



ASX ANNOUNCEMENT

Company Announcements Office
Australian Stock Exchange
Level 8, Exchange Plaza,
2 The Esplanade,
Perth, WA, 6000

Dear Sirs

This is to advise of the despatch today to Mesa Minerals Limited's shareholders of an Annual Report, Notice of Meeting and Proxy Form for the Annual General Meeting to be held on 27th November 2014.

Bruce Goulds
Company Secretary
28 October 2014

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Mesa Minerals Limited

ABN 38 009 113 160

Annual Report – 30 June 2014

Mesa Minerals Limited

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30 June 2014

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Mesa Minerals Limited
Corporate directory
30 June 2014

Directors	Non-executive Chairman: N Coldham-Fussell Non-executive directors: CJ Ellison BA Goulds
Company Secretary	BA Goulds
Registered office	1 Sleat Road Applecross WA 6153 P: + 61 8 9329 3750 F: + 61 8 9329 3751 Postal address: Locked Bag 3, Canning Bridge, Applecross WA 6153
Principal place of business	1 Sleat Road Applecross WA 6153
Share register	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA 6000 P: + 61 8 9323 2000 F: + 61 8 9322 2033 www.computershare.com/au
Auditor	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000 P: + 61 8 9261 9100 F: + 61 8 9261 9111 www.rsmi.com.au
Bankers	National Australia Bank 100 St Georges Terrace Perth WA 6000 www.nab.com.au
Stock exchange listing	Mesa Minerals Limited shares are listed on the Australian Securities Exchange (ASX:MAS)
Website	www.mesaminerals.com.au

Mesa Minerals Limited
Directors' report
30 June 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Mesa Minerals Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

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

N Coldham-Fussell
A Scott (Resigned on 31 January 2014)
CJ Ellison
BA Goulds

Principal activities

The principal activities of the Consolidated Entity during the financial year were to develop its jointly held Ant Hill and Sunday Hill manganese ore mining tenements in the Pilbara district of Western Australia, and to move towards commercialisation of the Consolidated Entity's mineral processing technologies in order to enable the development of secondary processing facilities utilising low grade manganese ores and wastes.

Dividends

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

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$1,520,499 (30 June 2013: \$2,454,265).

The financial performance for the year is reflective of the delay in opening the Ant Hills mine, pending favourable market conditions, further studies undertaken in relation to the commencement of operations at Ant Hill, and the acceleration of activities related to the commercialisation of the Company's intellectual property.

Activities which will inform a decision to commence operations at Ant Hill continued through the financial year, with communication and supply of additional information as requested by the Statutory Bodies, including:

- Department of Mines and Petroleum ("DMP") Assessment of the Ant Hill Project - Mining Proposal Variation to DMP,
- Approval of the Ant Hill Project – Vegetation Clearing Permit Application,
- DMP Assessment of the Ant Hill Project - Mine Closure Plan,
- DMP Assessment on going of the Tenement G45/265 – Mine Closure Plan for Mesa.

In addition, the Consolidated Entity commissioned regional mapping by geologists of the gold bearing tenement E46/816.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

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

Likely developments and expected results of operations

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

Environmental regulation

The environmental obligations of the Consolidated Entity arise primarily from exploration and evaluation activities at its jointly held manganese tenements in the Pilbara district of Western Australia. The policies of the Consolidated Entity require management and employees to, at a minimum, meet requisite environmental performance standards in Western Australia.

Mesa Minerals Limited
Directors' report
30 June 2014

The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007, which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2013 to 30 June 2014 the directors have assessed that there are no current reporting requirements. Disclosures may be required in future years if the Act remains in place in its present.

Information on directors

Name: Norman Coldham-Fussell
Title: Non-Executive Chairman
Qualifications: AO, FCPA, FAusIMM, FCIS, FAIM, FAICD
Experience and expertise: Norman was appointed a director and Chairman of the Company on 16 August 1999. He has vast experience in the resources industry encompassing general management, finance, marketing and project development. Norman was Chief Executive Officer & Managing Director of MIM Holdings Limited from 1990 to 1995, Chairman of Flight Centre Limited from 1995 to 2005 and was a non-executive director of Namoi Cotton Co-operative Ltd until 1 May 2013.

Other current directorships: None
Former directorships (last 3 years): Non-Executive Director of Namoi Cotton Co-operative Ltd
Special responsibilities: None
Interests in shares: None

Name: Alan Scott
Title: Managing Director (Resigned on 31 January 2014)
Experience and expertise: Alan was appointed Chief Executive Officer and Managing Director of the Company on 20 May 2002. Alan is the Non-Executive Chairman of Black Range Minerals Limited, and a non-executive director of Alloy Steel International Inc. Alan was previously Managing Director of Aurora Gold Limited and before that spent 22 years with Rio Tinto Limited, in a variety of senior level roles. Alan's initial work experience, and exposure to the resources industry, was as an accountant with Coopers & Lybrand for 13 years in Australia, Canada and the UK.

Other current directorships: Non-Executive Chairman of Black Range Minerals Limited, Non-Executive Director of Alloy Steel International Inc.
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None

Name: Chris Ellison
Title: Non-Executive Director
Experience and expertise: Chris is the founding shareholder of each of the three original subsidiary companies of Mineral Resources Limited (Crushing Services International Pty Ltd, PIHA Pty Ltd and Process Minerals International Pty Ltd) and has over 35 years of experience in the mining contracting, engineering and resource processing industries. In 1979 Chris founded Karratha Rigging and was Managing Director until its acquisition by Walter Wright Industries in 1982. Chris was subsequently appointed as the General Manager, Walter Wright Industries for the Western Australia and Northern Territory regions. In 1986 Chris founded Genco Ltd and following two years of considerable growth, Genco Ltd merged with the Monadelphous Group in 1988. In September 1988 Receivers and Managers were appointed to the Monadelphous Group. At this time, Chris was appointed the Managing Director and under his careful management, the group successfully traded out of its financial difficulties and eventually relisted on the ASX in late 1989. In 1992 Chris founded PIHA Pty Ltd in which the company focused on the provision of specialised pipe lining and general infrastructure.

Other current directorships: Managing Director of Mineral Resources Limited (ASX:MIN)
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None

Mesa Minerals Limited
Directors' report
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Name: Bruce Goulds
Title: Non-Executive Director
Qualifications: BBus (Accounting), LLB (Hons), Grad Dip Business, FCPA, FCIS, MAICD
Experience and expertise: Bruce Goulds (BBus, Grad Dip Management, LLB (Hons)) has over 30 years of finance and commercial experience in various listed and unlisted corporations including as Commercial Manager within Brambles Industries, Financial Controller and Company Secretary of Cockburn Corporation Limited and Commercial Manager for the Australasian operations of international mining equipment manufacturers Svedala Industrier, Metso Minerals and Sandvik. In 2005, Bruce joined PIHA Pty Ltd, Crushing Services International Pty Ltd and Process Minerals International Pty Ltd as Group Finance Manager. In 2006, he was appointed the inaugural CFO and Company Secretary of Minerals Resources Limited on its listing on ASX. Bruce is a Fellow Certified Practising Accountant (CPA), a Fellow of the Institute of Chartered Secretaries and a Member of the Australian Institute of Company Directors.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None

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

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

Company secretary

Mr Bruce Goulds was appointed Company Secretary on 15 April 2011. Details of his work experience are included under Directors' Information.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board Attended	Held
N Coldham-Fussell	2	3
A Scott (Resigned on 31 January 2014)	2	2
CJ Ellison	3	3
BA Goulds	3	3

Held: represents the number of meetings held during the time the director held office.

Remuneration Report (audited)

The Remuneration Report sets out the remuneration arrangements for directors and executives of the Consolidated Entity in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The disclosures in the Remuneration Report have been audited.

For the purposes of this report, Key Management Personnel (hereafter referred to as "KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the principal activities of the Consolidated Entity, directly or indirectly, including any director (whether executive director or non-executive) of the Consolidated Entity, and includes the executives receiving the highest remuneration.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Additional disclosures relating to KMP
- Share-based compensation.

Principles used to determine the nature and amount of remuneration

The Consolidated Entity's remuneration policy was developed and approved by the Board to align directors' and executives' objectives with shareholder and business objectives. The directors believe that the remuneration policy is appropriate and effective in its ability to attract and retain those persons required to manage the Consolidated Entity, as well as to align the goals of directors, executives and shareholders.

Other than where waived, all directors and executives receive a fee or salary that is inclusive of requisite and optional superannuation amounts. The fee component of remuneration paid to the non-executive directors of the Consolidated Entity is reviewed on an annual basis as is the salary component of remuneration paid to executives. In each case, the performance of the Board and the executives is reviewed by reference to the Consolidated Entity's performance and comparable information from industry sectors and other listed entities in similar industries.

As part of this remuneration, the non-executive directors and executives receive the superannuation guarantee contribution as required by law, but do not receive any other form of retirement benefit. From time to time, individual non-executive directors and executives have chosen to sacrifice some of their fees or salaries with the amount sacrificed paid to their nominated superannuation funds.

All fees and salaries paid to non-executive directors and executives are expensed as incurred.

Remuneration linked to the performance of the Company

The Managing Director received no remuneration linked to the performance of the Company during his course of service in this financial year.

Executive emoluments and employment contracts

There were no options over ordinary shares issued during the prior financial year, the current financial year or subsequent to the end of the current financial year to any executive of the Consolidated Entity. No executive of the Consolidated Entity, whether employee or contractor, currently has a performance-based element of his or her remuneration and no current executive employment contract exceeds twelve months.

Whilst the remuneration policy for non-executive directors contemplates the grant of options over ordinary shares through rewarding non-executive directors with options over ordinary shares under the Option Incentive Scheme, no non-executive director presently holds any options over ordinary shares. Options granted under the Option Incentive Scheme vest immediately, have a five year term and have an exercise price equal to 125% of the average of the closing price for the Consolidated Entity's ordinary shares for the five days immediately prior to the date of grant.

Mr A Scott was appointed Chief Executive Officer & Managing Director of the Consolidated Entity pursuant to a Letter of Employment, dated 20 May 2002. Mr A Scott resigned on 31 January 2014. Under the management agreement, the Consolidated Entity could terminate the employment of Mr A Scott, other than for reasons of serious and wilful misconduct, by giving at least six months notice, in writing, or by the payment in lieu of notice of an amount equal to six months remuneration, with this payment in lieu increasing by one month's remuneration for each year of completed service.

Voting and comments made at the company's 2013 Annual General Meeting ('AGM')

At the 2013 AGM, 77.26% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2013. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the KMP of the Consolidated Entity are set out in the following tables.

The KMP of the Consolidated Entity consisted of the following directors of Mesa Minerals Limited:

- N Coldham-Fussell (Non-Executive Chairman)
- A Scott (Chief Executive Officer and Managing Director) (Resigned on 31 January 2014)
- C Ellison (Non-Executive Director)
- B Goulds (Non-Executive Director)

Mesa Minerals Limited
Directors' report
30 June 2014

30 June 2014

Non-Executive Directors:

	Short-term benefits	Post- employment benefits	Other entitlements	
	Cash salary and fees \$	Super- annuation \$	Termination benefits \$	Total \$
N Coldham-Fussell	50,114	-	-	50,114
C Ellison	-	-	-	-
B Goulds	-	-	-	-

Executive Directors:

A Scott	229,428	32,260	192,548	454,236
	<u>279,542</u>	<u>32,260</u>	<u>192,548</u>	<u>504,350</u>

30 June 2013

Non-Executive Directors:

	Short-term benefits	Post- employment benefits	Long-term benefits	
	Cash salary and fees \$	Super- annuation \$	Long service leave \$	Total \$
N Coldham-Fussell	41,666	8,334	-	50,000
C Ellison	-	-	-	-
B Goulds	-	-	-	-

Executive Directors:

A Scott	259,862	23,387	7,173	290,422
	<u>301,528</u>	<u>31,721</u>	<u>7,173</u>	<u>340,422</u>

Share-based compensation

Issue of shares

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

Options

There were no options over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2014.

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each director and other members of KMP of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
N Coldham-Fussell	-	-	-	-	-
C Ellison	-	-	-	-	-
B Goulds	-	-	-	-	-
A Scott	-	-	-	-	-
	-	-	-	-	-

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Payment for services from Mineral Resources Limited ("MRL") and its controlled entities	<u>1,123,592</u>	<u>1,443,499</u>

Receivable from and payable to related parties

There were no related party transactions involving directors in the financial years ended 30 June 2014 (2013: Nil).

Loans to/from related parties

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

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Current borrowings:		
Loan from MRL and its controlled entities	<u>5,779,856</u>	<u>5,138,173</u>

Terms and conditions

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

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of Mesa Minerals Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Mesa Minerals Limited issued on the exercise of options during the year ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith or is otherwise prohibited by law.

The Company has entered into agreements to indemnify the directors, executives and Company Secretary named in this report against all liabilities to persons (other than the Company), which arise out of the performance of their normal duties as directors, executives and Company Secretary unless the liability relates to conduct involving a lack of good faith or is otherwise prohibited by law.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former audit partners of RSM Bird Cameron Partners

There are no officers of the Company who are former audit partners of RSM Bird Cameron Partners.

Auditor's independence declaration

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

Auditor

RSM Bird Cameron Partners continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Bruce Goulds
Director

24 September 2014
Perth

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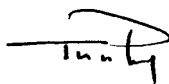
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mesa Minerals Limited 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.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 September 2014

The Company complies, unless stated otherwise, with the recommendations of the Australian Securities Exchange Corporate Governance Council (hereafter referred to as the "Council") as contained in the revised *ASX Corporate Governance Principles and Recommendations*, dated August 2007 and amended in 2010, to the extent the Board believes they are practical and applicable to the Company. Entities are required to disclose corporate governance principles that they have not adopted and to state the reasons why specific principles have not been adopted. The details of any departures are set out below. The corporate governance principles and policies of the Company have been structured with reference to the Council's eight corporate governance principles.

(1) Laying solid foundations for management and oversight

The Board of Directors is responsible for protecting the rights and interests of all shareholders and for the overall corporate governance of the Company. The responsibilities of the Board of Directors include:

- (a) Providing input into and final approval of management's goals, and strategy designed to promote the achievement of those objectives;
- (b) Delegating the necessary authorities and ensuring appropriate resources are available to the executives to deal with the day-to-day operational aspects of the Company;
- (c) Monitoring the performance of the executives against these goals and objectives;
- (d) Ensuring that the business risks facing the Company are, whenever possible, identified and that the appropriate monitoring and reporting controls are in place to manage these risks; and
- (e) Appointing members of the executive, approving the performance evaluation and determining the remuneration of executives and ensuring that appropriate policies and procedures are in place for recruitment, remuneration and succession planning.

Given the modest size of the Company and its focus on developing mining activities at its jointly held manganese tenements as well as commercialisation of its secondary processing technologies, the establishment of a formal performance evaluation strategy is considered inappropriate. In addition, performance evaluation of the executives is a matter for consideration by the entire Board.

(2) Structure of the Board of Directors to add value

The Board of Directors of the Company and details of the skills, qualifications and expertise and attendance at meetings and the period of office held are included in the Directors' Report.

The Company has three directors (four through 31 January 2014), all of which are non-executive directors. This Board structure does not satisfy the Council's Recommendation 2.1 that a majority of the Board are independent. Mr A Scott was not considered to be independent as he was employed as an executive director of the Company. Mr CJ Ellison is the Managing Director and Mr BA Goulds is the Chief Financial Officer and Company Secretary of Mineral Resources Limited ("MRL"), which is the ultimate holding entity of the Company as defined by the *Corporations Act (Commonwealth) 2001*.

The Managing Director resigned on 31 January 2014. The Board has elected not to replace the position.

Notwithstanding this non-compliance, the directors believe that independent and non-independent directors share the same goals and objectives to develop the Company's manganese interests as well as advance the commercialisation of its secondary manganese processing technologies. All directors possess the necessary mining, processing and commercial skills and experience in construction, commissioning and operating mining and processing projects to create shareholder value. These skills and experience form the foundation for the Company to realise its goals and objectives to develop its manganese tenements and advance the commercialisation of its technologies.

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with and approval from the Chairman, may seek independent professional advice from a suitable expert to provide specialist advice at the expense of the Company. Advice received by a director must be made available to all other members of the Board.

The Company has not established a separate Nomination Committee. The duties and responsibilities of such a committee are the responsibility of the full Board. The Board does not believe that any significant efficiencies or enhancements would be achieved by the establishment of a separate nomination committee.

(3) Promoting ethical and responsible decision-making

The Company recognises the need to ensure that the highest ethical standards are adopted at all times.

In relation to dealing in shares of the Company, the Board has approved a Securities Trading Policy which imposes general trading restrictions on all directors, employees, contractors and consultants of the Company who possess inside information. Additional trading restrictions are imposed on KMP, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including all directors of the Company, whether executive or otherwise. The full policy was lodged with the ASX on 30 December 2010.

In addition, the Company prohibits any director, employee, contractor or consultant of the Company hedging unvested financial instruments or trading in products that limit the economic risk of security entitlements in the Company over unvested entitlements.

The Board has in place policies for the recruitment of the most suitable person for roles within the Company providing diversity of employment opportunities for, but not limited to, gender, age, ethnicity and cultural background for all Company roles. In respect of gender diversity, the Company has not determined a target proportion of appointments but relies on the requirement of “most suitable person for roles” as the overarching selection criteria for personnel.

As at the balance date, 50% (2013: 25%) of employees of the Company were females. There are no women currently serving on the Company's Board.

(4) Safeguard integrity in financial reporting

Given the modest size of the Company, the full Board reviews the financial reports of the Company, and therefore this does not satisfy the Council's Corporate Governance Recommendations.

The CFO certifies to the Board that the financial statements of the Company are founded on a sound system of risk management and internal compliance which implements the policies and procedures approved by the Board and that these systems work effectively and efficiently.

The external auditor is invited to attend meetings of the Board where financial reports of the Company are submitted for review and approval.

(5) Making timely and balanced disclosure

The Board is committed to the promotion of investor confidence by ensuring that trading in its securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules, the Company has procedures in place to ensure that price sensitive information is identified, reviewed by management and disclosed to the Australian Securities Exchange in a timely manner and that all non-procedural information provided to the Australian Securities Exchange is posted to the Company's website as soon as possible after its disclosure to the above-mentioned exchange.

From time to time, the Company conducts briefings with analysts, media representatives and major shareholders in order to promote a better understanding of the Company. In conducting such briefings, the Company takes care to ensure that any price sensitive information included in the content of the briefings has been made available to shareholders through posting the transcript of the briefing to its website and making an appropriate Australian Securities Exchange release advising shareholders of the posting made to its website.

(6) Respecting the rights of shareholders

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors, executives and the Company through:

- (a) the half-year and annual reports;
- (b) quarterly reports;
- (c) the Annual General Meeting of shareholders and any other meeting called by the Board or shareholders;
- (d) the Mesa Minerals website, which contains all non-procedural announcements made by the Company to the Australian Securities Exchange, broker reports and other relevant information on the Company.

The Company welcomes questions and it endeavours to answer such questions within the confines of information that is not market-sensitive or that is already in the public domain.

The external auditor attends the Annual General Meeting of shareholders and accordingly, is available at these meetings to answer any questions in relation to the conduct of the audit and the audit report.

(7) Recognise and managing risk

The Board retains overall responsibility for risk oversight and management. However, given the modest size of the Company, the Board does not consider it appropriate to have separate risk management and control systems designed by management to report to the Board.

The Board defines risk to be any event that, if it occurs, will have a material impact (whether financial or non-financial) on the ability of the Company to implement its strategy and accordingly, achieve its business goals and objectives. The Board has established various policies and practices designed to identify and manage significant business risks, including:

- (a) the Company's business plan;
- (b) the approval by the Board of the budget of the company;
- (c) the reporting by management on a monthly basis of a detailed financial and operational performance to the Board;
- (d) the approval by the Board of policies and procedures governing internal controls, authority levels of expenditure, commitments and general decision making; and
- (e) the approval by the Board of policies and procedures relating to health, safety and environment designed to ensure a high standard of performance and regulatory compliance.

In addition, the Board requires the Managing Director and/or CFO to certify half-yearly and annually that the financial reports of the Company are founded on a sound system of risk management and internal control which implements the policies approved by the Board and that these systems operate effectively in all material respects in relation to the financial reporting risks of the Company.

(8) Remunerate fairly and responsibly

Given the modest size of the Company, the Company does not have a separate Remuneration Committee. The full Board of the Company is responsible for determining and reviewing compensation arrangements for non-executive directors, the Managing Director and executives.

As set out in the Remuneration Report, the Company distinguishes between the structure of remuneration for non-executive directors, the Managing Director and executives. The Board assesses the appropriateness of the nature and amount of remuneration on an annual basis for non-executive directors, the Managing Director and executives of the Company. The Managing Director and executives are reviewed by reference to the Company's performance and comparable information from industry sectors and other listed entities in similar industries.

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

		Consolidated Entity	
	Note	30 June 2014	30 June 2013
		\$	\$
Revenue	5	1,357,262	1,129,321
Expenses			
Exploration and tenement costs		-	(338,595)
Research and development		(165,395)	(143,374)
Administration		(919,544)	(1,362,810)
Secretarial and listing costs		(49,136)	(34,938)
Employee costs		(690,017)	(617,908)
Corporate		(18,666)	(37,326)
Depreciation and amortisation	6	(495,878)	(645,564)
Marketing		(226,139)	(172,260)
Trade marks and patents		(38,667)	(54,031)
Finance costs	6	(274,319)	(176,780)
Loss before income tax expense		(1,520,499)	(2,454,265)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Mesa Minerals Limited	18	(1,520,499)	(2,454,265)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Mesa Minerals Limited		<u>(1,520,499)</u>	<u>(2,454,265)</u>
		Cents	Cents
Basic earnings per share	31	(0.22)	(0.40)
Diluted earnings per share	31	(0.22)	(0.40)

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

Mesa Minerals Limited
Statement of financial position
As at 30 June 2014

		Consolidated Entity	
	Note	30 June 2014	30 June 2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	7,812	10,609
Trade and other receivables	9	241,102	2,710
Total current assets		<u>248,914</u>	<u>13,319</u>
Non-current assets			
Receivables	10	54,500	54,500
Property, plant and equipment	11	1,153,434	1,444,848
Intangibles	12	1,193,381	1,338,377
Exploration and evaluation	13	825,893	-
Total non-current assets		<u>3,227,208</u>	<u>2,837,725</u>
Total assets		<u>3,476,122</u>	<u>2,851,044</u>
Liabilities			
Current liabilities			
Trade and other payables	14	5,911,067	4,957,732
Employee benefits	15	8,911	112,253
Total current liabilities		<u>5,919,978</u>	<u>5,069,985</u>
Total liabilities		<u>5,919,978</u>	<u>5,069,985</u>
Net liabilities		<u>(2,443,856)</u>	<u>(2,218,941)</u>
Equity			
Issued capital	16	36,453,162	35,157,578
Reserves	17	280,750	280,750
Accumulated losses	18	(39,177,768)	(37,657,269)
Total deficiency in equity		<u>(2,443,856)</u>	<u>(2,218,941)</u>

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

Mesa Minerals Limited
Statement of changes in equity
For the year ended 30 June 2014

Consolidated Entity	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency \$
Balance at 1 July 2012	35,286,765	280,750	(35,203,004)	364,511
Loss after income tax expense for the year	-	-	(2,454,265)	(2,454,265)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,454,265)	(2,454,265)
<i>Transactions with owners in their capacity as owners:</i>				
Share buy-back	(129,187)	-	-	(129,187)
Balance at 30 June 2013	<u>35,157,578</u>	<u>280,750</u>	<u>(37,657,269)</u>	<u>(2,218,941)</u>
Consolidated Entity	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency \$
Balance at 1 July 2013	35,157,578	280,750	(37,657,269)	(2,218,941)
Loss after income tax expense for the year	-	-	(1,520,499)	(1,520,499)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,520,499)	(1,520,499)
<i>Transactions with owners in their capacity as owners:</i>				
Placement of shares	1,295,584	-	-	1,295,584
Balance at 30 June 2014	<u>36,453,162</u>	<u>280,750</u>	<u>(39,177,768)</u>	<u>(2,443,856)</u>

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

Mesa Minerals Limited
Statement of cash flows
For the year ended 30 June 2014

		Consolidated Entity	
	Note	30 June 2014	30 June 2013
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,118,870	1,179,922
Payments to suppliers (inclusive of GST)		<u>(1,592,190)</u>	<u>(1,163,755)</u>
Net cash (used in)/from operating activities	30	<u>(473,320)</u>	<u>16,167</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	832	(832)
Payments for exploration and evaluation	13	<u>(825,893)</u>	<u>-</u>
Net cash used in investing activities		<u>(825,061)</u>	<u>(832)</u>
Cash flows from financing activities			
Payments for share buy-backs		-	(129,187)
Proceeds from issue of shares (net of share issue costs)		<u>1,295,584</u>	<u>-</u>
Net cash from/(used in) financing activities		<u>1,295,584</u>	<u>(129,187)</u>
Net decrease in cash and cash equivalents		(2,797)	(113,852)
Cash and cash equivalents at the beginning of the financial year		<u>10,609</u>	<u>124,461</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>7,812</u></u>	<u><u>10,609</u></u>

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

Note 1. General information

The financial statements cover Mesa Minerals Limited as a Consolidated Entity consisting of Mesa Minerals Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Mesa Minerals Limited's functional and presentation currency.

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

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

1 Sleaford Road
Applecross WA 6153

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2014. The directors do not have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company and Consolidated Entity each incurred losses of \$1,520,499 and the Consolidated Entity had net cash flows used in operating activities of \$473,320 for the year ended 30 June 2014. As at that date the Company and Consolidated Entity each had net current liabilities of \$5,671,064 and net liabilities of \$2,443,856.

Note 2. Significant accounting policies (continued)

In considering whether the going concern basis is appropriate for preparing this financial report, the directors recognise that current levels of working capital may be insufficient to meet its planned and proposed levels of expenditure for the forthcoming year. However, the directors believe that it is reasonably foreseeable that the Company and Consolidated Entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The directors believe they will be able to access capital markets for further funds if necessary;
- The directors expect that major shareholders of the Company will support fund raising activities; and
- As at 30 June 2014, Mineral Resources Limited and its controlled entities has provided \$5,779,856 in loan funding, which is disclosed as a current liability in the statement of financial position, to the Company. Accordingly, the directors of the Company reasonably believe it will continue to receive financial support from Mineral Resources Limited, for a period of twelve months from the date of this financial report.

Parent Entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent Entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mesa Minerals Limited ('Company' or 'Parent Entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Mesa Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

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

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

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

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Accounting for jointly controlled assets

The Consolidated Entity accounts for its interest in jointly controlled assets on a proportionate basis by incorporating in the financial statements its ownership interest in the assets, liabilities and expenses of joint venture activity under appropriate headings.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net returns, trade allowances, rebates and amounts collected on behalf of third parties. The Consolidated Entity recognises revenue when the amount of revenue can be reliably measured and at the point where it is probable that future economic benefits will flow to the entity. Revenue is recognised as follows:

Note 2. Significant accounting policies (continued)

Manganese shipments

Revenue from sale of goods is recognised in the profit or loss when the substantive risks and rewards of ownership have been transferred to the buyer.

Revenue from bulk products exported from Australia: ownership in the goods transfers to the buyer after a clean bill of lading has been issued for the shipment, the preliminary payment is received and in accordance with any other specific terms of the contract of sale.

Rental income

Rental income is recognised in the accounting period over the lease term.

Interest income

Interest income is recognised using the effective rate method. When a receivable is impaired, the Consolidated Entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Income tax

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

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

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

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

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

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

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

Loans and receivables

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

Impairment of financial assets

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

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

Note 2. Significant accounting policies (continued)

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Repair and maintenance costs are expensed during the reporting period in which they are incurred.

Depreciation is calculated using the reducing balance method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives as follows:

Electronic equipment	40%
Furniture, fittings, plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Port access rights

Port access rights are stated at historical cost plus accrued interest less shipping charges. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably.

Amortisation is calculated based on tonnages shipped under the access agreement. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

Research and development

The Consolidated Entity's policy with respect to expenditure on intangible assets is to write off all costs as incurred.

Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted in the accounts of the Consolidated Entity in accordance with the 'area of interest' method. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the Board concludes that the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

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

Provisions

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Shared-based payment

Share-based compensation benefits are provided to employees via the Employee Option Incentive Scheme.

The fair value of options granted under the Employee Option Incentive Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

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

Note 2. Significant accounting policies (continued)

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Consolidated Entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Foreign Currency Transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income

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.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

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

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Consolidated Entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

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

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the Consolidated Entity.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the Consolidated Entity.

Note 2. Significant accounting policies (continued)

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2015 will not have a material impact on the Consolidated Entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2015 will not have a material impact on the Consolidated Entity.

Note 3. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Note 4. Operating segments

Business segment

The Consolidated Entity operates in one geographical area being Australia and one industry, being the exploration, mining, processing and export of manganese products. The Chief Operating Decision Makers are the Board of Directors and management of the Consolidated Entity. There is only one operating segment identified being the exploration, mining, processing and export of manganese products in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements. All the assets are located in Australia. Segment assets are allocated to countries based on where the assets are located. Revenues from construction charges and lease premiums have been recognised from transactions with a single external customer.

Note 5. Revenue

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Rental income	1,091,245	770,679
Recovery of port rights usage	205,296	282,283
Interest on port access rights	60,721	76,359
Revenue	<u>1,357,262</u>	<u>1,129,321</u>

Note 6. Expenses

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Plant and equipment	290,582	363,281
Port rights	205,296	282,283
	495,878	645,564
<i>Finance costs</i>		
Finance costs	274,319	176,780

Note 7. Income tax expense

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,520,499)	(2,454,265)
Tax at the statutory tax rate of 30%	(456,150)	(736,280)
Tax losses for the current year for which no deferred tax asset is recognised	456,150	736,280
Income tax expense	<u>-</u>	<u>-</u>

Note 7. Income tax expense (continued)

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	23,965,900	21,756,000
Potential tax benefit @ 30%	7,189,770	6,526,800

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

The future income tax benefit in respect of these unrecognised deferred tax assets will only be obtained if:

- a) future assessable income is derived of a nature and amount sufficient to enable the benefit to be realised;
- b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- c) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

Note 8. Current assets - cash and cash equivalents

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Cash at bank and on hand	2,576	5,502
Deposits at call	5,236	5,107
	<u>7,812</u>	<u>10,609</u>

Cast at bank and on hand is interest bearing at 0.01% (2013:0.01%).

Deposits at call are interest bearing at 2.50% (2013: 2.90%).

Note 9. Current assets - trade and other receivables

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Trade receivables	241,102	2,710

The carrying amounts set out above are assumed to approximate their fair value. There are no balances that are impaired or past due. The maximum exposure of the Consolidated Entity to credit risk is the fair value of the receivables.

Note 10. Non-current assets - receivables

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Security deposits	54,500	54,500

The trade receivables are not past due nor impaired. The carrying amount is equivalent to fair value.

Mesa Minerals Limited
Notes to the financial statements
30 June 2014

Note 11. Non-current assets - property, plant and equipment

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Plant and equipment	1,888,254	1,889,086
Less: Accumulated depreciation	<u>(734,820)</u>	<u>(444,238)</u>
	<u>1,153,434</u>	<u>1,444,848</u>

Reconciliations

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

Consolidated Entity	Plant and Equipment
	\$
Balance at 1 July 2012	1,807,297
Additions	832
Depreciation expense	<u>(363,281)</u>
Balance at 30 June 2013	1,444,848
Disposals	(832)
Depreciation expense	<u>(290,582)</u>
Balance at 30 June 2014	<u>1,153,434</u>

Note 12. Non-current assets - intangibles

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Port access cost	<u>1,193,381</u>	<u>1,338,377</u>

Reconciliations

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

Consolidated Entity	Port access
	\$
Balance at 1 July 2012	1,545,745
Additions	74,915
Amortisation	<u>(282,283)</u>
Balance at 30 June 2013	1,338,377
Additions	60,300
Amortisation	<u>(205,296)</u>
Balance at 30 June 2014	<u>1,193,381</u>

Note 12. Non-current assets - intangibles (continued)

The Consolidated Entity and the Port Hedland Port Authority have executed the Utah Point Facility Agreement ("Agreement"). Under the terms and conditions of the Agreement the Consolidated Entity acquired rights to stockpile ore at the Utah Point ore stockyard and to export the stockpiled ore through the ore loader.

The access rights accrue interest (currently 6.98%) on the unused portion.

Note 13. Non-current assets - exploration and evaluation

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Exploration and evaluation expenditure	<u>825,893</u>	<u>-</u>

The Board anticipates that exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale.

Reconciliations

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

Consolidated Entity	Exploration and Evaluation
	\$
Balance at 1 July 2012	-
Balance at 30 June 2013	-
Additions	825,893
Balance at 30 June 2014	<u>825,893</u>

Note 14. Current liabilities - trade and other payables

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Trade payables and accruals	<u>5,911,067</u>	<u>4,957,732</u>

Included in the trade payables and accruals is loan from MRL and its controlled entities of \$5,779,856 (2013: \$5,138,173).

Refer to note 21 for further information on financial instruments.

Trade payables are non-interest bearing and are normally settled on 30 day terms. Other payables are also non-interest bearing and have an average term of 30 days. Due to the short-term nature of these payables, the carrying amounts recorded in the financial statements for trade payables and other payables are the fair values.

Note 15. Current liabilities - employee benefits

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Employee benefits	<u>8,911</u>	<u>112,253</u>

Note 16. Equity - issued capital

	Consolidated Entity			
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	Shares	Shares	\$	\$
Ordinary shares	<u>704,416,960</u>	<u>612,536,487</u>	<u>36,453,162</u>	<u>35,157,578</u>
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	Issue price	\$
Balance	1 July 2012	618,995,831		35,286,765
Buy back of unmarketable parcels	30 June 2013	<u>(6,459,344)</u>		<u>(129,187)</u>
Balance	30 June 2013	612,536,487		35,157,578
Placement of shares	9 September 2013	91,880,473	\$0.015	1,378,207
Capital raising costs		<u>-</u>		<u>(82,623)</u>
Balance	30 June 2014	<u>704,416,960</u>		<u>36,453,162</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Capital risk management

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

In the current stage of its development, the Consolidated Entity has invested its available capital heavily in assets such as acquiring and exploring mining tenements and researching and patenting process know-how as a means of achieving this end. As is appropriate at this stage, the Consolidated Entity is funded primarily by equity.

As it moves forward to commercialise these assets, the Consolidated Entity will adjust its capital structure to support its operational and strategic objectives, by raising additional capital or taking on debt, as is seen to be appropriate from time to time given the overriding objective of creating shareholder value. In this regard, the Board will consider each step forward in the development of the Consolidated Entity on its merits and in the context of the then capital markets, in deciding how to structure capital raisings.

Note 17. Equity - reserves

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Revaluation reserve	<u>280,750</u>	<u>280,750</u>

Revaluation reserve

The reserves represents the expensed cost of options issued in connection with an equity raising.

Note 18. Equity - accumulated losses

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Accumulated losses at the beginning of the financial year	(37,657,269)	(35,203,004)
Loss after income tax expense for the year	<u>(1,520,499)</u>	<u>(2,454,265)</u>
Accumulated losses at the end of the financial year	<u><u>(39,177,768)</u></u>	<u><u>(37,657,269)</u></u>

Note 19. Equity - dividends

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

Note 20. Jointly controlled assets

On 28 April 2008, the Consolidated Entity entered into a Farm-in & Joint Venture Agreement with Auvex Resources Limited to mine and ship manganese product. Under the arrangements Auvex was required to expend \$7,250,000 on exploration and evaluation to enable the Company and Auvex to make a joint decision to mine manganese at Mesa's Ant Hill and Sunday Hill Mining Leases.

On the basis that the Consolidated Entity and Auvex agreed that Auvex had earned its interest in the tenements, the Consolidated Entity assigned an undivided 50% interest in the Ant Hill Mining Lease 46/238 and the Sunday Hill Mining Lease 46/237.

The Consolidated Entity accounted for its interest in the Joint Venture under a contractual arrangement that did not give rise to a jointly controlled entity. Under the contractual arrangements, the Consolidated Entity derives benefits of operation of the jointly owned assets rather than from an interest in a jointly controlled entity.

Note 21. Financial instruments

Financial risk management objectives

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

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

Interest rate risk

The Consolidated Entity is exposed to market interest rates on moneys it has deposited with Australian banking institutions in the form of short-term deposits and operating accounts.

Note 21. Financial instruments (continued)

As at the reporting date, the Consolidated Entity is exposed to interest rate risk as follows:

	30 June 2014		30 June 2013	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Consolidated Entity				
Cash and cash equivalents	1.83%	7,812	2.14%	10,609
Net exposure to cash flow interest rate risk		<u>7,812</u>		<u>10,609</u>

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

The Consolidated Entity has considered the sensitivity relating to its exposure to interest rate risk at reporting date. This analysis considers the effect on current year results and equity which could result in a change in this risk. The management processes employed to control these factors and the potential impact on the profit and equity would not be a material amount.

Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and other receivables. The Consolidated Entity invests only in short-term deposits with institutions that have AA/Stable/A-1+ ratings for short-term credit.

Current receivables are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant.

Liquidity risk

Financing arrangements

Liquidity risk arises from the financial liabilities of the Consolidated Entity and the ability of the Consolidated Entity to meet these obligations as and when they fall due.

The maturity analysis of financial assets and financial liabilities is as follows:

Remaining contractual maturities

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

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated Entity - 30 June 2014	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	5,919,978	-	-	-	5,919,978
Total non-derivatives		<u>5,919,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,919,978</u>

Note 21. Financial instruments (continued)

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated Entity - 30 June 2013	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	4,957,732	-	-	-	4,957,732
Total non-derivatives		<u>4,957,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,957,732</u>

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

Fair value of financial instruments

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

Note 22. Key Management Personnel disclosures

Directors

The following persons were directors of Mesa Minerals Limited during the financial year:

A Scott	Chief Executive Officer and Managing Director (Resigned on 31 January 2014)
N Coldham-Russell	Chairman
C Ellison	Non-Executive Director
B Goulds	Non-Executive Director

Compensation

The aggregate compensation made to directors and other members of KMP of the Consolidated Entity is set out below:

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Short-term employee benefits	279,542	301,528
Post-employment benefits	32,260	31,721
Long-term benefits	-	7,173
Termination benefits	<u>192,548</u>	<u>-</u>
	<u><u>504,350</u></u>	<u><u>340,422</u></u>

There were no shares or options that were held by directors and other KMP during the year ended 30 June 2014.

Mesa Minerals Limited
Notes to the financial statements
30 June 2014

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Bird Cameron Partners, the auditor of the Company:

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
<i>Audit services - RSM Bird Cameron Partners</i>		
Audit or review of the financial statements	38,550	36,000
<i>Other services - RSM Bird Cameron Partners</i>		
Taxation services	2,500	1,900
	<u>41,050</u>	<u>37,900</u>

Note 24. Contingent liabilities

The Consolidated Entity has a contingent liability in the amount of \$83,000 (2013: \$83,000) in respect of a performance bond issued in favour of the Department of Mines & Petroleum.

Note 25. Commitments

Operating lease commitments

The Consolidated Entity has no operating lease commitments.

Exploration and evaluation expenditure commitments

The Consolidated Entity has expenditure commitments in respect of its tenement interests of approximately \$287,100 (2013: \$287,100). There is no annual work programme and budget for advancing the jointly held manganese tenements through exploration and evaluation. As at 30 June 2014, there were no significant expenditure commitment in addition to those pertaining to the issue of the tenements.

Note 26. Related party transactions

Parent Entity

Mesa Minerals Limited is the Parent Entity.

Joint ventures

Interests in joint ventures are set out in note 28.

Key management personnel

Disclosures relating to KMP are set out in note 22 and the Remuneration Report in the Directors' Report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Payment for services from MRL and its controlled entities	1,123,592	1,443,499

Receivable from and payable to related parties

There were no related party transactions involving directors in the financial years ended 30 June 2014 (2013: Nil).

Mesa Minerals Limited
Notes to the financial statements
30 June 2014

Note 26. Related party transactions (continued)

Ultimate Parent Entity

MRL is the ultimate Parent Entity, holding at 30 June 2014 and the date of these financial statements respectively approximately 56.44% of the ordinary shares of the Consolidated Entity (2013: 64.91%).

Loans to/from related parties

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

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Current borrowings:		
Loan from MRL and its controlled entities	<u>5,779,856</u>	<u>5,138,173</u>

Terms and conditions

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

Note 27. Parent Entity information

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income

	Company	
	30 June 2014	30 June 2013
	\$	\$
Loss after income tax	<u>(1,520,499)</u>	<u>(2,454,265)</u>
Total comprehensive income	<u>(1,520,499)</u>	<u>(2,454,265)</u>

Statement of financial position

	Company	
	30 June 2014	30 June 2013
	\$	\$
Total current assets	<u>248,914</u>	<u>13,319</u>
Total assets	<u>3,476,122</u>	<u>2,851,044</u>
Total current liabilities	<u>5,919,978</u>	<u>5,069,985</u>
Total liabilities	<u>5,919,978</u>	<u>5,069,985</u>
Net liabilities	<u>(2,443,856)</u>	<u>(2,218,941)</u>
Equity		
Issued capital	36,453,162	35,157,578
Reserves	280,750	280,750
Accumulated losses	<u>(39,177,768)</u>	<u>(37,657,269)</u>
Total deficiency in equity	<u>(2,443,856)</u>	<u>(2,218,941)</u>

Guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2014 and 30 June 2013.

Note 27. Parent entity information (continued)

Contingent liabilities

The Parent Entity has a contingent liability in the amount of \$83,000 (2013: \$83,000) in respect of a performance bond issued in favour of the Department of Mines & Petroleum.

Capital commitments - Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment at as 30 June 2014 and 30 June 2013.

Significant accounting policies

The accounting policies of the Parent Entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity.
- Investments in associates are accounted for at cost, less any impairment, in the Parent Entity.
- Dividends received from subsidiaries are recognised as other income by the Parent Entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Consolidated Entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2014 %	30 June 2013 %
HiTec Energy Pty Ltd	Small Proprietary	100.00%	100.00%

Note 29. Events after the reporting period

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

Note 30. Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated Entity	
	30 June 2014 \$	30 June 2013 \$
Loss after income tax expense for the year	(1,520,499)	(2,454,265)
Adjustments for:		
Depreciation and amortisation	495,878	645,564
Capitalised interest	(60,300)	(74,915)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(238,392)	333,484
Increase in trade and other payables	953,335	1,547,727
Increase/(decrease) in other provisions	(103,342)	18,572
Net cash (used in)/from operating activities	<u>(473,320)</u>	<u>16,167</u>

Note 31. Earnings per share

	Consolidated Entity	
	30 June 2014	30 June 2013
	\$	\$
Loss after income tax attributable to the owners of Mesa Minerals Limited	<u>(1,520,499)</u>	<u>(2,454,265)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>686,796,047</u>	<u>612,536,487</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>686,796,047</u>	<u>612,536,487</u>
	Cents	Cents
Basic earnings per share	(0.22)	(0.40)
Diluted earnings per share	(0.22)	(0.40)

There are no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the date of the financial year and the date of completion of this annual report.

Note 32. Share-based payments

No share based payment arrangements were in place during or at the end of the year ended 30 June 2014 (2013: nil).

Mesa Minerals Limited
Directors' declaration
30 June 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



Bruce Goulds
Director

24 September 2014
Perth

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MESA MINERALS LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Mesa Minerals Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion:

- (a) the financial report of Mesa Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

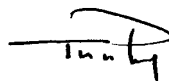
We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility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

Opinion

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

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 September 2014

The shareholder information set out below was applicable as at 21 October 2014.

Distribution of equitable securities

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

	Number of holders of ordinary shares
1 to 1,000	10
1,001 to 5,000	12
5,001 to 10,000	16
10,001 to 100,000	327
100,001 and over	103
	468
Holding less than a marketable parcel	177

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	% of total shares issued
	Number held	
Mineral Resources Limited	418,431,417	59.40
Mighty River International Limited	92,291,508	13.10
Argonaut Securities Pty Ltd <ASPL Client No 4 A/C>	30,000,000	4.26
HSBC Custody Nominees (Australia) Limited	29,549,916	4.19
Carjay Investments Pty Ltd	16,200,000	2.30
Katana Asset Management Ltd	12,000,000	1.70
James Howard Nigel Smalley	10,000,000	1.42
BS Capital Pty Ltd	9,505,810	1.35
Coolah Holdings Pty Ltd <Lambert Family A/C>	7,000,000	0.99
Classic Capital Pty Ltd <BRL Unit A/C>	5,000,000	0.71
Blue Crystal Pty Ltd	4,400,000	0.62
Pabu Pty Limited <The Jade Unit A/C>	3,995,000	0.57
Mr Weidong Song	3,739,580	0.53
UBS Wealth Management Australia Nominees Pty Ltd	3,333,334	0.47
Beaummy Pty Ltd <Robert Frost Family A/C>	3,300,000	0.47
Katana Equity Pty Ltd <Sala Tenna Family A/C>	3,000,000	0.43
Halib Holdings Pty Ltd <Halib S/F A/C>	2,966,667	0.42
Basildene Pty Ltd <Warren Brown Super Fund A/C>	2,189,611	0.31
Mr Robert Frost	2,000,000	0.28
Print Logic WA Pty Ltd	2,000,000	0.28
	660,902,843	93.82

Mesa Minerals Limited
Shareholder information
30 June 2014

Schedule of interests in approved tenements

Tenement	Approval Date	Owner	Project Title	Area	Agreement	Equity
ML 46/238	6 Nov 2000	Mesa	Ant Hill	800.1 Ha	Joint Venture	50%
ML 46/237	6 Nov 2000	Mesa	Sunday Hill	729.1 Ha	Joint Venture	50%
EL 46/772	22 July 2011	Mesa	Gunstock	10 BL	Joint Venture	50%
ML 46/67	27 April 2012	Auvex		220.0 Ha	Joint Venture	50%
G 45/265	6 Jun 2000	Mesa	Boodarie	49.9 Ha	Lease	100%
EL 46/831-1	6 Sept 2010	Mesa	Cooke Creek	12 BL	Lease	100%
EL 46/816	13 July 2011	Mesa	Eastern Creek	69 BL	Lease	100%
EL 46/847	30 July 2012	Mesa	Lucy Bore	1BL	Lease	100%
EL 46/771	18 April 2013	Mesa	Wickham	2BL	Joint Venture	50%

MESA MINERALS LIMITED

ACN 009 113 160

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:00 am (WST)

DATE: Thursday 27th November 2014

PLACE: 1 Sleat Road, Applecross WA 6153

A Proxy Form is enclosed

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9329 3750.

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Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	5
Glossary	12
Proxy Form	Enclosed

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 9:00am on 27th November 2014 at:

1 Sleat Road, Applecross, WA 6153

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Monday 24th November 2014.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-Chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRUCE GOULDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 7.3 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Bruce Goulds, a Director, retires by rotation and, being eligible, is hereby re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR COLLIS THORP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Collis Thorp, having been appointed a director of the Company since the last annual general meeting, retires in accordance with clause 7.3 of the Company's constitution and ASX Listing Rule 14.4 and, being eligible, is hereby re-elected as a Director."

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 27th October 2014

By order of the Board
Bruce Goulds
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.mesaminerals.com.au>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member); you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy, you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTOR – MR BRUCE GOULDS AND MR COLLIS THORP

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 year, whichever is the longer.

Clause 7.3(a) of the Constitution provides that if the Company has 3 or more directors, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting.

Clause 7.3(b) of the Constitution provides that if the Company has less than 3 Directors, one Director must retire at each annual general meeting.

Clause 7.3(c) of the Constitution provides that the Directors to retire under Rules 7.3(a) and 7.3(b) shall be:

- (a) those who have held their office as Director the longest period of time since their last appointment at that office; and
- (b) if 2 or more Directors have held office for the same period of time, those Directors determined by the drawing of lots, unless those Directors agree otherwise.

Clause 7.3(d) of the Constitution provides that a Director who retires under rule 7.3(a) or 7.3(b) is eligible for re-election.

The Company currently has 3 Directors. Bruce Goulds, the Director longest in office since his last election, retires by rotation and, being eligible, seeks re-election.

Mr Collis Thorp, having been appointed since the last annual general meeting, retires under the requirements of the Company's constitution and ASX Listing Rule 14.4, and, being eligible, seeks re-election.

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$10,600,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: MAS).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.3(a), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and

- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.008 50% decrease in Issue Price	\$0.015 Issue Price	\$0.023 50% increase in Issue Price
704,416,960 (Current Variable A)	Shares issued - 10% voting dilution	70,441,696 Shares	70,441,696 Shares	70,441,696 Shares
	Funds raised	\$528,313	\$1,056,625	\$1,584,938
1,056,625,440 (50% increase in Variable A)	Shares issued - 10% voting dilution	105,662,544 Shares	105,662,544 Shares	105,662,544 Shares
	Funds raised	\$792,469	\$1,584,938	\$2,377,407
1,408,833,920 (100% increase in Variable A)	Shares issued - 10% voting dilution	140,883,392 Shares	140,883,392 Shares	140,883,392 Shares
	Funds raised	\$1,056,625	\$2,113,251	\$3,169,876

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 704,416,960 Shares on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 22 October 2014.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for expenditure on the Company's current exploration tenements (funds would then be used for project feasibility studies and ongoing project administration) debt reduction and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors. In circumstances where the Company wishes to issue Equity Securities to a related party, it will seek the necessary shareholder approval.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has not previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the Chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Mesa Minerals Limited (ACN 009 113 160).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in section 4.2 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

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MESA MINERALS LIMITED
ACN 009 113 160

APPOINTMENT OF PROXY FORM
ANNUAL GENERAL MEETING

Address 1
Address 2
Address 3
Address 4
Address 5

SRN/HIN:

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:00am, on 27th November 2014 at 1 Sleaf Road, Applecross, WA 6153, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly with the remuneration of a member of the key management personnel, which includes the Chairman.

Important note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman how to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box below.

Voting on business of the Meeting

Resolution 1	Adoption of Remuneration Report
Resolution 2	Re-election of Director – Mr Bruce Goulds
Resolution 3	Re-election of Director – Mr Collis Thorp
Resolution 4	Approval of 10% Placement Capacity

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail: YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Mesa Minerals Limited, Locked Bag 3, Canning Bridge LPO, Applecross, WA 6153; or
 - (b) facsimile to the Company on facsimile number +61 8 9329 3751,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.