash and cash equivalents

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Cash on hand	3,000	4,620
Cash at bank	389,805	3,524,753
Deposits at call	11,338	1,888,463
	404,143	5,417,836

Cash at bank and on hand, amounting to $392,805 (2013: $3,529,373) is non-interest bearing.
Deposits at call of $11,338 (2013: $1,888,463) are interest bearing at fixed interest rates of between 3.3% and 4.0% (2013: between 3.5% and 4.0%). Deposits at call have a weighted average interest rate of 3.70% (2013: 3.84%). These deposits have an average period to repricing of less than 90 days (2013: 30 days).

16. Deposits held

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Mining deposits held	59,003	264,328
Other deposits	34,803	54,562
	93,806	318,890

Mining deposits are held with banks for the Hungarian tenements. During the current financial year the mining deposit of $222,179 has been realised for the Cikó, Bátaszék, Abaliget, Dinnyeberki and Pécs CBM projects which have been relinquished.

17. Sundry debtors and other receivables

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Sundry debtors	72	58,349
Prepayments	83,995	176,816
GST & VAT receivable	40,301	229,600
Accrued income	102	2,439
	124,470	467,204

Sundry debtors and other receivables
Sundry debtors and other receivables arise from transactions outside the usual operating activities of the Consolidated Group. The credit quality of sundry debtors and other receivables is assessed to be adequate.
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 as mentioned above. More information on the risk management policy of the Consolidated Group is provided in Note 2.

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

18. Assets held for sale

During the current financial year Golden Eagle Uranium assets relating to the U.S. operation have been reclassified to the exploration and evaluation asset category because management decided not to sell the asset in the foreseeable future.

CONSOLIDATED	30-Jun-14 AUD	30-Jun-13 AUD
Assets classified as held for sale - carrying value		
Exploration and evaluation assets - US operations	-	522,842
	-	522,842

CONSOLIDATED	30-Jun-14 AUD	30-Jun-13 AUD
Assets classified as held for sale - movement		
At 1 July	522,842	512,997
Transfer to exploration and evaluation expenditure	(506,817)	-
Additions	-	24,549
Sales	-	(24,606)
Impairment during the year	-	(46,251)
Foreign currency movement	(16,025)	56,153
At 30 June	-	522,842

19. Property, plant and equipment

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Property, plant and equipment - at cost	269,072	307,333
Property, plant and equipment - accumulated depreciation	(222,767)	(234,517)
Carrying value	46,305	72,816

Property, plant and equipment of the Company comprise office equipment.

Reconciliation of movement in plant and equipment

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Movement in plant and equipment		
Plant and equipment - at cost		
At 1 July	307,333	302,506
Additions	5,333	14,076
Disposals	(35,079)	(48,304)
Foreign currency movement	(8,515)	39,055
At 30 June	269,072	307,333
Plant and equipment - accumulated depreciation		
At 1 July	(234,517)	(206,412)
Depreciation	(23,521)	(36,378)
Disposals	27,787	37,884

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

Foreign currency movement	7,484	(29,611)
At 30 June	(222,767)	(234,517)
	46,305	72,816
Carrying value at 1 July	72,816	96,094
Carrying value at 30 June	46,305	72,816

20. Intangible assets

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Intangible asset – at cost	118,764	1,191,368
Intangible asset accumulated amortisation	(77,100)	(1,123,713)
	41,664	67,655

Reconciliation of movement in intangible assets

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Intangible assets - at cost		
At 1 July	1,191,368	1,207,010
Additions	1,014	45,410
Disposal	(968,618)	-
Foreign currency movement	(105,000)	(61,052)
At 30 June	118,764	1,191,368
Intangible asset – accumulated amortisation		
At 1 July	(1,123,713)	(790,532)
Amortisation	(26,044)	(376,662)
Disposal	968,527	-
Foreign currency movement	104,130	43,481
At 30 June	(77,100)	(1,123,713)
Carrying value at 1 July	67,655	416,478
Carrying value at 30 June	41,664	67,655

Intangible assets comprise of softwares.

Intellectual property relating to UCG technology has been written off together with the impairment of European UCG assets.

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

21. Exploration and evaluation expenditure

Reconciliation of movement in exploration and evaluation expenditure

	30-Jun-14 AUD	30-Jun-13 AUD
Exploration and evaluation expenditure	506,817	33,333,280
Movement in exploration and evaluation expenditure		
Opening balance	33,333,280	28,731,585
Additions during the period (i)	2,236,676	2,155,661
Impairment (ii)	(37,631,330)	(1,734,099)
Transfer from asset held for sale (iii)	506,817	-
Foreign currency movement	2,061,374	4,180,133
Closing balance	506,817	33,333,280

(i) During the period the Consolidated Group spent $2,236,676 on exploration and evaluation ($1,820,340 for Hungarian coal projects; $376,509 for Hungarian uranium projects and $39,477 for the Polish coal project).

(ii) A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. During the period the Directors decided to relinquish Cikó, Bátaszék, Abaliget, Pécs CBM and Alwernia projects based on the performed exploration and evaluation work. As a result of year end fair value assessment, the remaining Hungarian uranium; and Hungarian and Czech UCG assets have also been fully impaired.

An impairment charge of $37,631,330 has been recorded in the statement of comprehensive income ($28,171 for the Cikó project, $343,554 for the Bátaszék project, $6,570 for the Abaliget project, $10,491,666 for the Pécs CBM project, $42,870 for the Polish Alwernia project, $3,664,773 for the Hungarian uranium projects, $22,987,267 for the Hungarian UCG project and $66,459 for the Czech UCG project).

(iii) During the current financial year Golden Eagle Uranium assets relating to the U.S. operation have been reclassified to the exploration and evaluation asset category as the management decided not to sell these assets in the foreseeable future.

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

22. Trade and other payables

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Trade creditors	40,948	211,718
Other payables and accruals	122,741	389,770
	163,689	601,488

All payables are interest free and expected to be settled within the next 12 months. The group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 2.

23. Employee benefits provision

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Statutory employee benefits	16,519	53,862

Employee benefits comprise annual leave provision which is expected to be paid within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24. Contributed equity

	NUMBER OF SHARES		AMOUNT ($)	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
Ordinary Shares on Issue	410,240,284	403,406,411	96,469,042	96,287,852
Cost of Capital raising	-	-	(3,968,819)	(3,968,819)
	410,240,284	403,406,411	92,500,223	92,319,033

Movements in ordinary share capital

2014	Date	Number	Issue price	Value
Opening balance	01-Jul-13	403,406,411		96,287,852
Options converted to shares	-	-	-	-
Share issue in lieu of consultant fees	27-Mar-14	2,689,548	0.05	131,458
Share Performance Rights converted to shares	27-May-14	4,144,325	0.01	49,732
				96,469,042
Less Costs of issue				
Opening cost of issue				(3,968,819)
Current year costs				-
		410,240,284		92,500,223

All the 410,240,284 shares issued have been fully paid.

2013	Date	Number	Issue price	Value
Opening balance	01-Jul-12	403,058,774		96,262,162
Options converted to shares	08-Apr-13	347,637	0.074	25,690
				96,287,852
Less Costs of issue				
Opening cost of issue				(3,968,819)
Current year costs				-
		403,406,411		92,319,033

Ordinary shares

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

The Consolidated Group and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Company monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity shown in the statement of financial position plus net debt. As the Company is currently in the exploration and development phase, the gearing ratio has been maintained at 0% throughout the year. There are no externally imposed restrictions on capital management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Options on issue

As at 30 June 2014, the Company has 12,963,514 (2013: 46,349,947) options over ordinary shares on issue, details of which are disclosed in the table below. Information on the Employee Share Option Plan is set out in Note 29 - Share Based Payments. Options have no dividend rights or voting rights at shareholders meetings.

Options on issue as at 30 June 2014:

Grant Date	Exercise Price (A$)	Expiry Date	Vesting Range Dates	Number of Options
22-Nov-10	$0.30	22-Nov-14	26-Feb-11 – 26-Aug-12	1,333,333
22-Nov-10	$0.40	22-Nov-14	26-Feb-11 – 26-Aug-12	1,333,334
22-Nov-10	$0.50	22-Nov-14	11-May-10 – 11-May-14	266,672
22-Nov-10	$0.60	22-Nov-14	11-May-10 – 11-May-14	1,599,997
22-Nov-10	$0.70	22-Nov-14	11-May-10 – 11-May-14	266,664
08-Jun-11	$0.50	30-Jun-15	25-Mar-11 – 25-Mar-13	666,667
08-Jun-11	$0.60	30-Jun-15	25-Mar-11 – 25-Mar-13	666,667
08-Jun-11	$0.70	30-Jun-15	25-Mar-11 – 25-Mar-13	666,666
06-Jun-13*	$0.12	30-Nov-16	06-Jun-13	666,667
06-Jun-13*	$0.16	30-Nov-16	06-Jun-13	666,667
06-Jun-13*	$0.20	30-Nov-16	06-Jun-13 - 15-Jun-13	666,666
06-Jun-13*	$0.091	30-Nov-16	06-Jun-13 - 15-Jun-13	1,000,000
06-Jun-13**	$0.12	30-Nov-16	06-Jun-13	587,839
06-Jun-13**	$0.16	30-Nov-16	06-Jun-13	587,838
06-Jun-13**	$0.20	30-Nov-16	06-Jun-13 – 1-Jul-13	587,837
30-Nov-13**	$0.12	30-Nov-16	06-Jun-13	466,667
30-Nov-13**	$0.16	30-Nov-16	06-Jun-13	466,667
30-Nov-13**	$0.20	30-Nov-16	06-Jun-13 – 15-Jul-13	466,666
Total				**12,963,514**

*KMP Options: The vesting condition of options provided to key management personnel is that they have to work for the Company up to the end of the vesting period.
**Employee options: The vesting condition of options provided to key management personnel is that they have to work for the Company up to the end of the vesting period.

Options provided to brokers vested on the grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Options on issue as at 30 June 2013:

Grant Date	Exercise Price (A$)	Expiry Date	Vesting Range Dates	Number of Options
26-Feb-10	$0.50	26-Feb-14	From 26-Feb-10 – 19-Feb-12	8,333,332
26-Feb-10	$0.60	26-Feb-14	From 26-Feb-10 – 19-Feb-12	8,633,332
26-Feb-10	$0.70	26-Feb-14	From 26-Feb-10 – 19-Feb-12	4,000,000
26-Feb-10	$0.60	16-Feb-14	26-Feb-10	666,666
26-Feb-10	$0.90	16-Feb-14	26-Feb-10	333,333
26-Feb-10	$1.20	16-Feb-14	26-Feb-10	333,333
26-Feb-10	$1.50	16-Feb-14	26-Feb-10	333,333
01-Jun-10	$0.50	01-Jun-14	18-Jan-10	2,200,000
01-Jun-10	$0.60	01-Jun-14	18-Jan-11	2,200,000
01-Jun-10	$0.70	01-Jun-14	18-Jan-12 – 18-Jan-14	4,600,000
30-Jun-10	$0.225	30-Jun-14	30-Jun-10	2,000,000
22-Nov-10	$0.30	22-Nov-14	26-Feb-11 – 26-Aug-12	1,333,333
22-Nov-10	$0.40	22-Nov-14	26-Feb-11 – 26-Aug-12	1,333,334
22-Nov-10	$0.50	22-Nov-14	11-May-10 – 11-May-14	333,340
22-Nov-10	$0.60	22-Nov-14	11-May-10 – 11-May-14	1,666,663
22-Nov-10	$0.70	22-Nov-14	11-May-10 – 11-May-14	333,330
08-Jun-11	$0.50	30-Jun-15	25-Mar-11 – 25-Mar-13	666,667
08-Jun-11	$0.60	30-Jun-15	25-Mar-11 – 25-Mar-13	666,667
08-Jun-11	$0.70	30-Jun-15	25-Mar-11 – 25-Mar-13	666,666
12-Apr-12	$0.083	12-Apr-14	12-Apr-12	257,182
12-Apr-12	$0.10	12-Apr-14	12-Apr-12	604,820
12-Apr-12	$0.117	12-Apr-14	12-Apr-12	604,820
21-May-12	$0.083	21-May-14	21-May-12	1,416,598
21-May-12	$0.10	21-May-14	21-May-12	1,416,598
21-May-12	$0.117	21-May-14	21-May-12	1,416,600
Total				**46,349,947**

The weighted average remaining contractual life for the share options outstanding as at 30 June 2014 is 1.53 years (2013: 0.89 years). The range of exercise prices for options outstanding at the end of the year was A$0.091 – A$0.70 (2013: A$0.077 – A$1.50).

The vesting condition of options provided to key management personnel is that they have to work for the Company up to the end of the vesting period. Options provided to brokers vested on the grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Movement in the options on issue during the year

At 1 July 2013	Granted during the year	Exercise price (A$)	Expiry Date	Exercised During the year	Lapsed during the year	At 30 June 2014
8,333,332	-	$0.50	26-Feb-14	-	(8,333,332)	-
8,633,332	-	$0.60	26-Feb-14	-	(8,633,332)	-
4,000,000	-	$0.70	26-Feb-14	-	(4,000,000)	-
666,666	-	$0.60	16-Feb-14	-	(666,666)	-
333,333	-	$0.90	16-Feb-14	-	(333,333)	-
333,333	-	$1.20	16-Feb-14	-	(333,333)	-
333,333	-	$1.50	16-Feb-14	-	(333,333)	-
2,200,000	-	$0.50	01-Jun-14	-	(2,200,000)	-
2,200,000	-	$0.60	01-Jun-14	-	(2,200,000)	-
4,600,000	-	$0.70	01-Jun-14	-	(4,600,000)	-
2,000,000	-	$0.23	30-Jun-14	-	(2,000,000)	-
1,333,333	-	$0.30	22-Nov-14	-	-	1,333,333
1,333,334	-	$0.40	22-Nov-14	-	-	1,333,334
333,340	-	$0.50	22-Nov-14	-	(66,668)	266,672
1,666,663	-	$0.60	22-Nov-14	-	(66,666)	1,599,997
333,330	-	$0.70	22-Nov-14	-	(66,666)	266,664
666,667	-	$0.50	30-Jun-15	-	-	666,667
666,667	-	$0.60	30-Jun-15	-	-	666,667
666,666	-	$0.70	30-Jun-15	-	-	666,666
257,182	-	$0.083	12-Apr-14	-	(257,182)	-
604,820	-	$0.10	12-Apr-14	-	(604,820)	-
604,820	-	$117	12-Apr-14	-	(604,820)	-
1,416,598	-	$0.083	21-May-14	-	(1,416,598)	-
1,416,598	-	$0.10	21-May-14	-	(1,416,598)	-
1,416,600	-	$0.117	21-May-14	-	(1,416,600)	-
-	1,721,173	$0.12	30-Nov-16	-	-	1,721,173
-	1,721,172	$0.16	30-Nov-16	-	-	1,721,172
-	1,721,169	$0.20	30-Nov-16	-	-	1,721,169
-	1,000,000	$0.091	30-Nov-16	-	-	1,000,000
46,349,947	**6,163,514**			**-**	**(39,549,947)**	**12,963,514**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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At 1 July 2012	Granted during the year	Exercise price (A$)	Expiry Date	Exercised During the year	Lapsed during the year	At 30 June 2013
377,957	-	$0.31	20-Jun-13	-	(377,957)	-
377,957	-	$0.37	20-Jun-13	-	(377,957)	-
377,957	-	$0.43	20-Jun-13	-	(377,957)	-
8,333,332	-	$0.50	26-Feb-14	-	-	8,333,332
8,633,332	-	$0.60	26-Feb-14	-	-	8,633,332
4,000,000	-	$0.70	26-Feb-14	-	-	4,000,000
666,666	-	$0.60	16-Feb-14	-	-	666,666
333,333	-	$0.90	16-Feb-14	-	-	333,333
333,333	-	$1.20	16-Feb-14	-	-	333,333
333,333	-	$1.50	16-Feb-14	-	-	333,333
2,200,000	-	$0.50	01-Jun-14	-	-	2,200,000
2,200,000	-	$0.60	01-Jun-14	-	-	2,200,000
4,600,000	-	$0.70	01-Jun-14	-	-	4,600,000
2,000,000	-	$0.23	30-Jun-14	-	-	2,000,000
1,333,333	-	$0.30	22-Nov-14	-	-	1,333,333
1,333,334	-	$0.40	22-Nov-14	-	-	1,333,334
333,340	-	$0.50	22-Nov-14	-	-	333,340
1,666,663	-	$0.60	22-Nov-14	-	-	1,666,663
333,330	-	$0.70	22-Nov-14	-	-	333,330
666,667	-	$0.50	30-Jun-15	-	-	666,667
666,667	-	$0.60	30-Jun-15	-	-	666,667
666,666	-	$0.70	30-Jun-15	-	-	666,666
604,819	-	$0.083	12-Apr-14	(347,637)	-	257,182
604,820	-	$0.10	12-Apr-14	-	-	604,820
604,820	-	$0.117	12-Apr-14	-	-	604,820
1,416,598	-	$0.083	21-May-14	-	-	1,416,598
1,416,598	-	$0.10	21-May-14	-	-	1,416,598
1,416,600	-	$0.117	21-May-14	-	-	1,416,600
47,831,455	**-**			**(347,637)**	**(1,133,871)**	**46,349,947**

Movement in the share performance rights during the year

At 1 July 2013	Granted during the year	Exercised During the year	At 30 June 2014
-	4,144,325	(4,144,325)	-
-	**4,144,325**	**(4,144,325)**	**-**

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25. Reserves

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Share-based payments reserve		
At 1 July	7,490,630	7,163,843
Options expired during the period	(5,886,875)	(164,449)
Options exercised during the period	-	(5,319)
Options expensed during the period	66,099	405,460
Options reversed during the period	(385,606)	-
Options reclassified to share based payment reserve	-	91,095
At 30 June	1,284,248	7,490,630
Foreign currency translation reserve		
At 1 July	(3,673,012)	(8,066,232)
Currency translation differences arising during the year	4,094,694	4,393,220
At 30 June	421,682	(3,673,012)
Reserves		
Share-based payments reserve	1,284,248	7,490,630
Foreign currency translation reserve	421,682	(3,673,012)
	1,705,930	3,817,618

Nature and purpose of reserves
Share-based payments reserve

The share based payments reserve is used to recognise the fair value of options issued to Directors, employees, consultants and other service providers but not exercised. Current year movement relates to options lapsed during the financial year resulting in a credit in the profit and loss.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(f). The reserve is recognised in profit and loss when the net investment is disposed of.

Current year movement is due to the changes of year end foreign currency rates from last year to this year.

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

For the purposes of the cash flow statements, cash and cash equivalents consist of cash on hand, cash at bank and deposits at call. Cash and cash equivalents at the end of the financial year as shown in the cash flow statements are reconciled to the related items in the statement of financial position as follows:

	30-Jun-14 AUD	30-Jun-13 AUD
Loss after income tax	(40,146,445)	(7,983,999)
Depreciation and amortisation	49,566	413,040
Net exchange differences	86,396	(509,116)
Other financial loss/(gain)	-	43,612
Share-based payments	(269,775)	400,141
Impairment expense	35,633,883	1,803,083
Loss on disposal of US companies	1,986,423	-
Net (gain)/loss on disposal of property, plant and equipment, prospects	(285,682)	24,840
	(2,945,634)	(5,808,399)
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables and inventories	342,166	509,359
(Increase)/Decrease in deposit held	2,905	160,298
Increase/(Decrease) in payables	(437,799)	(116,949)
Increase/(Decrease) in derivative liabilities	-	(48,111)
Increase/(Decrease) in provisions	(37,343)	(13,832)
Increase/(Decrease) in other liabilities	-	600,945
Net cash used in operating activities	(3,075,705)	(4,716,689)

Non-Cash Financing Activities

During the period ended 30 June 2014 as part of the share placement the Company issued 1,000,000 ordinary shares to GMP Securities Europe LLP in lieu of fees for the period 01 September 2013 to 31 March 2014 and 1,689,548 ordinary shares to Karnotit Kft. as agreed consultant compensation. The fair value of the issued shares was $131,458 at issue date.

There were no non-cash financing activities during the period ended 30 June 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. Related parties

Directors and Key Management Personnel
Disclosures relating to Directors and Key Management Personnel are set out in the Directors' Report under the section entitled Remuneration Report and Note 28.
Wholly Owned Group
The wholly owned Group consists of the Company and its wholly owned controlled entities as set out below:

		Ordinary capital held	
	Country of incorporation	**30-Jun-14 %**	**30-Jun-13 %**
Ultimate parent entity:			
Wildhorse Energy Limited	Australia		
Subsidiaries of Wildhorse Energy Limited			
Peak Coal Pty Ltd	Australia	100	100
Wildhorse Energy South Africa	South Africa	100	100
Wildhorse Energy CZ, s.r.o	Czech Republic	95	95
Wildhorse UCG Kft	Hungary	100	100
Wildhorse Energy Hungary Kft	Hungary	100	100
Wildhorse Resources Kft	Hungary	100	100
Mecsek Alternatív Szén Energia Kft	Hungary	100	100
Wildhorse Energy Holdings USA Inc (ii)	USA	-	100
Wildhorse Energy Poland (i)	Poland	100	100
White Coal Energy Ltd (i)	Hong Kong	100	100
Wildhorse GE Holding Inc	USA	100	100
Subsidiary of Peak Coal Pty Ltd			
White Coal Pty Ltd	Australia	100	100
Subsidiary of White Coal Pty Ltd			
White Coal Holding Ltd (i)	Hong Kong	100	100
Subsidiary of Wildhorse Energy Holdings USA Inc			
Wildhorse Energy Inc (ii)	USA	-	100
Subsidiary of Wildhorse GE Holdings Inc			
Golden Eagle Uranium LLC	USA	100	100
Subsidiary of Wildhorse Energy Hungary Kft			
Magyar Urán Zrt	Hungary	97	98

(i) These entities are in the process of being wound up.
(ii) These entities have been deregistered during the current financial year

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Other related parties

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The aggregate amounts paid during the year relating to key management personnel and their related parties were as follows:

		Transactions value For the year ended		Payable to the related Party as at	
Related party		**30-Jun-14**	**30-Jun-13**	**30-Jun-14**	**30-Jun-13**
Aqua Alpha	(i)	47,698	-	-	-
PWB Revital Kft	(ii)	18,000	64,000	-	-

(i) AQUA Alpha Drilling SA (Pty) Ltd is a company associated with Mr Johan Brand, who is currently a significant shareholder of Aqua Alpha. The transactions related to drilling costs and consultancy fees were invoiced by Aqua Alpha.

(ii) PWB Revital Kft is a company associated with Dr. Konrad Wetzker, who is currently a significant shareholder of PWB Revital Kft. The transactions related to management consultant services provided by PWB Revital Kft.

The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

28. Key management personnel disclosures

(a) Key Management Personnel Compensation

	CONSOLIDATED	
	2014 AUD	**2013 AUD**
Short-term employee benefits	630,713	1,021,543
Post employment	34,411	55,117
Termination benefits	130,505	-
Share-based payments	9,064	274,301
	804,693	1,350,961

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' report on pages 4 to 21 of this financial report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(b) Option Holdings of Key Management Personnel (Consolidated Group)

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

30 June 2014	Balance at beginning of year 1 July 2013	Granted as Remuneration	Lapsed	Balance at end of year 30 June 2014	Total	Not vested
Directors						
Mark Hohnen	6,000,000	-	(6,000,000)	-	-	-
Matt Swinney	7,000,000	-	(7,000,000)	-	-	-
Brett Mitchell	2,000,000	-	(2,000,000)	-	-	-
Johan Brand	9,000,000	-	(9,000,000)	-	-	-
James Strauss	2,000,000	-	-	2,000,000	2,000,000	-
Konrad Wetzker	2,000,000	-	-	2,000,000	2,000,000	-
Key Management Personnel						
Chris Dinsdale	3,000,000	-	-	3,000,000	3,000,000	-
Sophie Raven	-	-	-	-	-	-
Total	**31,000,000**	**-**	**(24,000,000)**	**7,000,000**	**7,000,000**	**-**

30 June 2013	Balance at beginning of year 1 July 2012	Granted as Remuneration	Lapsed	Balance at end of year 30 June 2013	Total	Not vested
Directors						
Mark Hohnen	6,000,000	-	-	6,000,000	6,000,000	-
Matt Swinney	7,000,000	-	-	7,000,000	7,000,000	-
Brett Mitchell	2,000,000	-	-	2,000,000	2,000,000	-
Johan Brand	9,000,000	-	-	9,000,000	9,000,000	-
James Strauss	2,000,000	-	-	2,000,000	2,000,000	-
Konrad Wetzker	2,000,000	-	-	2,000,000	2,000,000	-
Key Management Personnel						
Chris Dinsdale	-	3,000,000	-	3,000,000	3,000,000	-
Sophie Raven	-	-	-	-	-	-
Total	**28,000,000**	**3,000,000**	**-**	**31,000,000**	**31,000,000**	**-**

Details of options provided as remuneration can be found in the Remuneration Report contained in the Directors' Report designated as audited.

(c) Shareholdings of Key Management Personnel (Consolidated Group)

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

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Shares held in Wildhorse Energy Limited (number)

30 June 2014	Balance 1 July 2013	Granted as Remuneration	On Exercise of Options	Net Other Changes	Balance 30 June 2014
Directors					
Mark Hohnen	996,581	-	-	-	996,581
Matt Swinney	714,335	-	-	-	714,335
Brett Mitchell	-	-	-	-	-
Ian Middlemas	5,100,000	-	-	-	5,100,000
Johan Brand	735,294	-	-	-	735,294
James Strauss	259,067	-	-	-	259,067
Key Management Personnel					
Chris Dinsdale	-	-	-	988,758	988,758
Total	**7,805,277**	**-**	**-**	**988,758**	**8,794,035**

No other key management personnel held shares during the year ended 30 June 2014.

30 June 2013	Balance 1 July 2012	Granted as Remuneration	On Exercise of Options	Net Other Changes	Balance 30 June 2013
Directors					
Mark Hohnen	996,581	-	-	-	996,581
Matt Swinney	714,335	-	-	-	714,335
Brett Mitchell	-	-	-	-	-
Ian Middlemas	5,100,000	-	-	-	5,100,000
Johan Brand	735,294	-	-	-	735,294
James Strauss	259,067	-	-	-	259,067
Total	**7,805,277**	**-**	**-**	**-**	**7,805,277**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29. Share-based payments

Options are granted under the Company Employee Share Incentive Option Plan which was approved by the Directors on 11 September 2006. All staff is eligible to participate in the plan.

Options are granted under the plan for no consideration. Options are granted for a three year period and 100 per cent of each new tranche becomes exercisable after one year of the date of grant. Entitlements to the options are vested as soon as they become exercisable. There are no cash settlement alternatives. Options granted under the plan carry no dividend or voting rights.

Performance rights may also be granted under the Company's Employee Performance Rights Plan, which was approved by Shareholders at the General Meeting held on 1 June 2010.

On 30 November 2012 and 06 June 2013 4,144,325 share performance rights were granted (from which 988,758 were granted to KMP). The share performance rights entitle employees to shares subject to satisfying continuous employment at the following dates:

Rights	
741,569 (KMP)	06-Jun-13
247,189 (KMP)	04-Sep-13
2,366,675	06-Jun-13
788,892	04-Sep-13

All share performance rights were converted to ordinary shares on 27 May 2014 disclosed in Note 24.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 10.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of any movements in share options issued during the year:

	No 2014	WAEP 2014	No 2013	WAEP 2013
Outstanding at the beginning of the year	46,349,947	$0.52	47,831,455	$0.51
Granted during the year	6,163,514*	$0.15	-	
Non-exercised and expired during the year	(39,549,947)	$0.52	(1,133,871)	$0.37
Exercised during the year	-	-	(347,637)	$0.07
Outstanding at the end of the year	12,963,514	$0.33	46,349,947	$0.52

On 30 November 2012 and on 6 January 2013 the Company issued share options to KMP and employees. Detailed information is included under Note 24 on page 57. The inputs used in the measurement of the fair values of the options at grant date were as follows:

KMP Options	666,667	666,667	666,666	1,000,000
Fair value at grant date	0.03	0.02	0.02	0.03
Share price at grant date	0.05	0.05	0.05	0.05
Exercise price	0.12	0.16	0.2	0.091
Expected volatility	100%	100%	100%	100%
Expected life	3.5	3.5	3.5	3.5
Exercise dividend	0%	0%	0%	0%
Risk free rate	2.5%	2.5%	2.5%	2.5%

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

Employee Options	**587,839**	**587,838**	**587,837**	**466,667**	**466,667**	**466,666**
Fair value at grant date	0.03	0.02	0.02	0.04	0.04	0.04
Share price at grant date	0.05	0.05	0.05	0.07	0.07	0.07
Exercise price	0.12	0.16	0.2	0.12	0.16	0.2
Expected volatility	100%	100%	100%	100%	100%	100%
Expected life	3.5	3.5	3.5	4	4	4
Exercise dividend	0%	0%	0%	0%	0%	0%
Risk free rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Options exercisable as at 30 June 2014 were 12,963,514 (2013: 42,083,281).

The fair value at grant date is independently determined using the binomial method of valuing options that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily by the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The outstanding balance of options over ordinary shares as at 30 June 2014 is disclosed in Note 24.

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

30. Parent Disclosures (Wildhorse Energy Limited)

	30-Jun-14 AUD	30-Jun-13 AUD
Current Assets	298,398	4,258,531
Non-Current Assets	506,817	22,713,783
Total Assets	805,215	26,972,314
Current Liabilities	93,024	376,631
Total Liabilities	93,024	376,631
Contributed equity	92,500,223	92,319,033
Reserves	1,284,248	7,490,630
Accumulated losses	(93,072,280)	(73,213,980)
Total Equity	712,191	26,595,683

	30-Jun-14 AUD	30-Jun-13 AUD
Loss for the year	(25,745,175)	(10,979,645)
Total comprehensive loss for the period	(25,745,175)	(10,979,645)

The parent entity does not have any commitments or contingent liabilities.

31. Commitments

(a) Lease Commitments

The Consolidated Group has leasing agreements for motor vehicles expiring within a 5 year period.

Future lease commitments at the reporting date but not recognised as liabilities are as follows:

	CONSOLIDATED	
	30-Jun-14 AUD	30-Jun-13 AUD
Lease Commitments		
Payable:		
Within one year	50,042	83,865
Later than one year but not later than five years	89,794	187,111
	139,836	270,976

(b) Bank Guarantees

As at 30 June 2014 the Consolidated Group had a bank guarantee in relation to the corporate visa card for $11,338 (2013: $109,111).

32. Contingencies

There are no known contingent liabilities or assets as at report date.

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

33. Subsequent events

Since the end of the financial year, the following events have taken place:

One for Two Non-Renounceable Rights Issue
As announced on 30 June 2014, the Company was to undertake a one for two pro-rata non-renounceable rights issue at $0.007 per share to raise up to approximately $1.435 million (before costs). On 21 July 2014 the Company announced that the Board had extended the closing date of the offer by fourteen business days from 24 July 2014 to 13 August 2014 in order to allow additional time for shareholders to respond to the offer made to them. On 19 August 2014 the Company has announced a further extension, with ASX approval, to the date for notification to the ASX of under-subscription and the issue date for the rights issued shares being entered into shareholder security holdings, to 22 August 2014. Subsequently dated on 22 and released on 25 August 2014 the Company has announced the cancellation of this rights issue and that a review and possible restructuring would be undertaken of its Board, operations and strategy.

Linc Heads of Agreement
The previously announced Head of Agreement between Wildhorse Energy and Linc Energy in relation to the acquisition of the Company's coal assets officially expired on 21 July 2014 but the Company has announced on 22 July 2014 that negotiations were still ongoing with Linc Energy. On 11 August 2014 the Company has then subsequently announced that Linc Energy has officially decided to not pursue the acquisition of the Company's coal assets, which have now been fully impaired.

Share Consolidation and One for Five Renounceable Rights Issue
The Company advised that further to its announcement dated 22 August 2014 regarding the cancellation of the previous entitlements issue and possible company restructure, the Company plans to:

- seek shareholder approval for a 1 for 30 consolidation of shares, thereby reducing the number of shares on issue to approximately 13.6 million. The number of options on issue will also be consolidated on a 1 for 30 basis, with the exercise price of the options increasing in inverse proportion to the consolidation ratio ("Consolidation"); and
- following completion of the Consolidation, the Company will undertake a 5 for 1 pro rata renounceable entitlements issue ("Entitlements Issue") to raise up to approximately $3.4 million before costs.

Eligible shareholders would be entitled to acquire five (5) new ordinary shares ("New Shares") for every ordinary share held at the record date (to be determined). New Shares under the Entitlements Issue will be offered at $0.05 per share (on a post Consolidation basis). The Board also expressed its confidence that following the recent cost cutting measures and ongoing company restructure, which had already significantly reduced the Company's operating and administrative expenses, the funds raised from the Entitlements Issue will enable the Company to pursue new opportunities in the resource and other sectors and to progress the Company's current projects.

Company Restructuring
Effective 29 August 2014 Mr Ian Middlemas, (previously a Non-Executive Director) was appointed as Chairman of the Company while outgoing Chairman, Mr Mark Hohnen, has remained on the Board as a Non-Executive Director. Further, as part of the restructure of the Company and the Board, Mr Matthew Swinney has resigned as Managing Director and Messrs James Strauss, Brett Mitchell and Konrad Wetzker have all resigned as Non-Executive Directors of the Company. Mr Mark Pearce joined the Board as a Non-Executive Director.

Independent auditor's report to the members of Wildhorse Energy Limited

Report on the financial report

We have audited the accompanying financial report of Wildhorse Energy Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2014, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group 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 is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

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

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

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

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

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 1(a) of the financial report. The matters set forth in note 1(a) indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and as at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in note 7 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Wildhorse Energy Limited for the year ended 30 June 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG.

KPMG

R Gambitta
Partner

Perth

26 September 2014

CORPORATE GOVERNANCE STATEMENT

OVERVIEW

In March 2003, the Australian Securities Exchange (ASX) Corporate Governance Council published its Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations").

In August 2007, the ASX Corporate Governance Council published a revised Principles and Recommendations (2nd Edition).

In 2010, the ASX Corporate Governance Council published a further revised Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) to ensure that these remain relevant to the Australian business and investment communities.

Recently, the ASX published a new edition of the ASX Principles (being the 3rd Edition). However, the 3rd Edition of ASX Principles and related amendments to ASX Listing Rules will only take effect for the Company on or after 1 July 2014. Accordingly, this Corporate Governance Statement is prepared in accordance with the 2nd Edition of ASX Principles. The Company will report in accordance with the 3rd Edition of ASX Principles and the relevant ASX Listing Rules for the financial year ending 30 June 2015.

The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In a limited number of instances, the Company has determined not to comply with the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a Company of this size. Recommendations which the Company does not comply with are highlighted in this report.

Further information on the Company’s corporate governance policies is located on the website: www.wildhorse.com.au

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Companies should establish and disclose the respective roles and responsibilities of board and management.

- **Recommendation 1.1**: Companies should establish the functions reserved to the board and those delegated to Senior Executives and disclose those functions.
- **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of Senior Executives.
- **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.

1.2 The Company's practice:

The Board considers that the essential responsibility of Directors is to oversee the Company’s activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company’s business for the period ending 30 June 2014 was delegated to the Managing Director, who is accountable to the Board.

Further, the Board takes specific responsibility for:

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Managing Director;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organizational performance and the achievement of strategic goals and objectives;
  - Compliance with the Company’s code of conduct;
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;

CORPORATE GOVERNANCE STATEMENT

- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;
- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of Directors; and
- Any other matter considered desirable and in the interest of the Company.

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a formal Board Charter which is on the Company's website and summarised above. In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

Senior executives are responsible for the ongoing management of the Company's operations and report to the Board. They are accountable for all functions that are necessary to the operations of the Company and not specifically reserved to the Board. Senior Executives performance is reviewed on a regular basis by the Board.

Based on the above information the Company believes it is fully compliant with Recommendations 1.1, 1.2 and 1.3.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

- **Recommendation 2.1:** A majority of the board should be independent Directors.
- **Recommendation 2.2:** The chair should be an independent Director.
- **Recommendation 2.3:** The roles of chair and chief executive officer should not be exercised by the same individual.
- **Recommendation 2.4:** The board should establish a nomination committee.
- **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the board, its committees and individual Directors.
- **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.

2.2 The Company's practice:

Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, and for the period ending 30 June 2014, the Company had three (5) independent Directors, with the Board comprising of a Chairman, five Non-Executive Directors and one Executive Director. Following the Board restructuring announced on 29 August 2014, the Company has three (3) independent Directors comprising of a Chairman and two Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT

Composition

The Directors have been chosen for their particular expertise to provide the Company with a competent and well-rounded decision-making body and which will assist the Company and shareholders in meeting their objectives.

The term in office held by each Director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Name	Position	Term in Office
Mr Ian Middlemas	Chairman	5½ years
Mr Mark Hohnen	Non-Executive Director	5½ years
Mr Mark Pearce	Non-Executive Director	1 month

The Directors meet frequently, both formally and informally, so that they maintain a mutual, thorough understanding of the Company's business and to ensure that the Company's policies of corporate governance are adhered to.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Consolidated Group's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other board members.

Nomination committee

The Company does not currently have a separate nomination committee and as such has not complied with Recommendation 2.4. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full Board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee.

Monitoring of Board Performance

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- Attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed, and
- Attendance at the Company's Shareholder Meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

Based on the above information the Company believes it is fully compliant with Recommendations 2.1, 2.2, 2.3, 2.5 and 2.6. The Company is not compliant with Recommendation 2.4 as outlined.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Companies should actively promote ethical and responsible decision-making.

- **Recommendation 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
- **Recommendation 3.2**: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.
- **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.
- **Recommendation 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.
- **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.

3.2 The Company's practice:

Ethical Standards

The Company has a formal Code of Conduct as per Recommendation 3.1. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Diversity Policy

The Board has adopted a Diversity Policy as per Recommendation 3.2. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees.

The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

CORPORATE GOVERNANCE STATEMENT

Women Employees, Executives and Board Members

As at 31 August the Company and its consolidated entities have 5 (five) female employees and/or executives, including:

- its Company Secretary, located in Australia;
- 4 (four) employees, located in Hungary (4)

which represent approximately 83% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company.

Based on the above information the Company believes it is fully compliant with Recommendations 3.1, 3.2, 3.3, 3.4 and 3.5.

4. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

- **Recommendation 4.1:** The Board should establish an audit committee.
- **Recommendation 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.
- **Recommendation 4.3:** The Audit Committee should have a formal charter.
- **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.

4.2 The Company's practice:

Audit Committee

For the period ending 30 June 2014, the Board created a separate audit committee and therefore has complied with Recommendation 4.1, except to the extent that, due to the size and current operations of the Company, the Audit Committee only had two members (both of which were independent Non-Executive Directors) for which reason the Company was not compliant with all of Recommendation 4.2. Effective from 29 August 2014, the Company has disbanded the Audit Committee with the full Board now assuming this function. The Board, consists of three (3) independent Non-Executive Directors and therefore the Company has complied with Recommendation 4.1 and Recommendation 4.2, except to the extent that the Board meeting as the Audit Committee will be chaired by the chair of the Board, not an independent chair. The duties and responsibilities delegated to the Board meeting as the Audit Committee include:

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis.

CORPORATE GOVERNANCE STATEMENT

Audit and Compliance Policy

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets at least bi-annually to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the Consolidated Group.

The board, consisting of members with financial expertise and detailed knowledge and experience of the mineral exploration and evaluation business, advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The Managing Director declared in writing to the Board that the Company's financial reports for the year ended 30 June 2014 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

Based on the above information the Company believes it is fully compliant with Recommendations 4.1, 4.3 and 4.4. The Company is not compliant with all of Recommendation 4.2 as outlined above.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Companies should promote timely and balanced disclosure of all material matters concerning the Company.

- **Recommendation 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.
- **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.

5.2 The Company's practice:

Continuous Disclosure Policy

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company’s website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the group’s securities.

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Therefore to meet this obligation the Company undertakes to:

(a) Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;
(b) Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and
(c) Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Managing Director and the Company Secretary were, for the period ended 30 June 2014, responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all Directors, officers and employees of the Company coordinate disclosures through the Company Secretary**,** including:

(a) Media releases;
(b) Analyst briefings and presentations; and
(c) The release of reports and operational results.

Based on the above information the Company believes it is fully compliant with Recommendations 5.1 and 5.2.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

- **Recommendation 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.
- **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.

6.2 The Company's practice:

Shareholder Communication
It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in general meetings.

The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals.

The shareholders are responsible for voting on the appointment of Directors, approval of the maximum amount of Directors' fees and the granting of options and shares to Directors. Important issues are presented to the shareholders as single resolutions.

The Company's auditor is required to be present, and be available to shareholders, at the Annual General Meeting.

Information is communicated to shareholders through:

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- the Annual Report which is distributed to all shareholders;
- Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website;
- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and
- compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.

The Company's full policy on Shareholder Communication can be found on our website.

Based on the above information the Company believes it is fully compliant with Recommendations 6.1 and 6.2.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Companies should establish a sound system of risk oversight and management and internal control.

- **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
- **Recommendation 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.
- **Recommendation 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.
- **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.

7.2. The Company's practice:

RISK MANAGEMENT
Recognise and Manage Risk
Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management and Internal Control policy is detailed in full on our website.

Oversight of the risk management system

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee.

CORPORATE GOVERNANCE STATEMENT

The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholders needs and manage business risks.

Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board.
- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
- Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual.

Based on the above information the Company believes it is fully compliant with Recommendations 7.1, 7.2, 7.3 and 7.4.

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

- **Recommendation 8.1**: The Board should establish a Remuneration Committee.
- **Recommendation 8.2**: The Remuneration Committee should be structured so that it:
    - consists of a majority of independent Directors
    - is chaired by an independent chair
    - has at least three members
- **Recommendation 8.3**: Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.
- **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.

8.2 The Company's practice:

Remuneration Committee

For the period ended 30 June 2014, the Company created a separate Remuneration Committee, which consisted of three members, the majority of which were independent Directors and was chaired by an independent chair, and as such has complied with Recommendation 8.1 and Recommendation 8.2. Effective from 29 August 2014, the Company has disbanded the Remuneration Committee with the full Board now assuming this function. The Board consists of three (3) independent Non-Executive Directors and therefore the Company has complied with Recommendation 8.2, except to the extent that the Board meeting (also acting as the Remuneration Committee meeting) will be chaired by the chair of the Board, not an independent chair.

CORPORATE GOVERNANCE STATEMENT

Remuneration policies

Remuneration of Directors are formalised in service agreements. The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors themselves, the executive Directors and the executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating Directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and senior executives' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and motivation of senior executives;
2. Attraction of quality management to the Company; and
3. Performance incentives which allow executives to share the rewards of the success of the Company

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

For details on the amount of remuneration and all monetary and non-monetary components for all Directors refer to the Remuneration Report on pages 10 to 18 of the Financial Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Based on the above information the Company believes it is fully compliant with Recommendations 8.1, 8.2, 8.3 and 8.4.

The annual report was authorised for issue by the Directors on 26th September 2014.

CORPORATE GOVERNANCE INDEX

Principle	Reference in the Company's Corporate Governance Statement
Principle 1 – *Lay solid foundations for Management and oversight* Companies should establish and disclose the respective roles and responsibilities of the Board and Management. • **Recommendation 1.1**: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions. • **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of senior executives. • **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.	See pages 73-74
Principle 2 - *Structure the Board to add value* Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties. • **Recommendation 2.1:** A majority of the Board should be independent directors. • **Recommendation 2.2:** The chair should be an independent director. • **Recommendation 2.3:** The roles of chair and chief executive officer should not be exercised by the same individual. **Recommendation 2.4:** The Board should establish a nomination committee. • **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors. • **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.	See pages 74-75
Principle 3 - *Promote ethical and responsible decision-making* Companies should actively promote ethical and responsible decision-making • **Recommendation 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 • **Recommendation 3.2**: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them. • **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them. • **Recommendation 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. • **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.	See pages 76-77
Principle 4 - *Safeguard integrity in financial reporting* Companies should have a structure to independently verify and safeguard the integrity of their financial reporting. • **Recommendation 4.1:** The Board should establish an audit committee. • **Recommendation 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. • **Recommendation 4.3:** The audit committee should have a formal charter. • **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.	See pages 77-78

CORPORATE GOVERNANCE INDEX

Principle 5 - *Make timely and balanced disclosure* Companies should promote timely and balanced disclosure of all material matters concerning the Company. • **Recommendation 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. • **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.	See pages 78-79
Principle 6 - *Respect the rights of shareholders* Companies should respect the rights of shareholders and facilitate the effective exercise of those rights. • **Recommendation 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. • **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.	See pages 79-80
Principle 7- *Recognise and manage risk* Companies should establish a sound system of risk oversight and management and internal control. • **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. • **Recommendation 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. • **Recommendation 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. • **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.	See pages 80-81
Principle 8- *Remunerate fairly and responsibly* Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear. • **Recommendation 8.1**: The Board should establish a remuneration committee. • **Recommendation 8.2:** The remuneration committee should be structured so that it: - consists of a majority of independent directors - is chaired by an independent chair - has at least three members. • **Recommendation 8.3**: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. • **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.	See pages 81-82

SCHEDULE OF TENEMENTS

SUMMARY OF MINING TENEMENTS AS AT 26 SEPTEMBER 2014

The following Claims were held by the Consolidated Group in Hungary at 26 September 2014:

Name of the territory	Resolution Number	Percentage Interest
Pécs Uranium	PBK/6947/3/2006	100%
Kelet- Mecsek Coal	PBK/5306/2/2007	100%

The following Leases were held by the Consolidated Group in Colorado, USA at committee 2014:

Serial Number	County	Percentage Interest
C-SR-10	Montrose	80%
C-JD-5A	Montrose	80%
C-SR-11A	San Miguel	80%
C-SR-15A	San Miguel	80%
C-SR-16	San Miguel	80%
C-WM-17	Montrose\San Miguel	80%
C-LP-22A	Montrose	80%
C-LP-23	Montrose	80%