parker resources NL

ACN 148 142 634

AUDITED FINANCAL REPORT

FOR THE YEAR ENDED

30 JUNE 2014

CORPORATE DIRECTORY

Directors

Mr Brian Thomas	Non-Executive Chairman
Ms Philippa Leggat	Non-Executive Director
Mr Adam Davey	Non-Executive Director

Joint Company Secretaries
Mr Jay Stephenson
Ms Julia Beckett

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West Perth WA 6005
Telephone 08 6141 3500
Facsimile 08 6141 3599
Email info@parkerresources.com.au

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Telephone 08 9323 2000
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Auditor
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Level 2, 1 Walker Avenue
West Perth WA 6005
Telephone 08 9481 3188
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Securities Exchange Listing
Australian Securities Exchange Limited
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152 – 158 St George's Terrace
Perth, WA 6000

ASX Code: PKR

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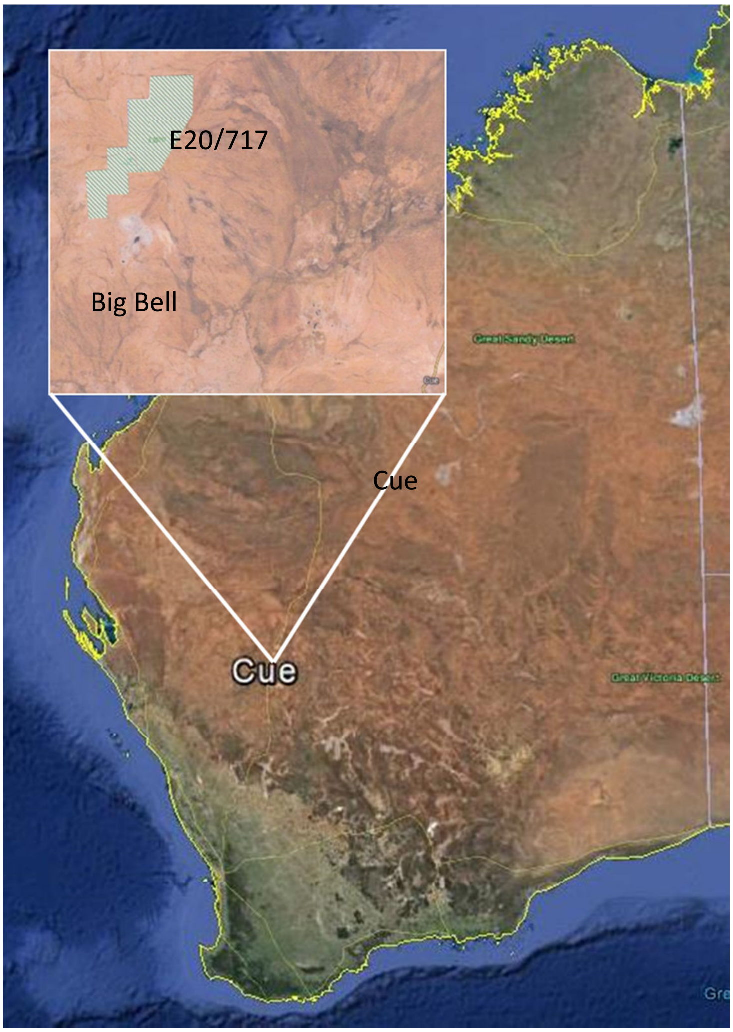
OPERATIONS REVIEW

CUE JOINT VENTURE

Parker Resources Limited has a Farm-in Agreement to earn up to 90% of E20/717. The exploration project is located west of and adjacent to the historically significant Big Bell line and approximately 10km north of the Big Bell Minesite, near Cue in the Murchison of Western Australia.

A contract field crew carried out geological rock chip sampling and an orientation survey on the tenement, plotting historic workings and scouting for outcrop. Parker management and the company's geological consultants have reviewed the initial data generated and are currently waiting on confirmation of historical data locations including drill hole locations from previous holders. Collation of the new assay data with sample locations is ongoing with a full report expected to be completed shortly.

Location of E20/717



ALLAMBI FARM IN AND JOINT VENTURE – WITHDRAWAL

Subsequent to the announcement made on 28 November 2013 in relation to the new Cue Farm-in Joint Venture, Parker notified Excelsior Gold Ltd that it no longer wished to proceed with the Farm In and Joint Venture on EL 25347, the Allambi Project. Parker's geological consultants prepared a closing report for Excelsior which was lodged with the NT Department of Mines and Energy.

DIRECTORS' REPORT

The directors present their report together with the financial statements on Parker Resources NL (the Company) for the financial year ended 30 June 2014.

DIRECTORS

The directors of the Company at any time during or since the financial year and up to the date of this report, unless otherwise stated are:

Brian Thomas	Non-Executive Chairman - Appointed 10 January 2011
Qualifications	**BSc, MBA, SAFin, MAusIMM, MAICD**
Experience	Mr Brian Thomas is a geologist and mineral economist with extensive experience as both an executive and non-executive director of small to mid market capitalisation publicly listed resources companies. He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group. This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector.
Interest in Shares and Options	30,000 ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	Currently a Non-Executive Director of Orinoco Gold Ltd (previously Strickland Resources Ltd), During the past 4 years, he was a Non-Executive Director of Potash Minerals Ltd (Formerly Transit Holding Ltd), Noble Mineral Resources Ltd, Condoto Platinum NL, Charter Pacific Corporation Limited, Aragon Resources Limited.

Philippa Leggat	Non-Executive Director – Appointed 20 October 2011
Qualifications	**BCom, BA, GAICD, PCMCA**
Experience	Philippa has over 10 years commercial, managerial and operational experience in corporate strategy, risk management, compliance and business improvement largely focussed on the resource, finance and construction sectors. She has undertaken and advised companies on; due diligence, risk and compliance assessments with related improvements; asset acquisition, management and disposal; debt finance and capital raising; investor relations and reporting; reviewing and reworking organisational strategy; achieving information technology compliance; privacy and confidentiality; and adoption of international standards, frameworks and best practice. Philippa is a director of the WA Mining Club and Managing Director of Legate Consulting.
Interest in Shares and Options	Nil ordinary shares Nil options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	None

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

Adam Davey	Non-Executive Director – Appointed 20 August 2012
Qualifications	**Professional Diploma in Stockbroking**
Experience	Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of a number of industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the non-for-profit organisation Teen Challenge Foundation.
Interest in Shares and Options	520,000 ordinary shares 4,000,000 partly paid shares 250,000 options
Special Responsibilities	Member of all the Committees
Directorships held in other listed entities	None

COMPANY SECRETARY

Mr Jay Stephenson holds Master of Business Administration (MBA), Fellow of the Governance Institute of Australia (FGIA), Fellow of the Certified Practicing Accountants of Australia (FCPA), Certified Management Accountant, Canada (CMA), Member of the Australian Institute of Company Directors (MAICD), and was appointed as Company Secretary for Parker Resources NL on 10 January 2011.

Ms Julia Beckett holds a Bachelor of Business Administration (BBA), Certificate in Governance Practice and Administration and is a Certificated Member of Governance Institute of Australia. Ms Julia Beckett is a Corporate Governance professional, having worked in corporate administration and compliance for the past 6 years. She has been involved in business acquisitions, mergers, initial public offerings, capital raisings as well as statutory and financial reporting.

DIRECTOR MEETING

The number of Directors' meetings and meetings of Committees of Directors held during the year and the numbers of meetings attended by each of Directors of the Company during the year are:

	Directors' Meetings	
Name	**Number attended**	**Number eligible to attend**
Brian Thomas	3	3
Philippa Leggat	3	3
Adam Davey	3	3

PRINCIPAL ACTIVITES

The Company is primarily involved in the exploration of base metals.

RESULT OF OPERATION

For the financial year ended 30 June 2014, the Company recorded a loss after tax of $88,127 (loss for the year ended 30 June 2013 amounted to $282,739).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs during the financial year ended 30 June 2014.

DIVIDENDS PAID OR RECCOMENDED

No dividends were declared or paid during the period and the Directors do not recommend the payment of a dividend.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS AFTER REPORTING DATE

On 24 July 2014, Parker Resources NL entered into conditional agreement to acquire 100% of the issued capital in Ensurance Capital Pty Ltd.

Ensurance is a successful group of insurance industry companies that have developed real-time, online digital distribution channels for general insurance with multiple insurer. Following national success, Ensurance is positioned to expand its significant IT capabilities by offering additional products to both local and international market.

The consideration payable to Ensurance shareholders for the acquisitions, which subject to approval by Parker shareholder is:

- Issue of 30,000,000 consideration shares; and
- Payment of $500,000.

Following the completion of the transaction, the founder of Ensurance, Stefan Hicks (MD elect) and Brett Graves will be appointed to the board, and Adam Davey, current non-executive director of Parker and chairman of Ensurance will assume the role of non-executive chairman. As a result of the acquisition of Ensurance, Parker will be required to change its status from an exploration company with a No Liability status to an industrial company, limited by shares and will change its name to Ensurance Ltd.

On 25 July 2014, in order to undertake a proposed transaction to acquire insurance assets, the Company undertook a selective buy back of the Company 8,000,000 party paid shares on issue that are not fully paid on or before the date of shareholder approval to the buy-back. On 29 August 2014, The Company received shareholder approval to issue replacement partly paid shares to those shareholders from which the partly paid shares are bought back post Change of Status.

There are no other matters arising subsequent to the end of the reporting date.

DIRECTORS' INTEREST

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 other related bodies corporate, as notified by the directors to the ASX, at the date of this report is as follow:

	Parker Resources NL		
	Ordinary shares	**Partly paid shares**	**Options over ordinary shares**
Mr B Thomas	30,000	-	-
Ms P Leggat	-	-	-
Mr A Davey	520,000	4,000,000	250,000

Shares under option

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

Expiry date	Exercise Price	Number under option
23 September 2016	$0.20	1,000,000

No option holder has any right under the options to participate in any other share issues of the Company or of any other entity.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

The Directors of Parker Resources NL present the Remuneration Report for Non-Executive Directors and other Key Management Personnel, prepared in accordance with *Corporation Act 2001* and the *Corporation Regulation 2001.*

The Remuneration Report is set out under the following main heading:

a. principles used to determine the nature and amount of remuneration;
b. details of remuneration;
c. service agreement;
d. share based remuneration;
e. other information.

a. Principles used to determine the nature and amount of remuneration

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholder;
- Performance;
- Transparency; and
- Capital management.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issues of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. At commencement of mine production, performance based bonuses based on key performance indicators are expected to introduce. The Company believes this policy will be effective in increasing shareholder wealth. The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executive of the Company is as follows:

Executive Directors and other Senior Executives

Executives receive a base salary (which is based on factors such as length of service and experience), retirement benefits, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. Executives are also entitled to participate in the employee share and option arrangement.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for time, commitment, and responsibility. The Board determines payments to Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company.

Retirement benefits

Other than statutory superannuation contribution, no retirement benefits are provided for Executive and Non-Executive Directors of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the company.

REMUNERATION REPORT (AUDITED)

b. Details of remuneration

The following tables show details of the remuneration received by the Company's key management personnel for the current and previous financial year.

2014	Short-term benefit		Post-employment benefit	Equity	Other Payments[2]	Total	Performance based
	Salary & Fees	Other benefits[1]	Superannuation	Share-based payment options			
Name	$	$	$	$	$	$	%
Directors:							
B Thomas	60,000	2,167	5,550	-	-	67,717	-
P Leggat	30,000	2,167	2,775	-	-	34,942	-
A Davey	30,000	2,166	-	-	-	32,166	-
	120,000	6,500	8,325	-	-	134,825	-

2013	Short-term benefit		Post-employment benefit	Equity	Other Payments[2]	Total	Performance based
	Salary & Fees	Other benefits[1]	Superannuation	Share-based payment options			
Name	$	$	$	$	$	$	%
Directors:							
B Thomas	60,000	1,896	5,400	-	-	67,269	-
P Davey	5,000	271	450	-	-	5,721	-
J Stephenson[3]	13,629	812	1,227	-	77,500	93,168	-
P Leggat	30,000	1,896	2,700	-	-	34,596	-
A Davey	27,500	1,625	-	-	-	29,125	-
	136,129	6,500	9,777	-	77,500	229,906	-

[1] Directors and officers insurance paid by the company

[2] Refer to Service Agreement for details of payment

[3] Jay Stephenson is Director of Wolfstar Corporate Management Pty Ltd (WCM) and Wolfstar Group Pty Ltd (Wolfstar). For details of agreement refer to the following note.

c. Service agreements

Remuneration and other terms of employment for Non-Executive Directors and other Key Management Personnel are formalised in a service agreement.

Service agreement with Brian Thomas (Non-Executive Chairman)

Brian Thomas is engaged by the Company to provide services to the Company in the capacity of Non-Executive Chairman. The service agreement commenced from 10 January 2011. Mr Thomas was paid annual salary of $60,000 per annum plus superannuation during the year ended 30 June 2014. Mr Thomas will also be reimbursed for any reasonable expenses.

The Company incurred fees of $65,550 during financial year ended 30 June 2014 (30 June 2013: $65,400) and the balance owing at 30 June 2014 was nil (2013: nil).

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

c. Service agreement (Continued)

Service agreement with Philippa Leggat (Non-Executive Director)
Philippa Leggat is engaged by the Company to provide services to the Company in the capacity of Non-Executive Director. The service agreement commenced from 20 October 2011. Ms Leggat was paid annual salary of $30,000 per annum plus superannuation during the year ended 30 June 2014. Ms Leggat will also be reimbursed for any reasonable expenses.

The Company incurred fees of $32,775 during financial year ended 30 June 2014 (30 June 2013: $32,700) and the balance owing at 30 June 2014 was nil (2013: nil).

Service agreement with Adam Davey (Non-Executive Director)
Adam Davey is engaged by the Company to provide services to the Company in the capacity of Non-Executive Director. The service agreement commenced from 20 August 2012. Mr Davey was paid annual salary of $30,000 per annum during the year ended 30 June 2014. Mr Davey will also be reimbursed for any reasonable expenses.

The Company incurred fees of $30,122 during financial year ended 30 June 2014 (30 June 2013: $27,500) and the balance owing at 30 June 2014 was nil (2013: nil).

Service agreement with Wolfstar Corporate Management Pty Ltd
On 20 June 2011, the Company engaged Wolfstar Corporate Management Pty Ltd (WCM) to appoint Jay Stephenson as Chief Financial Officer (CFO) and Company Secretary with effect from the Company's date of quotation on ASX Limited. Jay Stephenson resigned from Non-Executive Director position on 14 December 2012.

In consideration for the service provided, WCM is entitled to a monthly fee which is reviewed each quarter. The Company will reimburse WCM for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure which may be required. This service arrangement may be terminated at the time by either party giving one month's written notice to the other party.

The Company incurred fees of $60,000 during the financial year ended 30 June 2014 (30 June 2013: $77,500) and the balance owing at 30 June 2014 was nil (2013: $5,500)

d. Share based remuneration
No options were granted to the Directors during the year ended 30 June 2014.
There were no equity instruments issued during the year to Directors as result of options exercised that had previously been granted as compensations.

e. Other information
Options held by Key Management Personnel
The number of options to acquire shares in the Company held during the 2014 reporting period by each of the Key Management Personnel of the Company; including their related parties are set out below. No options are held by directors, except for Adam Davey.

Name	Balance at start of year	Granted as remuneration	Options Exercised	Bought & (Sold)	Balance at the end of reporting period
Adam Davey	250,000	-	-	-	250,000
Total	**250,000**	**-**	**-**	**-**	**250,000**

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

e. Other information (Continued)

Shares held by Key Management Personnel

The number of ordinary shares in the Company during 2014 reporting period held by each of the Key Management Personnel, including their related parties, is set out below:

Name	Balance at start of year	Granted as remuneration	Options Exercised	Bought & (Sold)	Balance at the end of reporting period
Brian Thomas	10,000	-	-	-	10,000
Indirect [1]	20,000	-	-	-	20,000
Philippa Leggat	-	-	-	-	-
Adam Davey	-	-	-	-	-
Indirect [2]	4,520,000	-	-	-	4,520,000
Total	**4,550,000**	-	-	-	**4,550,000**

[1]These shares are held by the following personally related parties of Brian Thomas:

- S M Schlink (Hensman Family Account)
- B D Thomas and S M Schlink (K&B Super Fund)

[2]These shares include 4,000,000 partly paid ordinary shares and are held by the following personally related parties of Adam Davey:

- Adam Stuart Davey (Noah & Bailey Rose Davey)
- Adam Davey (Shenton Park Investment A/c)
- Adam Stuart Davey & Marissa Davey (The Davey Super Fund A/c)
- Adam Stuart Davey (Noah & Bailey Rose Davey A/c)
- Court Securities Pty Ltd

Loan to Directors and Executives

No loans have been made to Directors or Executives of the Company during, or since, the year ended 30 June 2014.

Other transaction with Key Management Personnel

There have been no other transactions with KMP involving equity instruments other than those described in the table above.

End of audited remuneration report.

ENVIRONMENTAL REGULATION

The Company has entered into Agreements to acquire various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to rehabilitation of areas disturbed during the course of exploration activities. However the Board believes that it has adequate systems in place for management of its environmental requirements as they apply to the Company.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The company has agreed to indemnify all Directors of the Company against any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving lack of good faith.

During the financial year the Company has paid insurance premiums of $6,500 in respect of a contract insuring the Directors and Officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

NON-AUDIT SERVICES

Stantons International has not provided any non-audit services during the year.

DIRECTORS' REPORT (CONTINUED)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 11 and forms part of the directors' report for the financial year ended 30 June 2014

This report of the Directors is signed in accordance with resolution of the Board of Directors.

Brian Thomas

DIRECTOR

Dated at Perth 30 September 2014

Stantons International Audit and Consulting Pty Ltd
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30 September 2014

Board of Directors
Parker Resources NL
Level 4, 66 Kings Park Road
West Perth WA 6005

Dear Directors

RE: PARKER RESOURCES NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Parker Resources NL.

As the Audit Director for the audit of the financial statements of Parker Resources NL for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John Van Dieren
Director

CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Parker Resources NL ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Promote ethical and responsible decision-making;
4 Safeguard integrity in financial reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of shareholders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Management should establish and disclose functions reserved to the Board and delegated to management.*

Roles and Responsibilities:

The roles and responsibilities carried out by the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

Recommendation 1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the period.

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors.* - All Directors are independent. Refer general comment below.

Recommendation 2.2: *The Chairperson should be an independent Director.* – The Chairman is independent. Refer general comment below.

Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*

Recommendation 2.4: *Establishment of a nominations committee.*

Recommendation 2.5: *Disclose the process for performance evaluation of the Board, its committees and individual directors, and key executives.*

Recommendation 2.6: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

CORPORATE GOVERNANCE STATEMENT

General Comments:

Membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of three non-executive Directors. Refer to the Directors' Report for details of each Director's profile. The majority of the Board is independent.

Chairman and Managing Director

The Company does not have a Managing Director. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level.

Performance Evaluation

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a process of internal review. The Board also formally reviews its governance arrangements on a similar basis annually.

The performance of Key Management Personnel ("KMP") is reviewed on an annual basis by the Board and remuneration committee.

Further details regarding the Board's remuneration policy for KMP is provided in the Remuneration Report on page 6.

Nomination Committee

The Company has a formal charter for the Nomination Committee, and all members of the board have been appointed to the Committee.

Skills

The Directors bring a range of skills and background to the Board including Geology, Accounting, and Finance.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board endeavours to meet at least bi-monthly on a formal basis, although the board regularly meets informally.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

3.1.1 The practices necessary to maintain confidence in the Company's integrity;

3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;

3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

Recommendation 3.2: *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.*

The Company has a diversity policy included in its Corporate Governance Policy.

Recommendation 3.3: *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.*

The Board has established and disclosed its policy concerning diversity. However, the Board considers due to the size of the Company that setting measurable diversity objectives is not appropriate. The Company currently has no employees and utilises external consultants and contractors as and when required.

CORPORATE GOVERNANCE STATEMENT

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

Notwithstanding the above, during the financial year the Board had one woman member of the Company, Ms Philippa Leggat who has been appointed since 20 October 2011.

Recommendation 3.4*: Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently there is one woman on the board but there are no women employees in the whole organisation or in senior executive positions. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

Recommendation 3.5*: Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its Share Trading Policy will be included on the Company's website, www.parkerresources.com.au

4. Safeguard integrity in financial reporting.

Recommendation 4.1*: The Board should establish an audit committee.*

Recommendation 4.2*: Structure the audit committee so that it consists of:*

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.3*: The Audit Committee should have a formal charter. – Refer to Recommendation 4.1.*

General Comments:

Integrity of Company's Financial Condition

The Company's Financial Controller and Company Secretary report in writing to the Board that the financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results in accordance with relevant accounting standards.

Audit Committee

The Company has a formal charter for an Audit Committee. The Audit Committee comprises the entire board. The Audit Committee:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

The Chairperson of the Audit Committee is Mr Jay Stephenson. The Company has determined that Mr Stephenson is the most suitable to chair the Audit Committee due to his competency in corporate governance, accounting and finance and the limited size of the Board.

5. Make timely and balanced disclosure.

Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules that the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders receive a copy of the Company's annual report.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

General Comments:

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Stantons International Audit and Consulting Pty Ltd, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The Board or appropriate Board committee should establish policies on risk oversight and management.*

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

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 system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

General Comments:

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

The Chief Financial Officer/Company Secretary state in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board.

The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

Recommendation 8.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

General Comments:

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The Remuneration Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee

Members of the Remuneration Committee are the Board members.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report and Note 16 to the financial statements.

Departure from Best Practice Recommendations

From the Company's incorporation, the Company complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
Revenue - interest income		60,525	85,235
Revenue - other income	6	178,605	-
Accounting fees		(62,050)	(82,200)
Audit fees		(15,054)	(16,554)
ASX fees		(14,422)	(13,889)
Consulting and Legal fees		(50,093)	(30,436)
Directors' fees		(120,000)	(136,129)
Employees' benefits		(8,325)	(9,777)
Exploration expenditure written off		(21,914)	(46,316)
Share registry fees		(7,838)	(8,019)
Insurance		(7,485)	(8,767)
Other administration expenses		(20,076)	(15,887)
Loss before income tax		(88,127)	(282,739)
Income tax expense	5	-	-
Loss for the year		(88,127)	(282,739)
Other comprehensive income			
Item that will not be reclassified to profit or loss		-	-
Item that may be reclassified subsequently to profit or loss:			
- Available-for-sale financial assets - net change in fair value		17,000	-
Other comprehensive income for the year, net of tax		17,000	-
Total comprehensive loss for the year attributable to members of the Company		(71,127)	(282,739)
Basic and diluted loss per share (cents)	18	(0.49)	(1.57)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 $	2013 $
CURRENT ASSETS			
Cash and cash equivalents	7	2,264,744	2,608,355
Other assets and receivables		7,621	2,748
Available for sale assets: listed securities	8	19,500	-
Financial assets: convertible notes	8	250,000	-
TOTAL CURRENT ASSETS		2,541,865	2,611,103
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	9	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		2,541,865	2,611,103
CURRENT LIABILITIES			
Trade and other payables	10	23,717	21,828
TOTAL CURRENT LIABILITIES		23,717	21,828
TOTAL LIABILITIES		23,717	21,828
NET ASSETS		2,518,148	2,589,275
EQUITY			
Issued capital	12	3,164,619	3,164,619
Reserve	13	105,300	105,300
Asset revaluation reserve	13	17,000	-
Accumulated losses		(768,771)	(680,644)
TOTAL EQUITY		2,518,148	2,589,275

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital	Reserve	Asset revaluation reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2012	3,166,119	105,300	-	(397,905)	2,873,514
Loss attributable to members of the Company	-	-	-	(282,739)	(282,739)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(282,739)	(282,739)
Transactions with owners, recognised directly in equity					
Shares issued during the year	-	-	-	-	-
Capital raising cost	(1,500)	-	-	-	(1,500)
Options issued during the year	-	-	-	-	-
Balance at 30 June 2013	3,164,619	105,300	-	(680,644)	2,589,275
Balance at 1 July 2013	3,164,619	105,300	-	(680,644)	2,589,275
Loss attributable to members of the Company	-	-	-	(88,127)	(88,127)
Other comprehensive income	-	-	17,000	-	17,000
Total comprehensive loss for the year	-	-	17,000	(88,127)	(71,127)
Transactions with owners, recognised directly in equity	-	-	-	-	-
Shares issued during the year	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Options issued during the year	-	-	-	-	-
Balance at 30 June 2014	3,164,619	105,300	17,000	(768,771)	2,518,148

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Payments to suppliers		(309,181)	(331,017)
Interest and other income received		61,525	85,235
Net cash (used in) operating activities	11	(247,656)	(245,782)
Cash flows from investing activities			
Purchase of listed securities		(66,464)	-
Proceeds from share sales – Talga Resources		238,719	
Purchase of financial asset – convertible notes		(250,000)	-
Payments for exploration and evaluation expenditure		(18,210)	(67,022)
Net cash (used in) investing activities		(95,955)	(67,022)
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Capital raising costs paid		-	(1,500)
Net cash (used in)/ from financing activities		-	(1,500)
Net (decrease) / increase in cash and cash equivalents		(343,611)	(314,304)
Cash and cash equivalents at the beginning of the year		2,608,355	2,922,660
Cash and cash equivalents at the end of year	7	2,264,744	2,608,355

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The accounting policies detailed below have been adopted in the preparation of the financial report. Except for cash flow information, the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and accompanying notes have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars, which is the Company's functional currency.

The Company is a listed public company, incorporated in Australia and operating in Australia. The Company is primarily involved in the exploration of uranium and base metals.

(i) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards
New and revised standards and interpretation adopted in 2013/2014 financial year
The following new and revised Australian Accounting Standards together with consequential amendments to other standards become mandatory applicable from 1 January 2013

- AASB 10: *Consolidated Financial Statement;*
- AASB 11: *Joint Arrangement;*
- AASB 12: *Disclosure of Interests in Other Entities;*
- AASB 13: *Fair Value Measurement;*
- AASB 119: *Employee Benefit; and*
- AASB 127: *Separate Financial Statements*

Accounting Standards and Interpretation

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

(ii) Statement of Compliance

The financial report was authorised for issue on 30 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(iii) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Recognition of deferred tax assets

Deferred tax assets relating to temporary differences and unused tax losses have not been recognised as the Directors are of the opinion that it is not probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

(b) Income Tax

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income Tax (continued)

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

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

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

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

(c) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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 relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue

Interest

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

(f) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

(h) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(i) Employee Benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee Benefits (continued)

Other long-term employee benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

(j) Exploration and Evaluation Assets

Exploration and evaluation costs, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs of acquiring licences which are pending the approval of the Department of Mines and Petroleum as at the date of reporting are capitalised as exploration and evaluation cost if in the opinion of the Directors it is virtually certain the Company will be granted the licences.

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or

ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

iii) Sufficient data exists to determine technical feasibility and commercial viability, and

iv) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy in Note 3(c)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(k) Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

Loans and receivables

Loans and receivables are non-derivative 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. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity.

Such assets are recognised initially at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(m) Earnings Per Share

Basic earnings per share

Basic earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

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

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(o) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(p) Segment reporting

An operating segment is a component of the Company 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 Company's other components. All operating segments' results are regularly reviewed by the Company's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(q) Share based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) New and revised standards and interpretation not yet adopted in 2013/2014 financial year

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were in issue but not yet effective:

- AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2017).

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

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

  Key change made to this standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investment in equity instruments that are not held for trading in other comprehensive income.

- Other standards not yet applicable
  These standards are not expected to have a material impact on the entity in the current of future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applier in the financial year ending
AASB 1031 ‘Materiality’(2013)	1 January 2017	30 June 2018
AASB 2012-3 ‘Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities’	1 January 2014	30 June 2015
AASB 2013-3 ‘Amendments to AASB 136 – Recoverable Amount Disclosure for Non-Financial Assets’	1 January 2014	30 June 2015
AASB 2013-5 ‘Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	30 June 2015
AASB 2013-9 ‘Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	1 January 2014	30 June 2015

NOTE 2: DETERMINATION OF FAIR VALUES

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity measurements (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches;

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
- Cost approach: valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTE 2: DETERMINATION OF FAIR VALUES (Continued)

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels base on the lowest level that an input that is significant to the measurement can be categorised into as follows;

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Measurements based on input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly and indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable. The asset or liability is included in Level 2. If one or more significant inputs are not base on observable market data, the asset or liability is included in Level 3.

The company would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) If a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) If significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstance occurs.

NOTE 3: OPERATING SEGMENT

The accounting policies used by the Company in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

The Company has identified its operating segments based on the internal reports that are provided to the Board of Directors. There are numbers of exploration projects located near Cue in the Murchison of Western Australia and Northern Territory at various stages of development. According to AASB 8 *Operating Segment*, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of products and services;
- The nature of production processes;
- The type or class of customer for their products and services;

- The methods used to distribute their products or provide their services; and
- If applicable, the nature of regulatory environment, for example; banking, insurance and public utilities.

NOTE 3: OPERATING SEGMENT (Continued)

Management has identified that all projects in Australia have similar economic characteristics and are similar in nature taking into account each of the above mentioned aspects. The principal activity for all projects is exploration of uranium, gold and base metals. Each project is likely to have the same methods to distribute the resources in the future and the nature of the regulatory environment which is Australia, and is the same for each project. Accordingly, management has identified one operating segment based on the location of the projects, that being Australia.

As only one operating segment has been identified, no segmental information has been disclosed as the information presented in the financial statements represent the segmental information in Australia.

NOTE 4: LOSS BEFORE INCOME TAX	Notes	2014 $	2013 $
(a) Significant revenue and expenses			
The following significant revenue and (expense) items are relevant in explaining the financial performance:			
- Interest revenue		60,525	85,235
- Share sale – Talga Resources	6	174,756	-
- Audit fees		(15,054)	(16,554)
- Directors fee		(120,000)	(136,129)
- Exploration expenditure written off	9	(21,914)	(46,316)

NOTE 5: INCOME TAX EXPENSE	2014 $	2013 $
Reconciliation between tax expense and pre-tax loss		
Accounting loss before income tax	(88,127)	(282,739)
Tax at domestic income tax rate at 30%	(26,438)	(84,822)
Temporary differences	3,341	(4,378)
Capital raising costs	(26,681)	(26,681)
Tax losses not recognised	49,778	115,881
Income tax benefit	-	-
Unrecognised temporary differences		
Deferred tax assets (at 30%)		
Unused tax losses carried forward	264,229	214,451
Temporary difference	3,341	-
Capital raising costs	53,362	80,043
Potential benefit at 30%	320,932	294,494

There are no deferred tax liabilities recognised or unrecognised.
All unused tax losses were incurred in Australia.
Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefit of these tax losses will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) The conditions for deductibility imposed by tax legislation continue to be compiled with; and

(iii) No changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: OTHER INCOME	Note	2014	2013
		$	$
Available for sale investments – listed securities	8	174,756	-
Convertible notes	8	2,849	-
Other income		1,000	-
		178,605	-

NOTE 7: CASH AND CASH EQUIVALENTS	2014	2013
	$	$
Cash at bank	1,699	19,490
Deposit on call	2,263,045	2,588,865
Cash and cash equivalents in the Statement of Cash Flow	2,264,744	2,608,355

NOTE 8: FINANCIAL ASSETS

Current investment	2014	2013
	$	$
Equity securities – available for sale [i]	19,500	-
Convertible notes [ii]	250,000	-
	269,500	-

(i) Available-for-sale financial assets includes $19,500 of equity securities held in Talga Resources Limited. During the year, the company has sold 1,279,274 of shares with an average price of $0.1870 per shares. Remaining number of shares held in Talga Resources Limited is 50,000 at the date of this financial statement. The share price has increased to $0.39 per share on 30 June 2014 compared to purchase price of $0.05 per share. The share price was $0.465 on 17 September 2014. The available for sale assets are regarded as Tier 1 financial instruments as they are listed securities on the ASX.

(ii) During the year the Company enter into a binding convertible notes agreement with Ensurance Capital Pty Ltd. The Company agreed to subscribe for a convertible note with the face value of $250,000, which will convert into that number of shares which, when multiplied by the issue price of $3 per share, equals the outstanding subscription amount plus any interest due and payable. The interest is to accrue on a daily basis at the rate of 8% per annum and payable at the time of repayment of the subscription amount which is 12 months from the date of the agreement.

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE	2014	2013
	$	$
Exploration at cost		
Balance at the beginning of the year	-	-
Acquisition of tenement	-	-
Exploration of tenement	21,914	46,316
Exploration expenditure written off	(21,914)	(46,316)
Balance at the end of the year	-	-

NOTE 10: TRADE AND OTHER PAYABLES	2014	2013
	$	$
CURRENT		
Trade payables	582	9,828
Accrued expenses	21,135	10,000
Other payables	2,000	2,000
Balance at the end of the year	23,717	21,828

NOTE 11: CASH FLOW INFORMATION

Reconciliation of cash flow (used in)/from operating activities to loss after income tax	2014	2013
	$	$
Loss after income tax	(88,127)	(282,738)
Adjustment for:		
Exploration expenditure written off	21,914	46,316
Gain from sales of financial assets	(174,756)	-
Changes in assets and liabilities:		
Decrease / (Increase) in other receivables	(4,872)	(2,089)
(Decrease) / Increase in trade and other payables	(1,815)	(7,270)
Cash flow (used in) / from operating activities	(247,656)	(245,782)

Non-Cash Financing and Investing Activities

There were no non cash financing or investing activities in the year ended 30 June 2014 and 2013.

NOTE 12: ISSUED CAPITAL	2014	2013
	$	$
(a) Ordinary shares		
18,050,003 (30 June 2013: 18,050,003) fully paid ordinary shares	3,163,819	3,163,819
8,000,000 (30 June 2013: 8,000,000) partly paid ordinary shares	800	800
	3,164,619	3,164,619

(b) Movement in fully paid ordinary shares	Date	Number	$
Balance at the beginning of the year	1 July 2013	18,050,003	3,163,819
Balance at the end of the year	**30 June 2014**	18,050,003	3,163,819

(c) Movement in partly paid shares			
Balance at the beginning of the year	1 July 2013	8,000,000	800
Balance at the end of the year	**30 June 2014**	8,000,000	800

Issued capital as 30 June 2014 amounted to $3,164,619 (18,050,003 ordinary shares and 8,000,000 partly paid ordinary shares). There was no movement in the issued capital of the company in either current or previous year.

(d) Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefit for other stakeholders.

The capital structure of the Company consist of equity comprising issued capital, reserves and accumulated loses.

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

NOTE 12: ISSUED CAPITAL (CONTINUED)

The working capital position of the Company at 30 June is as follows:	2014	2013
	$	$
Cash and cash equivalent	2,264,744	2,608,355
Other receivables	7,621	2,748
Available for sale asset	19,500	-
Convertible note	250,000	-
Trade and other payables	(23,717)	(21,828)
	2,518,148	2,589,275

The Company is not subject to any externally imposed capital requirements.

NOTE 13: RESERVES

Nature and purpose of reserves
The option reserve is used to recognise the fair value of all options on issue but not yet exercised.
The asset revaluation reserve is used to recognise the fair value movement of available for sale financial asset.

Movement in options issued

	Date	**Number**	**$**
Balance at the beginning of the year	1 July 2013	1,000,000	105,300
Balance at the end of the year	30 June 2014	1,000,000	105,300

The values of options issued during the prior year were calculated applying the following inputs:

	Broker Options
Number of options issued	1,000,000
Exercise price	$0.20
Valuation date	23 September 2011
Expiry date	23 September 2016
Market price of shares at grant date	$0.20
Expected share price volatility	75%
Risk-free interest rate	3.75%
Valuation per option	$0.1053

Movement in asset revaluation reserve	2014	2013
	$	$
Balance at the beginning of the year	-	-
Fair value gain on available for sale financial asset	17,000	-
Balance at the end of the year	17,000	-

NOTE 14: FINANCIAL RISK MANAGEMENT

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.
Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary. The Company's activities expose it to a variety of financial risk; market risk (including fair value interest rate risk and security prices), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on unpredictability of financial markets and seeks to minimise potential adverse effect on the financial performance of the company.

NOTE 14: FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.
Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Company holds the following financial instruments:

	2014 $	2013 $
Financial Assets		
Cash and cash equivalents	2,264,744	2,608,355
Trade and other receivables	7,041	2,223
Available-for-sale assets: listed securities	19,500	
Convertible notes	250,000	
Financial Liabilities		
Trade and other payables	(23,717)	(21,828)
	2,517,568	2,588,750

(a) Market risk
The Company is exposed to interest rate risk that will affect Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Cash flow and fair value interest rate risk
From time to time the Company has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the volatility of the interest rates. The Company's income and operating cash flows are not expected to be materially exposed to the changes in market interest rates in the future and exposure to interest rates is limited to the cash and cash equivalents balances.

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are set out below.

	Floating interest rate	**Non-interest bearing**	**2014 Total**	**Floating interest rate**	**Non-interest bearing**	**2013 Total**
Financial Assets	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	2,264,744	-	2,264,744	2,608,355	-	2,608,355
Other receivables	-	7,041	7,041	-	2,223	2,223
	2,264,744	7,041	2,271,785	2,608,355	2,223	2,610,578
Weighted average interest rate for the year	2.49%	-	-	3.11%	-	-
Financial Liabilities						
Trade and other payables	-	23,717	23,717	-	21,828	21,828
Loans	-	-	-	-	-	-
	-	23,717	23,717	-	21,828	21,828

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased Company's equity and profit or loss by $ 22,647 (2013: $26,084).

NOTE 14: FINANCIAL RISK MANAGEMENT (CONTINUED)

Price Risk

The company is also exposed to securities price risk on investment held as available for sale assets. At 30 June 2014 the Company's carrying value of listed securities was $19,500.

(b) Credit risk

Credit exposure represent the extent of credit related losses that the Company may be subject to in amounts to be received from financial assets. Credit risk arises from cash and cash equivalent and trade and other receivables. The objectives of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Statement of Financial Position.

Financial Assets	Credit Quality	2014 $	2013 $
Cash and cash equivalents held at Westpac Bank			
- Interest bearing deposit	High	2,264,744	2,608,355
Other receivables	High	7,041	2,223
Convertible notes	High	250,000	-
		2,521,785	2,610,578

Impairment losses

There are no past due receivables for the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The objective of the Company is to maintain sufficient liquidity to meet commitments under normal and stressed condition.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period, the Company held deposits at call of $2,263,046 (2013: $2,588,865) that are expected to readily generate cash inflows for managing liquidity risk. Due to the lack of material revenue, the Company aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity. The Company did not have access to any undrawn borrowing facilities at the end of the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangement.

As at 30 June 2014	**Carrying Amount**	**Contractual Cash flows**	**<3 months**	**3-6 months**	**6-24 months**
Trade and other payables	23,717	23,717	23,717	-	-

As at 30 June 2013	**Carrying Amount**	**Contractual Cash flows**	**<3 months**	**3-6 months**	**6-24 months**
Trade and other payables	21,828	21,828	21,828	-	-

(d) Financial risk management

The Company's financial instruments consist mainly on deposits with bank, convertible notes and account receivables and payables. The main purpose of non-derivative financial instruments is to raise finance for the Company operations.

(e) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

NOTE 15: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Adam Davey is a Director of Adam Stuart Davey ATV Shenton Park Investment Trust. During the year, $30,000 was paid to Adam Stuart Davey ATV Shenton Park Investment Trust for Adam Davey's Director Fees and $122 for reimbursement of travel expenses. There were nil fees payable to Adam Stuart Davey ATV Shenton Park Investment Trust as at 30 June 2014.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key Management Personnel ("KMP")
Names and position held of KMP in office at time during the year are:

Directors		
Brian Thomas	Non-Executive Chairman	Appointed 10 January 2011
Philippa Leggat	Non-Executive Director	Appointed 20 October 2011
Adam Davey	Non-Executive Director	Appointed 20 August 2012

(b) Key Management Personnel Compensation
The totals of remuneration paid to key management personnel during the year are as follows:

	2014 $	2013 $
Short-term benefits	126,500	142,629
Post-employment benefits	8,325	9,777
Other payments	-	77,500
Total KMP compensation	134,825	229,906

NOTE 17: REMUNERATION OF AUDITORS

During the year the following fees were paid or payable to the auditor of the Company, Stantons International Audit and Consulting Pty Ltd and its related practices for audit and non-audit services:

Remuneration of the auditor of the Company for:	2014 $	2013 $
Auditor's services		
Audit and review of financial reports	15,054	16,554

NOTE 18: BASIC AND DILUTED LOSS PER SHARE	2014 $	2013 $
Basic and diluted loss per share (cents)	(0.49)	(1.57)
Loss attributable to members of Parker Resources NL	(88,127)	(282,739)
Weighted average number of shares outstanding during the year	18,050,003	18,050,003

The Company is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, ordinary share capital in respect of potential ordinary shares would lead to a diluted earnings per share that shows an inferior view of the earning per share. For this reason, the diluted loss per share for the year ended 30 June 2014 and 2013 are the same as basic loss per share.

NOTE 19: COMMITMENTS

Exploration expenditure commitments

In November 2013, Parker Resources NL (Acquirer) signed a Binding Term Sheet with Owners of Exploration Licence 20/717 to gain an exclusive right to earn up to 90 percent ownership in the tenement.

- The Acquirer has the exclusive right to earn a 60 percent interest in the tenement by meeting the minimum annual expenditure commitment in 2 expenditure years. Current annual commitment is $30,000.
- Subject to completion of the farm-in, Parker Resources NL has right to acquire a further 30 percent interest by payment of $1,000,000 to the Owner within 30 days of completing expenditure requirements.
- In the event the Acquirer decides to mine a deposit in the tenement, the Acquirer must pay $1,000,000 to the Owner within 90 days of such decision and pay the Owners 1 percent gross revenue royalty.

NOTE 20: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2014 and 2013.

NOTE 21: SIGNIFICANT EVENT AFTER THE REPORTING DATE

On 24 July 2014, Parker Resources NL has entered into conditional agreement to acquire 100% of the issued capital in Ensurance Capital Pty Ltd.

The consideration payable to Ensurance shareholders for the acquisitions, which is subject to approval by the Parker shareholders is:

- Issue of 30,000,000 consideration shares; and
- Payment of $500,000.

Following the completion of the transaction, the founder of Ensurance, Stefan Hicks (MD elect) and Brett Graves will be appointed to the board, and Adam Davey, current non-executive director of Parker and chairman of Ensurance will assume the role of non-executive chairman. As a result of the acquisition of Ensurance, Parker will be required to change its status from an exploration company with a No Liability status to an industrial company, limited by shares and will change its name to Ensurance Ltd.

On 25 July 2014, in order to undertake a proposed transaction to acquire insurance assets, the Company undertook a selective buy back of the Company 8,000,000 party paid shares on issue that are not fully paid on or before the date of shareholder approval to the buy-back. On 29 August 2014, The Company received shareholder approval to issue replacement partly paid shares to those shareholders from which the partly paid shares are bought back post Change of Status.

NOTE 22: COMPANY DETAILS

The registered and principal office of the Company is:

Level 4/66 Kings Park Road
West Perth WA 6005

Telephone: 08 6141 3500
Facsimile: 08 6141 3599
Website: www.parkerresources.com.au
Email: info@parkerresources.com.au

DIRECTORS' DECLARATION

In the opinion of the Directors of Parker Resources NL ("the Company")

(a) the financial statements and notes and the Remuneration Report in the Directors' Report, set out on pages 6 to 38, are in accordance with the *Corporations Act 2001*, including:
   (i) giving the true and fair view of the Company's financial position as 30 June 2014 and of its performance for the financial year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporation Regulations 2001;

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

(c) the are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

The Directors have been given declarations required by Section 295A of the *Corporation Acts 2001* from the Chief Financial Officer for the financial year ended 30 June 2014.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Brian Thomas
DIRECTORS
Dated at Perth 30 September 2014.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PARKER RESOURCES NL

Report on the Financial Report

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

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal controls 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(a), the directors also state, in accordance with Australian Accounting Standard AASB 101: *Presentation of Financial Statements,* that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we 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 Parker Resources NL is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001;* and

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

Report on the Remuneration Report

We have audited the remuneration report included in pages 6 to 9 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Parker Resources NL for the year ended 30 June 2014 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

(Trading as Stantons International)

(An Authorised Audit Company)

Stantons International audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
30 September 2014

ADDITIONAL INFORMATION FOR LISTED COMPANIES

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

1. Shareholding as 24 September 2014

(a) Distribution of Shareholders (31 August 2014)

Category (size of holding)	Number of Shareholders
1 – 1,000	5
1,001 – 5,000	3
5,001 – 10,000	148
10,001 – 100,000	179
100,001 – and over	34
	369

(b) The numbers of shareholdings held in less that marketable price is 5.

(c) Voting Rights

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

Ordinary shares

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

(d) 20 Largest Shareholders – Ordinary Shares as at 24 September 2014

	Name	**Number of Ordinary Fully Paid Shares Held**	**% Held of Issued Ordinary Capital**
1.	MR RICHARD ANTHONY DE SOUZA + MRS KAREN LOUISE DE SOUZA <DE SOUZA SUPER FUND A/C>	820,000	4.54
2.	INSWINGER HOLDINGS PTY LTD <KEIDON SUPERANNUATION A/C>	750,000	4.16
3.	MR PETER LEUZZI	596,900	3.31
4.	COURT SECURITIES PTY LTD	500,000	2.77
5.	MR ALLAN GRAHAM JENZEN + MRS ELIZABETH JENZEN <AG & E JENZEN P/L NO2 SF A/C>	500,000	2.77
6.	PALACE TRADING INVESTMENTS LTD	500,000	2.77
7.	MR ROBERT JOHN PETERS + MRS SANDRA LILLIAN PETERS <PETERS SUPER FUND A/C>	500,000	2.77
8.	SECOND IMPACT INVESTMENTS LIMITED	500,000	2.77
9.	WB NOMINEES LIMITED	475,000	2.63
10.	GOLDENWING NOMINEES PTY LTD <THE ROBINSON FAMILY A/C>	375,000	2.08
11.	FERNCASTLE HOLDINGS PTY LTD <N J PINNER SUPER FUND A/C>	335,000	1.86
12	PACIFIC FINANCE AND SECURITIES PTY LTD <PALADIN PRIVATE PENSION A/C>	270,000	1.50
13.	NEFCO NOMINEES PTY LTD	260,000	1.44
14.	EXCELSIOR GOLD LIMITED	250,000	1.39
15.	MR RODNEY HOWARD GEORGE + MRS JANETTE LYDIA GEORGE <RODNEY GEORGE S/FUND A/C>	250,000	1.39
16.	RUSSELL INVESTMENTS (WA)PTY LTD <RUSSELL SUPER FUND A/C>	250,000	1.39
17.	SGIAN DUBH PTY LTD	250,000	1.39
18.	TRINDIS PTY LTD	250,000	1.39
19.	VYNBEN PTY LTD <MARK HOHNEN SUPER FUND A/C>	250,000	1.39
20.	MR DAVID ARTHUR PAGANIN <DA PAGANIN FAMILY NO 2 A/C>	235,000	1.30
		8,116,900	44.97

ADDITIONAL INFORMATION FOR LISTED COMPANIES

2. The names of the Joint Company Secretaries are Julia Beckett and Jay Stephenson.

3. The address of the principal registered office in Australia is Level 4, 66 Kings Park Road, West Perth, WA 6005. Telephone (08) 6141 3500

4. Registered of securities are held at the following addresses

Computershare Investor Services Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000

5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchange of the Australian Stock Exchange Limited

6. Unquoted Securities
Options over Unissued Shares
A total of 1,000,000 options over unissued shares are on issue to brokers.

7. Use of Funds
The Company has used its funds in accordance with its initial business objectives.

TENEMENT SCHEDULE

Project Area	Tenement Numbers
Near Cue WA	E20/717