ABN 25 062 063 692

Annual Report

Select Exploration Limited and its controlled entities

For the year ended 31 December 2014

Contents

Corporate Information

This financial report includes the financial statements and notes of Select Exploration Limited ('the Company') and its controlled entities. The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report on pages 3 to 16. The Directors' report is not part of the financial report.

Directors

Mr Ian Macliver	Non-Executive Chairman
Mr Mark Titchener	Non-Executive Director
Mr Philip Warren	Non-Executive Director

Company Secretary

Mr. Steven Wood

Registered Office

945 Wellington Street
WEST PERTH WA 6005

Share Registry

Automatic Registry Services
Level 1, 7 Ventnor Ave
WEST PERTH WA 6005
Phone: 1300 288 664

Website

www.selectexploration.com

Auditors

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

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
PERTH WA 6008

Solicitors

GTP Legal
Level 1, 28 Ord Street
WEST PERTH WA 6005

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000
ASX Code: **SLT**

Letter to Shareholders

Dear Shareholder,

Thank you for your continued support of the Company in what has proven to be particularly challenging period for mineral explorers and capital markets globally. As a result of these challenges, the Company continued an ongoing review of is exploration asset portfolio. One outcome of this review was the divestment of a portfolio of exploration assets in Tanzania and Gabon in early 2014 to Metals of Africa Limited (ASX: MTA). In addition, the Company rationalised its corporate structure by seeking and receiving shareholder approval to cancel existing performance shares, and then subsequently completed a capital raising that raised $801,000 via a two-tranche placement. The Company has since divested in the main the equity it received in MTA, raising additional funds for the Company.

During the year the Company undertook to pursue opportunities that would deliver value for its shareholders. These undertakings included analysing potential from within the Company's existing asset portfolio in Tanzania, and also led the Company to seek out other projects and assets that could potentially be acquired or generated.

In December 2014 the Company reached an agreement with Rent.Com.Au Pty Ltd (RENT) to acquire 100% of the issued capital of RENT, via the issue of 1,784,543,717 Select shares (on a pre-consolidated basis). This proposed acquisition, contemplated to be completed in early 2015 and subject to shareholder approval, will provide the Company's shareholders with exposure to Australia's growing yet underserviced rental property market.

I look forward to keeping you up-to-date with the progress of the acquisition of Rent.com.au Pty Ltd, in what is an exciting time for the future of the Company.

Yours faithfully

Ian Macliver
Chairman

Directors' Report

The Board of Directors presents the following report on Select Exploration Limited and its controlled entities (referred to hereafter as "the Group") for the financial year ended 31 December 2014.

Directors

The names of the Directors in office during the financial year and until the date of this report are as follows. All directors were in office for the entire period unless otherwise stated:

Name	Position	Date of Appointment	Date of resignation
Mr Ian Macliver	Non-Executive Chairman	14 September 2010	-
Mr Mark Titchener	Non-Executive Director [1]	14 September 2010	-
Ms Cherie Leeden	Non-Executive Director	10 January 2011	18 September 2014
Mr Philip Warren	Non-Executive Director	18 September 2014	-

1. Note Mr Titchener ceased his role as Executive Director on 10 March 2014, and is now a Non-Executive Director.

Principal Activities

During the year the Group continued with its ongoing project review, including the divestment of non-core assets in both Tanzania and Gabon to Metals of Africa Limited (ASX: MTA). Ms Cheerie Leeden was not involved with either of these transactions due to the related party nature of her involvement with both companies. Ms Leeden resigned from directorship on 18 September 2014 and Mr Philip Warren was appointed as a non-executive director from 18 September 2014.

On 17 December 2014, the Group has signed a binding Term Sheet with Rent.com.au Pty Ltd (RENT) and the major shareholders of RENT, for the acquisition of the 100% issued capital of RENT. RENT is Australia's leading website and mobile platform dedicated purely to rental properties.

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of $1,057,769 (2013: $9,878,470) for the year ended 31 December 2014.

Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial year.

Significant Changes in State Of Affairs

The Group undertook a two tranche placement that raised approximately $800,000 before costs at $0.004 per share, in addition to receiving shareholder approval to cancel 50 million performance shares for nil consideration. The Group, in accordance with the Tanzanian Mining Act, surrendered 3 tenement licences (PL 7048/2011, PL 7386/2011 & PL 8970/2013) as a result of on-going strategic review and to preserve cash flows.

Directors' Report (continued)

The Group sold the following equity investments in September 2014 it held in MTA:

- 2.5 million unlisted options ($0.093, 31 March 2017); and
- 5.5 million fully paid ordinary shares in MTA.

In December 2014 the Company acquired an equity investment in Rent.com.au Pty Limited of 1,851,852 fully paid ordinary shares for a total of $250,000, at a price of $0.135 per share.

Events since the end of the Financial Year

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results

The Company will continue with its current operations, proceeding with the acquisition of Rent.com.au Pty Ltd and exploring any relevant new opportunities for the Company.

Financial Position

The net assets of the Group have decreased from $1,341,392 at 31 December 2013 to $964,998 at 31 December 2014.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities.

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Group's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Group during the period.

Directors' Report (continued)

Information on Directors

Mr Ian Macliver	–	Director (Non-Executive)
Age		55
Qualifications	–	B.Com, FCA, SF Fin, FAICD
Experience	–	Mr Macliver is Managing Director of Grange Consulting Group Pty Ltd which provides specialist corporate advisory services to both listed and unlisted companies. He has many years' experience as a Senior Executive and Director of both resource and industrial companies, with particular responsibility for capital raising and other corporate initiatives.
Special responsibilities	–	Non-executive Chairman
Interest in shares & options: Held in Select Exploration Limited[1]	–	11,587,523 Ordinary shares (indirect) 472,920 Options ($0.35, 30 September 2015) (indirect, issued February 2013)
Directorships held in other listed entities	–	During the past three years Mr Macliver's directorships in other listed entities are as follows: ▪ Western Areas NL (Non-executive director) 1 October 2011 to 21 November 2013, ▪ Western Areas NL (Independent Non-executive Chairman) 21 November 2013 to present, ▪ JCurve Solutions Ltd (formerly Stratatel Ltd) (Non-executive chairman) July 2000 to 31 October 2013, ▪ Otto Energy Ltd (Non-executive director) January 2004 to present. ▪ Range Resources Limited (non-executive director) 27 June 2015 to 13 August 2014

Directors' Report (continued)

Information on Directors (cont'd)

Mr Mark Titchener	–	Director (Non-Executive)
Age		57
Qualifications	–	N/A
Experience	–	Mark Titchener is a sophisticated investor specialising in investment strategies for early stage resource projects. Over the past 10 years he has participated in and advised on a significant number of listed and unlisted corporate transactions including capital raisings, reverse takeovers, restructures, seed investments and IPO's. Mark sits on a number of unlisted resource project boards as both a director and significant shareholder.
Special responsibilities	–	None. Mr Titchener was previously Executive Director however changed roles to Non-Executive Director from 10 March 2014 onwards.
Interest in shares & options: Held in Select Exploration Limited[1]	–	16,155,610 Ordinary shares (indirect) 800,000 Options ($0.35, 30 September 2015) (indirect, issued February 2013)
Directorships held in other listed entities	–	None

Ms Cherie Leeden	–	Director (Non-Executive), resigned 18 September 2014
Age		33
Qualifications	–	BSc (Applied Geology) (Hons)
Experience	–	Ms Leeden is a member of the Australian Institute of Geoscientists. Ms Leeden has been involved in mining and exploration for the past ten years with her primary experience relating to coal and iron projects.
Special responsibilities	–	None
Interest in shares & options: Held in Select Exploration Limited[1]	–	114,242 Ordinary shares (indirect) (holding as at resignation on 18 September 2014) 57,121 Options ($0.35, 30 September 2015) (indirect, issued February 2013) (holding as at resignation on 18 September 2014)
Directorships held in other listed entities	–	Managing Director of Metals of Africa Ltd (19 July 2013 to present)

Directors' Report (continued)

Information on Directors (cont'd)

Mr Philip Warren	–	Director (Non-Executive), appointed 18 September 2014
Age	–	41
Qualifications	–	B. Com, Chartered Accountant
Experience	–	Mr Warren is an executive director of Grange Consulting Group Pty Ltd. He has over 18 years of experience in finance and corporate roles in Australia and Europe. Mr Warren has specialised in company valuations, mergers and acquisitions, capital raisings, debt financing, financial management, corporate governance and company secretarial services for a number of public and private companies.
Special responsibilities	–	None.
Interest in shares & options: Held in Select Exploration Limited	–	1,481,000 shares 1,250,000 options ($ 0.36, 30 June 2016) 38,234 options ($0.35, 30 September 2015)
Directorships held in other listed entities	–	Non-Executive Director of Cassini Resources

[1.] Indigo Metals Limited holds 21,725,608 Ordinary Shares and 4,000,000 Options ($0.35, 30 September 2015) in Select Exploration Limited. Messrs Macliver, Titchener and Ms Leeden each hold 19% of Indigo Metals Limited (Indigo) but Indigo is controlled independently of each of these individuals. Individually they have no relevant interest in the shares and options held by Indigo. Please note that these shares and options are only included in this report for good corporate governance purposes.

Directors' Meetings

The number of directors' meetings held and the number of meetings attended by each of the directors of the Company for the time the director held office during the financial year are:

	Number of Meetings Eligible to Attend	Number of Meetings Directors Attended
Ian Macliver	4	4
Mark Titchener	4	4
Cherie Leeden[1]	4	4
Philip Warren[2]	4	4

1. Note Cherie Leeden resigned 18 September 2014

2. Note Philip Warren appointed 18 September 2014. Mr Warren attended meetings prior to his appointment as a director in his capacity as Company Secretary.

Company Secretary

Steven Wood has been appointed as a company secretary from 18 September 2014. Steven specialises in corporate advisory, company secretarial and financial management services. Steven is a Chartered Accountant and has previously been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

Phil Warren resigned from his position as a company secretary on his being appointed as a Non – Executive director of the company on 18 September 2014.

Directors' Report (continued)

Performance Shares

The terms and conditions of the Performance shares have been previously outlined in the Company's prospectus dated 11 September 2012. Please refer to section 1.8 Capital Structure of the Prospectus dated 11 September 2012 for further information. These Performance Shares were cancelled for nil consideration on 11 March 2014.

Indemnification of officers

During the financial year the Company entered into a policy to indemnify directors and officers against certain liabilities incurred as a director or officer, including costs and expenses associated in successfully defending legal proceedings. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or an auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Group

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

Non-Audit Services

During the year ended 31 December 2014 the economic entity paid $6,256 to BDO for non-audit services (2013: $8,087).

Non-audit service	**2014**	**2013**
	$	**$**
BDO Tax (WA) Pty Ltd	6,256	8,087
Total	**6,256**	**8,087**

The Board considers non-audit services provided by the auditor in accordance with written advice provided by resolution of the Board to satisfy themselves that the provision of those non-audit services is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Company and review of the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- all non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Directors' Report (continued)

Shares under option

Unissued ordinary shares of Select Exploration Limited under option as at 31 December 2014 are as follows:

Date Options Granted	Expiry Date	Issue Price of Shares	Number Under Option
1 November 2012	30 June 2016	$0.36	2,000,000
1 November 2012	30 September 2015	$0.35	6,666,667
1 February 2013	30 June 2016	$0.36	1,000,000
27 February 2013	30 June 2016	$0.36	750,000
27 February 2013	30 September 2015	$0.35	20,777,219
3 May 2013	30 June 2016	$0.36	100,000

Total unissued ordinary shares under option as at the date of this report is 31,293,886.

Shares issued on the exercise of options

There were no ordinary shares of Select Exploration Limited issued during the year ended 31 December 2014, and up to the date of this report, on the exercise of options.

Directors' Report (continued)

Audited Remuneration report

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

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

A Principles used to determine the nature and amount of remuneration

Remuneration Governance

The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

The following items are considered and discussed as deemed necessary at the board meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for any Executive Directors (note that the position of Executive Director ceased during 2014);
- undertake a review of any Executive Director's performance, at least annually, including setting with the Executive Director goals for the coming year and reviewing progress in achieving those goals (note that the position of Executive Director ceased during 2014);
- consider and report on the recommendations and remuneration of any Executive Directors; and
- develop and facilitate a process for Board and Director evaluation.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board.

Directors' Fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum and was approved at a previous annual general meeting.

The following fees were paid since 1 January 2014:

Non-executive directors[1]:	$81,444
Executive director (Mark Titchener) [2]:	$45,000

[1]Fee paid in total to Ian Macliver, Cherie Leeden and Phil Warren.
[2]Fee paid in total to Mark Titchener, who changed roles from Executive Director to Non-Executive Director during 2014.

Directors' Report (continued)

Audited Remuneration report (cont'd)

A. Principles used to determine the nature and amount of remuneration (cont'd)

Additional fees

A director may also be paid fees or other amounts as the directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements.

Executive pay

The executive pay and reward framework has two components:

- base pay and benefits, including superannuation; and
- long-term incentives through participation in the Performance Rights Plan.

The combination of these comprises the executive's total remuneration. The Company intends to revisit its long-term equity-linked performance incentives for executives as deemed necessary by the Board.

Base pay

The employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executives' pay is competitive with the market. An executive's pay is also reviewed every 12 months and may increase every 12 months.

Benefits

No benefits other than noted above are paid to directors or management except as incurred in normal operations of the business.

Long term incentives

There were no Performance Rights issued during the 2014 period.

Directors' Report (continued)

Audited Remuneration report (cont'd)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Company are found below:

Mr. Ian Macliver *(appointed 14 September 2010)*
Mr. Mark Titchener *(appointed 14 September 2010)*
Ms. Cherie Leeden *(appointed 10 January 2011,resigned 18 September 2014)*
Mr Philip Warren *(appointed 18 September 2014)*

Key Management personnel and other executives of the Company

Details of remuneration for the year ended 31 December 2014

Director	Base Fee $	Superannuation $	Other $	Share Based Payment $	Total $	Percentage based on performance
Ian Macliver[1]	40,000	-	-	-	40,000	-
Mark Titchener[3]	45,000	-	-	-	45,000	-
Cherie Leeden[4]	30,000	-	-	-	30,000	-
Philip Warren	11,444	-	-	-	11,444	-
Total	**126,444**	-	-	-	**126,444**	-

Details of remuneration for the year ended 31 December 2013

Director	Base Fee $	Superannuation $	Other $	Share Based Payment $	Total $	Percentage based on performance
Ian Macliver[1]	25,000	-	-	-	25,000	-
Shane Cranswick[2]	86,685	10,098	34,404	(29,668) [6]	101,519	-
Mark Titchener[3]	116,667	-	-	-	116,667	-
Gary Seabrooke[4]	-	-	-	-	-	-
Cherie Leeden[5]	16,667	-	-	-	16,667	-
Total	**245,019**	**10,098**	**34,404**	**(29,668)**	**259,853**	**-**

[1] Appointed 14 September 2010. $75,000 fee suspended from May 2013. $40,000 per annum fee re-instated January 2014.
[2] Appointed 1 November 2012. Resigned 31 May 2013.
[3] Appointed 14 September 2010. $150,000 fee reduced to $100,000 from May 2013. Note Mr Titchener's fee as Executive Director was suspended from 1 February 2014 onwards, and he ceased in this role on 10 March 2014 to become a Non-Executive Director. Mr Titchener's non-executive Director fee of $40,000 per annum was paid from February 2014.
[4] Appointed 10 January 2011. Resigned 12 November 2013. $50,000 fee suspended at request of Mr Seabrooke from December 2012.
[5] Appointed 10 January 2011. $50,000 fee suspended from May 2013. $40,000 per annum fee re-instated January 2014.
[6] 600,000 performance rights were granted to Mr Shane Cranswick on 24 October 2012 in line with his employment with the Company. The Performance Rights expired as a result of Mr Cranswick's resignation on 31 May 2013.

Directors' Report (continued)

Audited Remuneration report (cont'd)

C Service agreements

The Company had no service agreements in place during the period.

The non-executives are not subject to any service agreements.

D Share-based compensation

Select Exploration Limited paid no share-based compensation during the period.

E Additional Information

Equity instruments held by Key Management Personnel

a) Options

The number of options over ordinary shares held by each KMP of the Company during the financial year is as follows:

2014	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year[1]	Balance at end of year	Vested during the year	Vested and exercise-able	Vested and unexercis-able
Ian Macliver	472,920	-	-	-	472,920	-	472,920	-
Mark Titchener	800,000	-	-	-	800,000	-	800,000	-
Cherie Leeden	57,121	-	-	-	57,121	-	57,121	-
Philip Warren	-	-	-	1,288,234[1]	1,288,234	-	1,288,234	-
Total	1,330,041	-	-	1,288,234	2,618,275	-	2,618,275	-

1. Mr Warren held this balance upon his appointment as director.

b) Shareholdings

The number of ordinary shares in Select Exploration Limited held by each KMP of the Company during the financial year is as follows:

31 December 2014	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during year	Balance at end of year
Ian Macliver	2,837,523	-	-	8,750,000	11,587,523
Mark Titchener	2,200,000	-	-	13,955,610	16,155,610
Cherie Leeden	114,242	-	-	-	114,242
Philip Warren	-	-	-	1,481,000	1,481,000
	5,151,765	-	-	24,186,610	29,338,375

Other KMP Transactions

There were no other KMP transactions during the period.

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

Directors' Report (continued)

Audited Remuneration report (cont'd)

Voting and comments made at the Company's 2014 Annual General Meeting

In accordance with Listing Rule 3.13.2, it is confirmed that the following resolutions put to the AGM of Select Exploration Limited shareholders, held on 30 May 2014, were unanimously passed on a show of hands:

Resolution 1: Adoption of Remuneration Report
Resolution 2: Re-election of Mr Mark Titchener as a Director
Resolution 3: Approval of 10% Placement Facility

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

No remuneration consultants were used by the Group during the period, however the Group has structured the executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

End of the Audited Remuneration Report

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

The lead auditor's independence declaration is set out on the following page for the year ended 31 December 2014.

This report is made in accordance with a resolution of the directors.

I Macliver
Ian Macliver
Non-executive Chairman
20 February 2015

Auditor's Independence Declaration

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Subiaco, WA 6008
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Australia

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF SELECT EXPLORATION LIMITED

As lead auditor of Select Exploration Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Select Exploration Limited and the entities it controlled during the period.

Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 20 February 2015

Independent Auditor's Report

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Select Exploration Limited

Report on the Financial Report

We have audited the accompanying financial report of Select Exploration Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Select Exploration 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 Select Exploration 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 31 December 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 1a.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 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 Select Exploration Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, 20 February 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue from continuing operations	2	36,259	536,984
Other Income	2	702,110	-
Audit fees		(56,789)	(48,833)
Corporate and compliance expenses	3	(343,198)	(470,286)
Employee benefits expense		(59,790)	(600,175)
Impairment of exploration asset	16	(791,110)	(7,636,717)
Impairment of PP&E		(30,728)	-
Exploration Expense		(86,008)	(176,927)
Receivables written off		-	(266,008)
Share-based payment expense	22	-	(177,032)
General and administration		(34,811)	(180,036)
Loss before income tax		**(664,065)**	**(9,019,030)**
Income tax benefit/expense	4	-	-
Loss after Income Tax from continuing operations		**(664,065)**	**(9,019,030)**
Loss from discontinued operations	26	**(393,704)**	**(859,440)**
(Loss) for the period attributable to owners of Select Exploration Limited		**(1,057,769)**	**(9,878,470)**
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(77,416)	67,768
Total other comprehensive income/ (loss) for the period, net of tax		**(77,416)**	**67,768**
Total comprehensive (loss) attributable to owners of Select Exploration Limited		**(1,135,185)**	**(9,810,702)**
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic (loss) per share (cents per share)	7	(0.41)	(0.14)
Diluted (loss) per share (cents per share)	7	n/a	n/a

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

Consolidated Statement of Financial Position
As at 31 December 2014

	Note	Company 2014 $	Consolidated 2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	768,826	362,083
Trade and other receivables	9	4,635	-
Financial Assets at Fair Value through Profit or Loss	10	9,257	-
TOTAL CURRENT ASSETS		**782,718**	**362,083**
NON-CURRENT ASSETS			
Financial Assets at Fair Value through Profit or Loss	10	250,000	-
Exploration and evaluation expenditure	16	-	1,002,901
Property, plant and equipment	17	-	97,566
TOTAL NON-CURRENT ASSETS		**250,000**	**1,100,467**
TOTAL ASSETS		**1,032,718**	**1,462,550**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	72,611	121,158
TOTAL CURRENT LIABILITIES		**72,611**	**121,158**
TOTAL LIABILITIES		**72,611**	**121,158**
NET ASSETS		**960,107**	**1,341,392**
EQUITY			
Issued capital	14	48,404,634	47,650,734
Reserves	12	3,160,861	3,238,277
Accumulated losses		(50,605,388)	(49,547,619)
TOTAL EQUITY		**960,107**	**1,341,392**

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2014

Consolidated	Note	Issued Capital	Share based payment reserve	Foreign currency translation reserve	(Accumulated Losses)	Total
		$	$	$	$	$
Balance at 1 January 2013		**49,294,659**	**517,819**	**9,648**	**(39,669,149)**	**10,152,977**
Total loss for the year		-	-	-	(9,878,470)	(9,878,470)
Exchange differences on translation of foreign operations		-	-	67,768	-	67,768
Total comprehensive income/(loss) for the year		**-**	**-**	**67,768**	**(9,878,470)**	**(9,810,702)**
Transaction with owners in their capacity as owners						
Transfer of options upon expiry	14a	(2,437,911)	2,437,911	-	-	-
Incentive options issued to employees and consultants	14b	-	206,700	-	-	206,700
Reversal of performance shares expense on resignation	14d	-	(29,668)	-	-	(29,668)
Incentive options issued to employees and consultants		-	7,312	-	-	7,312
Incentive options issued to employees and consultants	14c	-	20,787	-	-	20,787
Contributions of equity, net of transaction costs	14a	793,974	-	-	-	793,974
Options exercised during the year	14a	12	-	-	-	12
		(1,643,925)	**2,643,042**	**-**	**-**	**999,117**
Balance at 31 December 2013		**47,650,734**	**3,160,861**	**77,416**	**(49,547,619)**	**1,341,392**

Consolidated	Note	Issued Capital	Share based payment reserve	Foreign currency translation reserve	(Accumulated Losses)	Total
		$	$	$	$	$
Balance at 1 January 2014		**47,650,734**	**3,160,861**	**77,416**	**(49,547,619)**	**1,341,392**
Total loss for the year		-	-	-	(1,057,769)	(1,057,769)
Exchange differences on translation of foreign operations		-	-	(77,416)	-	(77,416)
Total comprehensive income/(loss) for the year		**-**	**-**	**(77,416)**	**(1,057,769)**	**(1,135,185)**
Transaction with owners in their capacity as owners						
Placement net of capital raising costs	14a	753,900		-	-	753,900
		753,900	-	-	-	753,900
Balance at 31 December 2014		**48,404,634**	**3,160,861**	**-**	**(50,605,388)**	**960,107**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 31 December 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		14,789	27,730
Payments to suppliers and employees		(861,278)	(1,748,962)
Other income		21,470	22,754
Net cash used in operating activities	21(a)	**(825,019)**	**(1,698,478)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration		(84,169)	(954,685)
Proceeds from sale of PPE		80,000	-
Payment for PPE		-	(97,566)
Payments for investment in Rent.Com.Au		(250,000)	-
Proceeds from disposal of shares and options in MTA		732,031	-
Net cash used in investing activities		**477,862**	**(1,052,251)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		753,900	831,103
Capital raising costs		-	(37,117)
Net cash provided by financing activities		**753,900**	**793,986**
Net increase/(decrease) in cash held		406,743	(1,956,744)
Cash and cash equivalents at beginning of financial year		362,083	2,318,827
Cash and cash equivalents at end of financial year	8	**768,826**	**362,083**

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

Notes to the Consolidated Financial Statements

This financial report includes the financial statements and notes of Select Exploration Limited.

1. Summary of 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. The financial statements are for the consolidated entity consisting of Select Exploration Limited and its subsidiaries.

a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. Select Exploration Limited is a for-profit entity for the purpose of preparing the financial statements. The Directors approved the financial report for issue on 18 February 2015.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions events and conditions. The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement as fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are for the period 1 January 2014 to 31 December 2014.

<u>Changes in accounting policy</u>

In the year ended 31 December 2014, the Group has reviewed all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Group's accounting policies. A summary of new and revised accounting standards and interpretations listed below.

AASB 2011-4	Removes the individual key management personnel disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard. Following the release of revised Corporations Regulations, all of the detailed disclosures will have to be included in the remuneration report in the Directors' Report for financial years commencing on or after 1 July 2013. Aggregate disclosures will still be required for the notes to the financial statements.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Select Exploration Limited at the end of the reporting period. A controlled entity is any entity over which Select Exploration Limited has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Company during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 11 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

c) Income Tax

The income tax expense/ (revenue) for the year comprises current income tax expense/ (income) and deferred tax expense/ (income).

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

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

d) Leases

Lease payments for operating leases where substantially all of the risks and benefits are charged as expenses remain with the lessor, in the periods in which they are incurred.

e) Financial Instruments

<u>Recognition and initial measurement</u>

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

<u>Classification and subsequent measurement</u>

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current. Gains or losses arising from changes in fair value of financial assets at fair value through profit or loss are presented in statement of profit or loss within other income in the period in which they arise.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

Fair value

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

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

f) Impairment of Assets

At each reporting date, or more frequently if events or changes in circumstances indicate that they might be impaired, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Non-financial assets other than goodwill that suffered any impairment are reviewed for possible reversal of impairment at the end of each reporting period.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

j) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the normal amount due. Interest is taken up as income on an accrual basis.

k) Goods and Services Tax (GST)

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

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

l) Comparative Figures

Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

m) Contributed Equity

Ordinary shares are classified as equity.

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

n) Earnings Per Share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

o) Foreign Currency Translation

The Group's functional presentation currency is AUD ($).The Group is exposed to foreign exchange risk as a result of the expenditure requirements on its offshore operations. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

o) Foreign Currency Translation (cont'd)

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose changes in the fair value are presented in other comprehensive income are included in the related reserve in equity.

p) Exploration and Development Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Group is accumulated for each area of interest and recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(1) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

(2) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing. Exploration and evaluation incurred by the Group are expensed in the year they are incurred.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred.

The recoverable amount of each area of interest is determined on an annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged to profit or loss.

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

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

q) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*

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

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and 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.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) *Share-based payments*

Share-based compensation benefits are provided to employees via the Select Exploration Limited Performance Rights Plan.

The fair value of options granted under the Select Exploration Limited Performance Rights Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) Business Combination

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree.

Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reasonable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired. For each business combination, the Group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the Group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the Group had disposed directly of the previously held interest

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

s) Business Combination (cont'd)

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the Group's controlling shareholder's consolidated financial statements.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

t) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

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

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

u) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results.

Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes option pricing model.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Asset Acquisitions & Business Combinations

The Groups policy for the accounting of assets acquisitions and business combinations can be found at note 1(s).

Performance Shares and Determination of fair values of consideration paid in asset acquisitions

At the time of acquisition, consideration transferred is required to be measured at it acquisition date fair value. With respect to performance shares issued (contingent consideration), management are required to estimate the probability of performance milestones being achieved in determining the acquisition date fair value. Management will continue to monitor and assess the likelihood of this outcome based upon information available at each reporting period.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

v) Segment Reporting

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Profit or Loss and other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

The Group operates in one industry, mineral exploration and assessment of mineral projects and in one main geographical segments, being Tanzania. Refer to Note 20 for details.

w) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

x) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards and does not expect these requirements to have any material effect on the Group's financial statements.

Notes to the Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (cont'd)

x) New Accounting Standards for Application in Future Periods (cont.)

Reference	Title	Nature of Change	Application date of standard	Impact on Consolidated Entity financial statements	Application date for Consolidated Entity
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2018	Adoption of AASB 9 is only mandatory for the year ending 31 December 2015. The Consolidated Entity has not yet made an assessment of the impact of these amendments.	1 January 2018
AASB 2013-9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Makes three amendments to AASB 9: - Adding the new hedge accounting requirements into AASB 9 - Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2018, and - Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements.	Annual reporting periods beginning on or after 1 January 2018	It is expected that the application of the new amendments will not have an impact on the entity's financial statements.	1 January 2018
AASB 15 (issued 28 Oct 2014)	Revenue from Contracts with Customers	Replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC – 31	Annual reporting periods beginning on or after 1 January 2017	It is expected that the application of new amendments will not have any impact on the entity's financial statements.	1 January 2018

Notes to the Consolidated Financial Statements (continued)

2. Revenue and Other Income

	Consolidated 2014 $	Consolidated 2013 $
Revenue From Continuing Operations		
Sundry income	36,259	509,260
Interest revenue	-	27,724
	36,259	536,984
Other Income		
Gain on Sale-Gabon	210,860	-
Realised gain - sale of shares & options MTA	491,250	-
	702,110	
Total Revenue	738,369	536,984

3. Expenses

	Consolidated 2014 $	Consolidated 2013 $
a) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Corporate and compliance costs		
- Share registry	12,525	24,519
- Accountancy & Tax	8,256	17,642
- Printing/Stationery	14,220	6,948
- ASX Fees	34,424	36,171
- Company secretarial	76,588	137,550
- Consulting Fees	72,491	171,683
- Legal expenses	105,352	35,237
- Corporate Advisory	10,000	-
- Other expenses	9,342	40,536
Total Corporate and compliance costs	**343,198**	**470,286**
Share Based payment expense		
- Incentive options	-	206,700
- Performance rights	-	(29,668)
Total share based payment expense	**-**	**177,032**

Notes to the Consolidated Financial Statements (continued)

4. Income Tax

		Consolidated 2014 $	Consolidated 2013 $
a)	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
	Total	-	-
b)	The prima facie tax on profit / loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on loss from ordinary activities before income tax at 30% (2013: 30%)		
	▪ Economic Entity	(317,331)	(2,963,541)
	Add:		
	Tax effect of:		
	▪ Share based payment	-	53,110
	▪ Other	486,180	2,814,188
	▪ Timing differences	(2,395)	(4,820)
	▪ Tax loss carries forward	(166,454)	101,063
	Income tax attributable to entity	-	-
	The applicable weighted average effective tax rates are as follows:	0%	0%
c)	Deferred tax assets at 31 December 2014 not brought to account are:		
	Carried forward losses	1,138,008	955,220
	Carried forward capital losses	545,640	785,480
	Others	22,763	20,070
	Total	**1,706,411**	**1,760,770**

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the losses are transferred to an eligible entity in the Group; and
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the consolidated in realising the benefit from the deduction for the losses.

Notes to the Consolidated Financial Statements (continued)

5. Interests of Key Management Personnel (KMP)

a) Names and positions held of directors and executives in office at any time during the financial year are:

Directors

Ian Macliver (non-executive Chairman, appointed 14 September 2010)
Mark Titchener (non-executive director appointed 14 September 2010, appointed executive director 1 November 2012, updated role to non-executive Director on 10 March 2014)
Cherie Leeden (non-executive director, appointed 10 January 2011, resigned 18 September 2014)
Philip Warren (non-executive director, appointed 18 September 2014)

b) Compensation of Key Management Personnel

The aggregate compensation made to key management personnel of the economic and Parent Entity is set out below:

	Consolidated 2014 $	Consolidated 2013 $
Short-term employee benefits	126,444	245,019
Post-employment benefits	-	44,502
Share based payments	-	(29,668)
	126,444	259,853

c) Other KMP Transactions

The Company acquired it's Tanzanian Projects from Indigo Metals Limited in November 2012. The vendor, Indigo Metals Limited is a Mauritian based company, of which the directors of the Company at the time owned 76%. No director had a relevant interest in the Vendor Securities to be allotted to the Vendor because neither they, nor any of their associates, have the power to control the vote or disposal of the Vendor Securities and none of them hold more than 20% of Indigo. However, for the purposes of good corporate governance, the following disclosure is made in respect of the Directors' shareholdings in Indigo:

Shareholder	Shares in Indigo	Percentage interest in Indigo
Rochas Resources Pty Ltd (related to Cherie Leeden)	95,000	19%
Wildwood Developments Pty Ltd (related to Ian Macliver)	95,000	19%
Element Nominees Pty Ltd (related to Mark Titchener)	95,000	19%

Notes to the Consolidated Financial Statements (continued)

6. Auditor's Remuneration

	Consolidated 2014 $	Consolidated 2013 $
Remuneration of the auditor of the entity:		
▪ Auditing or reviewing of the financial report		
– BDO Audit (WA) Pty Ltd	56,789	48,833
▪ Accounting, taxation and corporate services		
– BDO Tax (WA) Pty Ltd	6,256	8,087
Total	63,045	56,920

7. Earnings per Share

	Consolidated 2014 $	Consolidated 2013 $
Basic loss per share	(0.41)	(0.14)
Diluted loss per share	N/A	N/A
a) Reconciliation of earnings to profit or loss		
Net loss	(1,057,769)	(9,878,470)
Loss used in the calculation of basic EPS	(1,057,769)	(9,878,470)
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	260,522,931	70,401,035

Options have not been included in the calculation of dilutive EPS as the options are anti-dilutive.

8. Cash and Cash Equivalents

	Note	Company 2014 $	Consolidated 2013 $
Cash at bank and in hand		768,826	362,083
The effective interest rate on short-term bank deposits was 2.04% (2013: 2.04%).			
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		768,826	362,083

Cash at bank and in hand earns interest at floating rates based on daily bank rates. Refer note 25 for Financial Risk Management.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Notes to the Consolidated Financial Statements (continued)

9. Trade and Other Receivables

	Company 2014 $	Consolidated 2013 $
Current		
Goods and services tax	4,635	-
	4,635	-

As at 31 December 2014 there were no trade and other receivables past due or impaired.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or Company of counter parties other than Australian Taxation Office. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

All trade and other receivables are within initial trade terms and considered to be of high credit quality.

10. Financial Assets at fair value Through Profit or Loss

	Company 2014 $	Consolidated 2013 $
MTA Ordinary Shares - Current	9,257	-
Investment in Rent.Com.Au – Non-Current	250,000	-
	259,257	-

Investment in Rent.Com.Au:

Select Exploration Limited has signed a binding Term Sheet with Rent.Com.Au Pty Ltd. (**“RENT”**) and the major shareholders of RENT, for the acquisition by Select of the entire issued capital of RENT. RENT is Australia’s leading website and mobile platform dedicated purely to rental property. RENT actively creates the full rental marketplace which not only has agent listings but also targets the underserviced private landlord rental market- a market which is still largely captured by print media. Select to acquire 100% of leading national rental property focussed website www.rent.com.au. Investment in Rent.Com.Au is classified as level 3 values in the fair value hierarchy as not traded in the market.

Information about the Group’s exposure to risks is provided in note 25.

Changes in fair value of financial assets at fair value through profit or loss are recorded in other income in profit or loss.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Notes to the Consolidated Financial Statements (continued)

10. Financial Assets at fair value Through Profit or Loss (cont'd)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair Value at 31 December 2014	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equity securities	$250,000	Earnings growth factor	Unknown	Earnings growth and discount rates would affect fair value. As investment was made in December 2014 there was no movement in fair value from acquisition date to balance date.
		Risk adjusted discount rate	Unknown	

11. Controlled Entities

	Country of Incorporation	Principal Activity	Percentage Owned (%) 2014	2013
Parent Entity				
Select Exploration Limited	Australia	Investment/Parent		
Subsidiaries of Select Exploration Limited				
Tanganyika Energy Pty Ltd	Australia	Investment/Holding	-	100
East Africa Energy Pty Ltd	Australia	Investment/Holding	-	100
Mkindu Pty Ltd	Australia	Investment/Holding	-	100
Panama Resources Limited	Mauritius	Investment/Holding	-	100
Shira Resources Limited	Mauritius	Investment/Holding	-	100
Swala Resources Limited	Mauritius	Investment/Holding	-	100
WTF Resources Limited	Tanzania	Mineral Exploration	-	100
IBIS Resources Limited	Tanzania	Mineral Exploration	-	100
Siwandu Metals Limited	Tanzania	Mineral Exploration	-	100
Rift Energy Pty Ltd	Australia	Investment/Holding	-	100
Sana Energy Pty Ltd	Australia	Investment/Holding	-	100
Soren Energy Pty Ltd	Australia	Investment/Holding	-	100
Bora Energy Pty Ltd	Australia	Investment/Holding	-	100

Notes to the Consolidated Financial Statements (continued)

12. Reserves

	Company 2014 $	Consolidated 2013 $
Foreign Currency Reserves	-	77,416
Share Based Payment Reserve	3,160,861	3,160,861
	3,160,861	3,238,277

Options reserve
The option reserve recognises options issued as share based payments.

Foreign currency reserves
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(o) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

13. Trade and Other Payables

	Company 2014 $	Consolidated 2013 $
Current		
Trade creditors	-	-
Other payables	72,611	121,158
	72,611	121,158

Trade payables are non-interest bearing and are normally settled on 60 day terms. Information about the Group's exposure to foreign exchange risk is provided in Note 25. Amounts are expected to be settled within 12 months.

Notes to the Consolidated Financial Statements (continued)

14. Issued Capital

	Note	Company 2014	Company 2013
Ordinary shares fully paid	14a	48,404,634	44,860,734
Performance Shares (deferred consideration shares)	14e	-	2,790,000
		48,404,634	47,650,734

		2014 No. of shares	2014 $	2013 No. of shares	2013 $
a)	**Ordinary Shares**				
	At the beginning of the reporting period	124,673,226	44,860,734	41,527,558	44,066,748
	Shares issued during the year				
	- Placement	200,250,000	801,000	-	-
	-Transferred from performance shares	-	2,790,000	-	-
	- Rights Issue and Shortfall	-		83,109,074	831,090
	Exercise of options	-		33	12
	Exercise of loyalty options	-		36,561	-
	Transaction costs relating to share issues	-	(47,100)	-	(37,116)
	At the end of the reporting period	324,923,226	48,404,634	124,673,226	44,860,734

The ordinary shares are ordinary shares and rank equally in all respects with all ordinary shares in the Company. The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules. Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any share held by the Shareholder.

		2014 No. of options	2014 $	2013 No. of options	2013 $
b)	**Options ($0.36, 30 June 2016)**				
	At the beginning of the reporting period	3,850,000	694,851	2,000,000	488,151
	Issued during the year	-	-	1,850,000	206,700
	Exercised during the year	-	-	-	-
	Expired during the year	-	-	-	-
	At the end of the reporting period	3,850,000	694,851	3,850,000	694,851

Notes to the Consolidated Financial Statements (continued)

14. Issued Capital (cont'd)

	2014		2013	
	No. of options	**$**	**No. of options**	**$**
c) Options ($0.35, 30 September 2015)				
At the beginning of the reporting period	27,443,886	20,787	6,666,667	-
Issued during the year	-	-	20,777,252	20,787
Exercised during the year	-	-	(33)	-
Expired during the year	-	-	-	-
At the end of the reporting period	27,443,886	20,787	27,443,866	20,787

	2014		2013	
	No. of options	**$**	**No. of options**	**$**
d) Performance Rights				
At the beginning of the reporting period	-	-	600,000	29,668
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	(600,000)	(29,668)
At the end of the reporting period	-	-	-	-

	2014		2013	
	No. of options	**$**	**No. of options**	**$**
e) Performance Shares				
At the beginning of the reporting period	50,000,000	2,790,000	50,000,000	2,790,000
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Transferred during the year	(50,000,000)	(2,790,000)	-	-
At the end of the reporting period	-	-	50,000,000	2,790,000

f) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

15. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Notes to the Consolidated Financial Statements (continued)

16. Exploration and Evaluation Expenditure

	Note	Company 2014 $	Consolidated 2013 $
Non – Current			
Exploration and Evaluation at cost		-	1,002,901
Movement			
At opening date		1,002,901	7,815,000
Non-core EE&E attributable to disposals	26	(154,145)	-
EE&E attributable to acquisitions		-	18,527
Additions		84,169	754,069
Write down		(84,169)	-
Impairment		(791,110)	(7,636,717)
Foreign exchange on translation		(57,646)	52,022
		-	1,002,901

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Directors have resolved to impair the capitalised exploration expenditure as a large portion of tenements previously held have been relinquished during the period.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

17. Property, plant & equipment

	Company 2014 $	Consolidated 2013 $
Balance at the beginning of the year	97,566	97,566
Impairment of PP&E	(30,728)	-
Disposal of PP&E	(66,838)	-
Balance at the end of the year	-	97,566

Notes to the Consolidated Financial Statements (continued)

18. Leasing Commitments

There are no leasing commitments (2013: nil).

19. Contingent Liabilities

There are no contingent liabilities (2013: nil).

20. Operating Segments

The Group had 2 operating segments, as described below, which are the Group's strategic divisions. The strategic divisions are based on geographic locations, and are operated separately because of the different jurisdictions in which they operate. The following summary describes the operations in each of the Group's reportable segments:

- Exploration Tanzania. Includes all Tanzanian exploration licences and related activities; and
- Corporate Australia. Includes all Australian based management and corporate activities.

Information regarding the results of each reportable segment is included below.

Segment Performance 31 December 2014	**Exploration Tanzania $**	**Corporate $**	**Total $**
Revenue from external customers	-	738,368	738,368
Reportable segment (loss)	**(1,277,191)**	**219,421**	**(1,057,769)**

Segment Assets 31 December 2014	**Exploration Tanzania $**	**Corporate $**	**Total $**
Segment assets			
Cash	-	768,826	768,826
Other	-	268,782	268,782
Total segment assets	**-**	**1,032,718**	**1,032,718**

Segment Liabilities 31 December 2014	**Exploration Tanzania $**	**Corporate $**	**Total $**
Segment liabilities			
Creditors	-	(72,611)	(72,611)
Total segment liabilities	**-**	**(72,611)**	**(72,611)**

Segment Performance 31 December 2013	**Exploration Tanzania $**	**Corporate $**	**Total $**
Revenue from external customers	-	536,984	536,984
Reportable segment (loss)	**(8,054,221)**	**(1,824,249)**	**(9,878,470)**

Notes to the Consolidated Financial Statements (continued)

20. Operating Segments (cont.)

Segment Assets 31 December 2013	**Exploration Tanzania $**	**Corporate $**	**Total $**
Segment assets			
Cash	9,107	352,976	362,083
Exploration and evaluation	1,002,901	-	1,002,901
Other	97,566	-	97,566
Total segment assets	**1,109,574**	**352,976**	**1,462,550**

Segment Liabilities 31 December 2013	**Exploration Tanzania $**	**Corporate $**	**Total $**
Segment liabilities			
Creditors	32,731	88,428	121,158
Other	-	-	-
Total segment liabilities	**32,731**	**88,428**	**121,158**

21. Cash Flow Information

		Consolidated 2014 $	**Consolidated 2013 $**
a)	**Reconciliation of Cash Flow from Operations with Loss after Income Tax**		
	Loss after income tax	(1,057,769)	(9,878,470)
	-Share based payments	-	177,032
	-Impairment of EE & PPE	821,838	7,636,717
	- Other assets written off	84,169	266,008
	Net loss on disposal of subsidiaries	(133,645)	-
	Gain on sale of MTA shares and options	(491,250)	-
	Investment written off	4,821	-
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries	-	-
	(Increase)/decrease in trade and other receivables	(4,634)	69,415
	(Decrease)/Increase in trade payables and accruals	(48,549)	30,820
	Cash flows used in operations	(825,019)	(1,698,478)

		Consolidated 2014 $	**Consolidated 2013 $**
b)	**Reconciliation of Cash Flow from Investing Activities**		
	Payment for exploration	(84,169)	(954,685)
	Payments for PPE	-	(97,566)
	Proceeds from sale of PPE	80,000	-
	Payment for investment in Rent.Com.Au	(250,000)	-
	Proceeds from disposal of shares and options in MTA	732,031	-
	Cash flows from investing activities	477,862	(1,052,251)

Notes to the Consolidated Financial Statements (continued)

	Consolidated 2014 $	Consolidated 2013 $
c) Reconciliation of Cash Flow from Financing Activities		
Proceeds from issue of shares/options	753,900	831,103
Capital raising costs	-	(37,117)
Cash flows from financing activities	753,900	793,986

22. Share Based Payments

Share-Based Payments

The Company established the Select Exploration Performance Rights Plan as approved by shareholders on 31 July 2012. All employees, directors and consultants are eligible to participate in the plan.

i. Compensation Practices

To achieve its corporate objectives, the Company needs to attract and retain its key staff. The Board believes that grants made to eligible participants under the Performance Rights Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Performance Rights Plan will:

(a) enable the Company to recruit, incentivise and retain Key Management Personnel and other eligible Employees needed to achieve the Company's business objectives;
(b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
(c) align the financial interest of participants of the Performance Rights Plan with those of Shareholders; and
(d) provide incentives to participants of the Performance Rights Plan to focus on superior performance that creates Shareholder value.

The Board is cognizant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Performance Rights Plan to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting and the Employee being advised that the vesting conditions have been met, Shares will be issued to the Employee exercising the Performance Rights.

The Board considers the Performance Rights Plan a crucial mechanism to encourage and retain high level executive and employee performance. The Board intends to implement the Performance Rights Plan, and set the performance conditions, in a manner designed to incentivise and reward high level executive and employee performance. The Company does not have a remuneration and nomination committee that administers the Company's remuneration policy.

As per the Directors' Report, no performance rights were issued during 2014.

Notes to the Consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Note	2014 $	2013 $
Incentive Options	22(b)	-	206,700
Performance Rights		-	(29,668)
		-	**177,032**

b) Incentive Options

2014

All options granted to key employees, consultants and advisors of the Company are for ordinary shares in Select Exploration Limited which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Vested & exercisable at end of the period Number
2013								
31 January 2013	30 Jun 2016	$0.36	1,000,000	-	-	-	1,000,000	-
26 February 2013	30 Jun 2016	$0.36	750,000	-	-	-	750,000	-
3 May 2013	30 Jun 2016	$0.36	100,000	-	-	-	100,00	-
			1,850,000	-	**-**	**-**	**1,850,000**	**-**

2013

The following incentive options to key employees, consultants and advisors of the Company were granted on during 2013.

Grant Date	Expiry Date	Exercise Price	Balance at start of year Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Vested & exercisable at end of the period Number
2013								
31 January 2013	30 Jun 2016	$0.36	-	1,000,000	-	-	1,000,000	1,000,000
26 February 2013	30 Jun 2016	$0.36	-	750,000	-	-	750,000	750,000
3 May 2013	30 Jun 2016	$0.36	-	100,000	-	-	100,00	100,00
			-	**1,850,000**	**-**	**-**	**1,850,000**	**1,850,000**

Notes to the Consolidated Financial Statements (continued)

22. Share Based Payments (cont'd)

Fair value of options granted

Grant Date	Expiry Date	Exercise Price	Granted during the period	Fair value per option at Grant Date	Total fair value $
			Number	Number	Number
31 January 2013	30 Jun 2016	$0.36	1,000,000	$0.125	125,000
26 February 2013	30 Jun 2016	$0.36	750,000	$0.102	76,500
3 May 2013	30 Jun 2016	$0.36	100,000	$0.052	5,200
			1,850,000		**206,700**

Grant Date	Expiry Date	Interest Rate	Share Price	Volatility	Fair Value
31 January 2013	30 Jun 2016	2.82%	$0.170	140%	$0.125
26 February 2013	30 Jun 2016	2.82%	$0.160	140%	$0.102
3 May 2013	30 Jun 2016	2.53%	$0.085	140%	$0.052

c) Performance Shares

These Performance Shares were cancelled on 11 March 2014. Total performance shares issued as part of the consideration to Indigo in 2012 were valued as follows:

MT Coal Resource	Shares issued	Underlying share price ($)	Probability %	Value ($)
100	2,500,000	0.30	40	300,000
100	2,500,000	0.30	35	262,500
100	2,500,000	0.30	30	225,000
100	2,500,000	0.30	25	187,500
100	2,500,000	0.30	20	150,000
100	2,500,000	0.30	15	112,500
100	2,500,000	0.30	10	75,000
100	2,500,000	0.30	5	37,500
100	2,500,000	0.30	5	37,500
100	2,500,000	0.30	1	7,500
1,000	**25,000,000**			**1,395,000**

Mlb Uranium Resource	Shares issued	Underlying share price ($)	Probability %	Value ($)
5	2,500,000	0.30	40	300,000
5	2,500,000	0.30	35	262,500
5	2,500,000	0.30	30	225,000
5	2,500,000	0.30	25	187,500
5	2,500,000	0.30	20	150,000
5	2,500,000	0.30	15	112,500
5	2,500,000	0.30	10	75,000
5	2,500,000	0.30	5	37,500
5	2,500,000	0.30	5	37,500
5	2,500,000	0.30	1	7,500
50	**25,000,000**			**1,395,000**

Notes to the Consolidated Financial Statements (continued)

23. Events After The Reporting Period

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

24. Related Party Transactions

The remuneration paid to key management personnel is disclosed in Note 5.

Grange Capital Partners, which is a related party of directors Mr Macliver and Mr Warren received a lead manager fee of $47,100 on the successful Two Tranche & Director Placements of $785,000 completed in May 2014. Grange Consulting Group, which is a related party of directors Mr Macliver and Mr Warren received $92,813 during the period for the provision of Company Secretarial, Financial Management and Corporate Advisory Services. Grange Consulting Group received a further $2,799 of disbursements for expenses incurred in providing these services.

Ms Cherie Leeden being a director of both Select Exploration Limited (resigned 18 September 2014) and Metals of Africa Limited was abstained from any discussions concerning any dealings between both parties during the financial period.

25. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Company 2014 $	Consolidated 2013 $
Financial Assets			
Cash and cash equivalents	8	768,826	362,083
Trade and other receivables	9	4,635	-
Financial Assets at Fair Value Through Profit or Loss	10	259,257	-
Total Financial Assets		1,032,718	362,083
Financial Liabilities			
Trade and other payables	13	(72,611)	(121,158)
Total Financial Liabilities		(72,611)	(121,158)

Financial Risk Management Policies

The Board of Directors is responsible for monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and approves financial transactions. It also reviews the effectiveness of internal controls relating to counterparty credit risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the credit risk policies and future cash flow requirements.

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 to 60 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties, except the Australian Taxation Office.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the board in accordance with approved board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	Company 2014 $	Consolidated 2013 $
Cash and cash equivalents			
- AA- Rated		768,826	352,975
- A+ Rated		-	4,612
Unrated		-	4,496
	8	**768,826**	**362,083**

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		**Total**	
	2014	**2013**	**2014**	**2013**
Company	**$**	**$**	**$**	**$**
Financial liabilities due for payment				
Trade and other payables (excluding est. annual leave)	72,611	121,158	72,611	121,158
Financial assets — cash flows realisable				
Cash and cash equivalents	768,826	362,083	768,826	362,083
Trade and other receivables	4,635	-	4,635	-
Financial Assets at Fair Value through Profit or Loss	259,257	-	259,257	-

c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Net Surplus		**Equity**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
+ 1% (100 basis points)	+ 1,058	+ 98,785	+ 9,601	+ 13,414
- 1% (100 basis points)	- 1,058	- 98,785	- 9,601	- 13,414

ii. Price risk

Exposure

The Group's exposure to equity securities price risk arises from investments held by the group and classified in the statement of financial position as fair value through profit or loss (note 10). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the group's equity investments are publicly traded and are included either in the ASX 200 Index or the NYSE International 100 Index.

Sensitivity Analysis of Price Movement

2014	**Up by 10%**	**Down by 10%**
	$0.06	**$0.05**
Investment in MTA shares & options		
Expected fair value	$10,183	$8,332
Impairment loss effect to P&L	$3,965	$5,816

No effect on equity (Asset Revaluation Reserve account) as the investment is held for trading.

2014	**Up by 10%**	**Down by 10%**
	$0.169	**$0.138**
Investment in RENT		
Expected fair value	$312,957	$256,056
Unrealised gain effect to be recorded as profit or loss	$62,957	$6,056

Investment in RENT is not held for trading as Select is in process to acquire the remaining shares of RENT. As a result, any movement in fair value of share price will be recorded in statement of comprehensive income or loss until the remaining shares in RENT are acquired.

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

iii. Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. All foreign subsidiaries were divested so the Group did not recognise any foreign currency risk exposure during the period ended 30 December 2014. In the prior period, due to the 100% acquisition of Rio Mazowe Limited and its subsidiary in October 2012, the Group entered into foreign currency transactions and was exposed to foreign currency risk. The Group's exposures to foreign currency risk at the reporting date were as follows:

Financial Assets	Footnote	2014 Net Carrying Value USD $	2013 Net Carrying Value USD $	2014 Net Carrying Value TZS $	2013 Net Carrying Value TZS $
Financial assets					
Cash and cash equivalents	(i)	-	2,104	-	1,389,745
Total financial assets		-	2,104	-	1,389,745
Financial liabilities					
Trade and other payables	(i)	-	-	-	-
Total financial liabilities		-	-	-	-

d) Fair value measurement

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated.

Consolidated	Foot note	2014 Net Carrying Value $	2014 Net Fair Value $	2013 Net Carrying Value $	2013 Net Fair Value $
Financial assets					
Cash and cash equivalents	(i)	768,826	768,826	362,083	362,083
Trade and other receivables	(i)	4635	4635	-	-
Financial Assets at Fair Value Through Profit or Loss	(ii)	259,257	259,257	-	-
Total financial assets		**1,032,718**	**1,032,718**	**362,083**	**362,083**
Financial liabilities					
Trade and other payables	(i)	72,611	72,611	121,158	121,158
Total financial liabilities		**72,611**	**72,611**	**121,158**	**121,158**

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii)The fair value of financial assets and liabilities must be estimated for recognition and measure ment for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and represent fair value. The fair value of current financial assets and liabilities settled within 12 months approximate fair value due to their short-term nature. The fair value of financial assets and liabilities together with their carrying value are as follows:

	31 December 2014 Carrying Value	31 December 2014 Fair Value	31 December 2013 Carrying Value	31 December 2013 Fair Value
Current Financial Assets				
Financial Assets at Fair Value Through Profit or Loss				
-MTA Ord. Shares	9,257	9,257	-	-
-Investment in Rent.Com.Au	250,000	250,000		
	259,257	259,257	-	-

The following tables classify financial instruments recognised in the statement of financial position of the Group, according to the hierarchy stipulated in AASB 7 as follows:

Level 1: the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: a valuation technique is used using other than quoted prices within Level 1 that are observable for the financial instrument either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
Level 3: a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

As at 31 December 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Current Financial Assets				
Financial Assets at Fair Value Through Profit or Loss				
-Listed Shares	9,257	-	250,000	259,257
-Unlisted Options	-	-	-	-

Notes to the Consolidated Financial Statements (continued)

25. Financial Risk Management (cont'd)

The fair value of financial instruments traded in active markets is based upon quoted market price at the end of the reporting period. The quoted market price is the quoted bid prices that are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The level 2 financial assets have been valued using a Black-Scholes option pricing model. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, being the investment in Rent.com.au. The main level 3 inputs used by the Group are derived and evaluation using appropriate discount rates, risk adjustments applicable to the counterparties, earnings growth factors, and contingent consideration expected.

Changes in Level 2 and Level 3 fair values are analysed at the end of each reporting period.

26. Discontinued Operations

(i) Mkindu Pty Ltd, Swala Resources Ltd and Siwandu Metals Ltd.

a) Description

On 7 February 2014, Select Exploration Limited divested a portfolio of non-core exploration assets in Tanzania to Metals of Africa Ltd. The divestment was completed through the disposal of the Mkindu Group, consisting of Mkindu Pty Ltd, Swala Resources Ltd and Siwandu Metals Ltd.

Select recognised a net profit on the disposal of $241,360.

Proceeds on disposal comprises:

	Number	Price	$
Fully paid ordinary shares in Metals of Africa issued to the Company (subject to 12 month voluntary escrow)	5,000,000	$0.081	405,000

Net assets of Mkindu Group disposed:	**$**
Trade and other receivables	7,254
PP&E	2,241
Exploration and evaluation and fixed assets	154,145
Net assets disposed	163,640

On 31 March 2014, Select divested a portfolio of Gabonese exploration licences to Metals of Africa, to be structured through a joint venture holding company. Select received 5,000,000 unlisted Metals of Africa options exercisable at $0.093 on or before 31 March 2017 as consideration.

Proceeds on disposal comprises:

	Number	Price	$
Unlisted Metals of Africa options issued to the Company	5,000,000	$0.04	210,860

Notes to the Consolidated Financial Statements (continued)

26. Discontinued Operations (cont'd)

b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the 5 week period ended 7 February 2014.

	Consolidated 2014 $	Consolidated 2013 $
Revenue	-	6
Expenses	(285)	(90,932)
Profit before income tax	(285)	(90,926)
Income tax expense	-	-
Profit after income tax of discontinued operation	(285)	(90,926)
Gain on sale of the division before income tax	241,360	-
Income tax expense	-	-
Gain on sale of the division after income tax	241,360	-
Profit /(loss)from discontinued operation	241,075	(90,926)

	Consolidated 2014 $	Consolidated 2013 $
Net cash inflow from operating activities	-	-
Net cash inflow from investing activities	-	-
Net cash inflow from financing activities	-	-
	-	-

c) Details of the sale of the division

There were no contingent or performance related consideration components in the sale.

	31 December 2014 $
Consideration received or receivable	
- Fully paid ordinary shares in Metals of Africa Limited	405,000
Total disposal consideration	**405,000**
Carrying amount of net assets sold	**163,640**
Gain on sale before income tax	241,360
Income tax expense	-
Gain on sale after income tax	**241,360**

Notes to the Consolidated Financial Statements (continued)

26. Discontinued Operations (cont'd)

(ii) WTF & IBIS

a) Description

During the year ended 31 December 2014, Select Exploration Limited also divested IBIS & WTF subsidiaries.

Select recognised a net loss on the disposal of $318,575.

Net assets of WTF & IBIS disposed:	**$**
Cash and cash equivalents	10,273
Other receivables and prepayments	726,966
Investments	13,610
Trade and other payables	(432,274)
Net Assets disposed	318,575

b) Financial performance and cash flow information

	Consolidated 2014 $	**Consolidated 2013 $**
Revenue	-	-
Expenses	(316,204)	(768,514)
Loss before income tax	(316,204)	(768,514)
Income tax expense	-	-
Loss after income tax of discontinued operation	(316,204)	(768,514)
Loss on sale of the division before income tax	(318,575)	-
Income tax expense	-	-
Loss on sale of the division after income tax	(318,575)	-
Loss from discontinued operation	(634,779)	(768,514)
Net cash inflow from operating activities	-	-
Net cash inflow from investing activities	-	-
Net cash inflow from financing activities	-	-
	-	-

Notes to the Consolidated Financial Statements (continued)

26. Discontinued Operations (cont'd)

	31 December 2014 $
Consideration received or receivable	
- Fully paid ordinary shares in Metals of Africa Limited	-
Total disposal consideration	**-**
Carrying amount of net assets sold	**318,575**
Loss on sale before income tax	**(318,575)**
Income tax expense	-
Gain on sale after income tax	**(318,575)**

27. Parent Information

The following information has been extracted from the book and records of the parent and has been prepared in accordance with the accounting standards.

	2014 $	2013 $
Statement of Financial Position		
Assets		
Current assets	782,718	352,976
Non-current assets	250,000	1,076,843
Total assets	**1,032,718**	**1,429,819**
Liabilities		
Current liabilities	(72,611)	88,427
Total liabilities	**(72,611)**	**88,427**
Equity		
Issued capital	48,395,189	47,650,734
Share-Based Payment Reserve	3,160,864	772,952
Accumulated losses	(50,605,391)	(47,082,294)
Total equity	**960,107**	**1,341,392**

Directors' Declaration

In the Directors' opinion:

a) the financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001, and:

   i. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and other mandatory professional reporting requirements; and

   ii. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the consolidated entity;

b) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

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Ian Macliver
Non-Executive Chairman
20 February 2015

Corporate Governance

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Select Exploration Limited (“Select” or “Company”). The Board of Directors (“Board”) supports a system of corporate governance to ensure that the management of Select is conducted to maximise shareholder wealth in a proper and ethical manner. The Board aims to ensure that all monies invested in the Company are spent judiciously, with funds directed towards mineral exploration discovery as the principal focus of all budgets, relating to both capital and operating expenditure. The Company acts ethically, adheres to all laws including disclosure and reporting, remunerates fairly based on performance, limits wherever possible the Company’s environmental impact, does not discriminate in any way, engages appropriately with community and stakeholders, values and manages all forms of diversity, has due regard for the health and safety of employees and actively identifies and then appropriately manages business risks and any conflicts of interest, whether perceived or real.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles and Recommendations 2nd Edition") where considered appropriate for a company of Select’s size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies. Further details in respect to the Company’s corporate governance practices are summarised below.

The Board sets out below its “if not why not” approach where the Company’s practice departs from the Recommendations. All Recommendations have been applied for the financial year ended 31 December 2014 unless set out below:

Principle 2 Recommendation 2.4

Notification of Departure: A separate nomination committee has not been formed.

Explanation of Departure: Requires listed entities to establish a nomination committee. Given the current size of the Board and the Company, the Board considers that this function is efficiently achieved with full Board support, in accordance with the guidelines set out in the Board’s Charter.

Principle 3 Recommendation 3.3

Notification of Departure: Measurable objectives for achieving gender diversity have not been disclosed.

Explanation for Departure: There have been no measurable objectives for gender diversity established for the year ended 31 December 2014 due to the size of the Company during this period. In addition, the Company believes the Diversity Policy it has established has set strong guidelines in relation to the Company’s Diversity Policy, and this is reflected in the proportion of women on the Board during the majority of 2014(33%).

Corporate Governance (continued)

<u>Principle 4 Recommendation 4.1</u>

Notification of Departure: A separate audit committee has not been formed.

Explanation for Departure: Requires listed entities to establish a separate audit committee. Given the current size of the Company, the Board considers that this function is efficiently achieved by the full board in accordance with the guidelines set out in the Board's Charter and the Audit Committee Charter. The full Board conducts a review of the Company's financial statements at each financial reporting date and liaises with the Company's auditors as necessary.

<u>Principle 8 Recommendation 8.1</u>

Notification of Departure: There was no separate remuneration committee.

Explanation for Departure: Requires listed entities to establish a nomination committee. Given the current size of the Board and the Company, the Board considers that this function is efficiently achieved with full Board support, in accordance with the guidelines set out in the Board's Charter.

In addition, all matters of remuneration will continue to be determined in accordance with Corporations Act requirements, especially in respect of related party transactions. That is, no directors participate in any deliberations regarding their own remuneration or related issues.

Roles of the Board and Management

The Board considers that the essential responsibilities of the Directors are to oversee Select's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value.

The Board has a Charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.
The key responsibilities of the Board include:

- contributing to the development of and approving corporate strategy;
- appoint and review the performance of the Executive Director/ chief executive officer;
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- arrange for effective budgeting and financial supervision;
- ensure that effective and appropriate reporting systems in place will, in particular, assure the Board that financial, operational, compliance and risk management controls function adequately;
- ensure that appropriate audit arrangements are in place; and
- reporting to shareholders.

Corporate Governance (continued)

Board Structure

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- the Board shall comprise at least 3 Directors, increasing where additional expertise is considered desirable in certain areas;
- the Chairman should be non-executive;
- the Board should not comprise a majority of Executive Directors and
- Directors should bring characteristics which allow a mix of qualifications, skills and experience.

The terms and conditions of the appointment and retirement of Directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

Meetings of the Board

The Board meets as and when required to consider the business of Select Exploration Limited, its financial performance and other operational issues.

Nomination and Appointment of New Directors

Recommendations of candidates for new Directors are made by the Board as a whole.

Review of Performance

The Board reviews its performance and composition on an annual basis to ensure that it has the appropriate mix of expertise and experience. Given the size and nature of the Company's activities the Board reviews the performance of Directors and the composition of the Board, at regular intervals during the year, or as deemed necessary.

Directors' Remuneration

The remuneration of non-executive Directors is different to that of executives. Executive Directors receive a salary and may receive other benefits.

Non-executive Directors receive a set fee per annum, in addition to their statutory superannuation entitlements, and are fully reimbursed for any out of pocket expenses necessarily incurred in carrying out their duties. When reviewing Director's fees the Board takes into account any changes in the size and scope of Select's activities. Currently the Non-executive Directors have a $50,000 set fee (suspended since 1 May 2013 until further notice) and the Non-executive Chairman a set fee of $75,000 (suspended since 1 May 2013 until further notice).

The Board will review the remuneration and policies applicable to all Directors on an annual basis. Remuneration levels will be competitively set to attract the most qualified and experienced Directors and senior Executives. Where necessary the Board will obtain independent advice on the appropriateness of remuneration packages.

The structure and disclosure of the Company's remuneration policies for Directors are set out in the Directors Report.

Corporate Governance (continued)

Board Access to Information

All Directors have unrestricted access to all employees of the Company and, subject to the law, access to all Company records and information held by an employees and/or external advisers. The Board receives regular detailed financial and operational reports to enable it to carry out its duties.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Board Committee. The Company will reimburse the Director for the reasonable expense of obtaining that advice.

Board Committees

The Board, where appropriate, may establish a number of committees to assist in carrying out its responsibilities in an effective and efficient manner.

1. Nomination Committee

The full Board carries out the role of the nomination committee. The full Board did not officially convene as a nomination committee during the Reporting Period, however nomination related discussions occurred from time to time during the year as required.

2. Audit Committee

The full Board carries out the role of an audit committee. The full Board did not officially convene as an audit committee during the Reporting Period, however audit related discussions occurred from time to time during the year as required. Details of each of the director's qualifications are set out in the Director's Report.

All of the directors consider themselves to be financially literate and have industry experience.

2.1 Audit Process

As part of the Company’s commitment to safeguarding integrity in financial reporting, Select’s accounts are subject to annual audit by an independent, professional auditor, who also reviews the half-yearly accounts. The Auditor attends and is available to answer questions at the Company’s annual general meetings.

2.2 Auditor Independence

The Company has implemented procedures to monitor the independence and competence of the Company’s external auditors. Details of the amounts paid for both audit work and non-audit services are set out in this annual report.

The Board requires that adequate hand-over occurs in the year prior to rotation of an audit partner to ensure an efficient and effective audit under the new partner.

Corporate Governance (continued)

3. Remuneration Committee

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board did not officially convene as a remuneration committee during the Reporting Period, however remuneration related discussions occurred from time to time during the year as required.

Share Trading

Under the Company's Share Trading Policy, all employees and Directors of the Company are prohibited from trading in the Company's shares or other securities if they are in possession of "inside information". Subject to this condition and in light of the ASX's continuous disclosure requirements, trading can occur at any time but subject to conditions surrounding periods prior to the publication of financial results and disclosure documents.

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX's securities market and has adopted a comprehensive policy covering announcements to the Australian Securities Exchange, prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, media communications, commenting on expected earnings, communications black-out periods and review of briefings and communications. The policy is reviewed periodically and updated as required.

The Company Secretary has responsibility for overseeing and coordinating disclosure of information to the Australian Securities Exchange. The Secretary also liaises with the Executive Director in relation to continuous disclosure matters. The Executive Director is responsible for overseeing and coordinating disclosure of information to analysts, brokers and shareholders.

Ethical Standards

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

It is the Board's responsibility to ensure that all staff are aware of the Company's Code of Conduct and to ensure that any individual who does not adhere to these ideals is dealt with appropriately by executive management. Appropriate action may be counselling, disciplinary action or termination of employment. The Board is responsible for setting the tone of legal, ethical and moral conduct to ensure that the Company is considered reputable by the industry and other outside entities. This involves considering the impact of the Company's decisions on the industry, colleagues and the general community.

Select has previously instructed first tier law firm, Clayton Utz, to put in place a foreign corrupt practice regime, including training for senior management and the Board, appropriate to the exploration phase of the company's activities. That regime and training was progressed during 2014.

Communications with Shareholders

The Board aims to ensure that shareholders are kept informed of all major developments affecting Select Exploration Limited. Information is communicated to shareholders through the distribution of annual reports; and by presentation to shareholders at the Annual General Meeting, which they are encouraged to attend. In addition, all reports and releases made by Select Exploration Limited throughout the year with respect to its activities are distributed widely via the Australian Securities Exchange.

Corporate Governance (continued)

4. Diversity

Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives. This is set out in the Corporate Governance Policy available on the Company's website.

Due to the size of the Company it has not introduced any measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.

The following table exhibits Selects gender diversity at 31 December 2014:

	31 December 2014	%
Women on the Board	0	0
Women in Senior Management	0	0
Women employees in total	0	0

Corporate Governance (continued)

Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles and Recommendations 2nd Edition")

Principle 1 – Lay solid foundations for management and oversight

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

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

Principle 2 – Structure the board to add value

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

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

Principle 3 – Promote ethical and responsible decision-making

Companies should actively promote ethical and responsible decision-making.

- Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the Company’s integrity
- the practices necessary to take into account their legal obligations and the reasonable
- expectations of their stakeholders
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

- Recommendation 3.2: Companies should establish a policy concerning trading in Company Securities by directors, senior executives and employees, and disclose the policy or a summary of that policy. Recommendation 3.3: Companies should provide the information indicated in the Guide to reporting on Principle 3.

Corporate Governance (continued)

Principle 4 – Safeguard integrity in financial reporting

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

- Recommendation 4.1: The board should establish an audit committee.
- Recommendation 4.2: The audit committee should be structured so that it:
  - consists only of non-executive directors
  - consists of a majority of independent directors
  - is chaired by an independent chair, who is not chair of the board
  - has at least three members.

- Recommendation 4.3: The audit committee should have a formal charter.
- Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

Principle 5 – Make timely and balanced disclosure

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

- Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.
- Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

Principle 6 – Respect the rights of shareholders

Companies should at all times respect the rights of shareholders of the Company.

- Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.
- Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.
- Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

Principle 7 – Recognise and manage risk

Companies should have a structure in place to recognise and manage risk.

- Companies should establish a sound system of risk oversight and management and internal control.
- Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
- Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the Company’s material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company’s management of its material business risks.

Corporate Governance

Principle 7 – Recognise and manage risk (cont.)

- Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
- Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

Principle 8 – Remunerate fairly and responsibly

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

- Recommendation 8.1: The board should establish a remuneration committee.
- Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.
- Recommendation 8.3: Companies should provide the information indicated in the Guide to reporting on Principle 8

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 17 February 2015 is:

- 324,923,226 ordinary fully paid shares;
- 27,443,886 listed options ($0.35, 30 September 2015); and
- 3,850,000 unlisted options ($0.36, 30 June 2016)

All issued ordinary fully paid shares carry one vote per share.

2. Distribution of Equity Securities

Ordinary Shares

Range	Holders	Units	%
1-1,000	1,127	166,086	0.05%
1,001-5,000	240	642,263	0.20%
5,001-10,000	127	1,066,200	0.33%
10,001-100,000	222	8,163,155	2.51%
100,001-and over	200	314,885,522	96.91%
Total	**1,916**	**324,923,226**	**100%**

There were 1,719 holders of less than a marketable parcel of ordinary share, and 61 holders from overseas.

Listed Options ($0.35 cents, 30 September 2015)

Range	Holders	Units	%
1-1,000	32	12,644	0.05%
1,001-5,000	68	234,744	0.86%
5,001-10,000	34	286,742	1.04%
10,001-100,000	114	4,083,724	14.88%
100,001-and over	32	22,826,032	83.17%
Total	**280**	**27,443,886**	**100%**

ASX Additional Information (continued)

3. Top 20 Largest Holders of Listed Securities

Ordinary Shares as at 17 February 2015

	Name	Number	%
1	INDIGO METALS LIMITED	21,725,608	6.69
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,519,517	3.85
3	BUSHWOOD NOMINEES PTY LTD	11,674,651	3.59
4	MR BRIAN MARK BATES	11,500,000	3.54
5	CORNELA PTY LTD <F T ACCOUNT>	11,287,523	3.47
6	AKSHAY INVESTMENT LIMITED	11,250,000	3.46
7	MR CECIL HENDY	10,457,948	3.22
8	CYPRESS SECURITIES PTY LTD <CYPRESS SUPER FUND A/C>	9,000,000	2.77
9	QUEENSLAND MM PTY LTD <SUPERANNUATION A/C>	8,050,717	2.48
10	REEFBAY HOLDINGS PTY LTD	8,000,000	2.46
11	MR GRANT THOMAS PATERSON <GTP FAMILY A/C>	7,500,000	2.31
12	PHEAKES PTY LTD <SENATE A/C>	7,500,000	2.31
13	LODGE INVESTMENT HOLDINGS PTY LTD <LODGE INVESTMENT A/C>	7,068,954	2.18
14	MR NEIL WILLIAM STRONG	6,198,015	1.91
15	MR RICHARD ARMSTRONG CALDOW <LOOSE GOOSE FAMILY A/C>	5,000,000	1.54
16	ANGLO ARABIAN CORPORATION	5,000,000	1.54
17	MR CHANDER VERMA	4,500,000	1.38
18	OCTIFIL PTY LTD	4,350,390	1.34
19	MR ROBERT LINDSAY SHIRLEY & MRS GINA MICHELLE SHIRLEY <R L SHIRLEY SUPER FUND A/C>	4,340,000	1.34
20	CHEETAH HOLDINGS PTY LTD	4,000,000	1.23
	Total Top 20	**170,923,323**	**52.60%**
	Others	153,999,903	47.40%
	Total Ordinary Shares on Issue	**324,923,226**	**100.00%**

ASX Additional Information (continued)

Option holders ($0.35, 30 September 2015) as at 17 February 2015

	Name	Number	%
1.	ANGLO ARABIAN CORPORATION	7,500,000	27.33
2.	INDIGO METALS LIMITED	3,245,437	11.83
3.	MARIS AFRICA FUND LP <MARIS AFRICA FUND LP>	833,333	3.04
4.	RESOURCEEARLYSTAGEOPPSCOMPANY <RESOURCEEARLYSTAGEOPSSCO A/C>	833,332	3.04
5.	HAYAAT INTERNATIONAL LIMITED	833,332	3.04
6.	CYPRESS SECURITIES PTY LTD <CYPRESS SUPER FUND A/C>	800,000	2.92
7.	MR BRETT JOHN HARRIS	740,000	2.70
8.	MR DAVID JOHN EGGERS	665,474	2.42
9.	MR DOMINIC WATTS	552,583	2.01
10.	LODGE INVESTMENT HOLDINGS PTY LTD <LODGE INVESTMENT A/C>	509,871	1.86
11.	MR BRETT JOHN HARRIS & MRS KAREN FRANCES HARRIS <GEKKO SECURITIES S/F A/C>	500,000	1.82
12.	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	500,000	1.82
13.	CORNELA PTY LTD <F T ACCOUNT>	422,920	1.54
14.	HAZY OUTLOOK 2 PTY LTD <WILSON FAMILY A/C>	400,000	1.46
15.	MR SEAN TANGNEY	400,000	1.46
16.	ELBERTON DEVELOPMENTS PTY LTD <TLR A/C>	400,000	1.46
17.	KEMAST INVESTMENTS PTY LTD <K M STOKES S/F NO 2 A/C>	400,000	1.46
18.	GRIMALA PTY LTD <RJ PARKER FAMILY A/C>	366,667	1.34
19.	MR ROBERT LINDSAY SHIRLEY & MRS GINA MICHELLE SHIRLEY <R L SHIRLEY SUPER FUND A/C>	340,000	1.24
20.	MS NAOMI MARGARET SCOTT	300,000	1.09
	Total Top 20	**20,542,949**	**74.85%**
	Others	6,900,937	25.15%
	Total Options ($0.20, 31 July 2013) on issue	**27,443,886**	**100.00%**

ASX Additional Information (continued)

4. Voting Rights

See note 14 of the financial statements

5. Substantial shareholder notice lodged with the Company

	Name	Number	%
1	Indigo Metals Limited	21,725,608	6.69

6. Unquoted Securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

	Unlisted Options $0.36 30 June 2016
Philuchna Pty Ltd <PM & NA Warren Family A/C>	1,250,000
Ms Regina Molloy	1,000,000
Total number of holders	**7**
Total holdings over 20%	**2,250,000**
Others holders	1,600,000
Total	**3,850,000**

7. Restricted Securities subject to escrow period

There are no securities subject to escrow.

8. On-market buy back

There is currently no on-market buyback program for any of Select Exploration Limited's listed securities.

9. Exploration Interests

The Company did not held any interest in mining tenements at the reporting date.