UXA RESOURCES LTD

ACN 112 714 397

(Subject To Deed of Company Arrangement)

Annual Report including Audited Financial Statements
For the Year Ended 30 June 2013

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Review of Operations

Principal Activities

UXA is a diversified explorer for uranium and precious metals. The company is committed to further development of its flagship assets, the Nabarlek Uranium Project in NT and Commonwealth Hill Gold Project in SA. During the financial year the company exited its wireline logging business in Australia and USA, and several exploration projects in South Australia and New South Wales.

Review of Operations

During the year ended 30 June 2013, UXA continued its mineral exploration activities in Australia, and its downhole logging activities in Australia and USA through its subsidiaries GAA Wireline and Geoscience USA respectively.

Prior to the year end, UXA sold its Australian and USA wireline logging business, including the Prompt Fission Neutron technology and exited its Stuart Shelf Cu-Au exploration project in South Australia. Shortly after year end, UXA exited its Mundi Plains – Junction Dam base metal joint venture project in South Australia and New South Wales. These strategic changes, foreshadowed during the year, will allow UXA to focus on its Northern Territory uranium project and its Commonwealth Hill gold project in South Australia.

At 30 June 2013 UXA held two granted Exploration Licences in the Northern Territory and three granted Exploration Licences in South Australia. In total UXA held exploration rights to approximately 2,178 km2 of granted tenements in two states and territories and had a further nine Exploration Licence application in the Northern Territory.

During the period under review, UXA continued exploration on its mineral tenements, spending $0.45 million on exploration and evaluation. Programs completed during the reporting period included 1,740m of RC drilling at Nabarlek North, ground reconnaissance of the Pandanus West tenement, and compilation of the Commonwealth Hill tenement data following tenement grant.

At Nabarlek North, a second-stage drilling program for uranium-copper-platinum mineralisation was completed at three prospect areas, totalling 21 holes for 1,740m. In Area 1, a best result of 2m @ 0.46% Cu with anomalous Au, U and Pb confirms the narrow style of mineralisation found in this area to date. Drilling in Area 2 confirm the area to be underlain by prospective rocks, and note granites as interpreted. In Area 3, preliminary drilling intersected a 32m downhole width quartz-hematite fault zone which is highly prospective for Nabarlek-style mineralisation.

At the Pandanus West property, ground reconnaissance follow up of anomalies generated from the airborne radiometric survey undertaken, along with preliminary sampling and mapping. The results of this program were inconclusive, and further work is required.

At the Commonwealth Hill property in South Australia, a detailed compilation of previous exploration data was undertaken following grant of the tenement in August 2012. All approvals for access to the tenement area have been obtained.

EXPLORATION

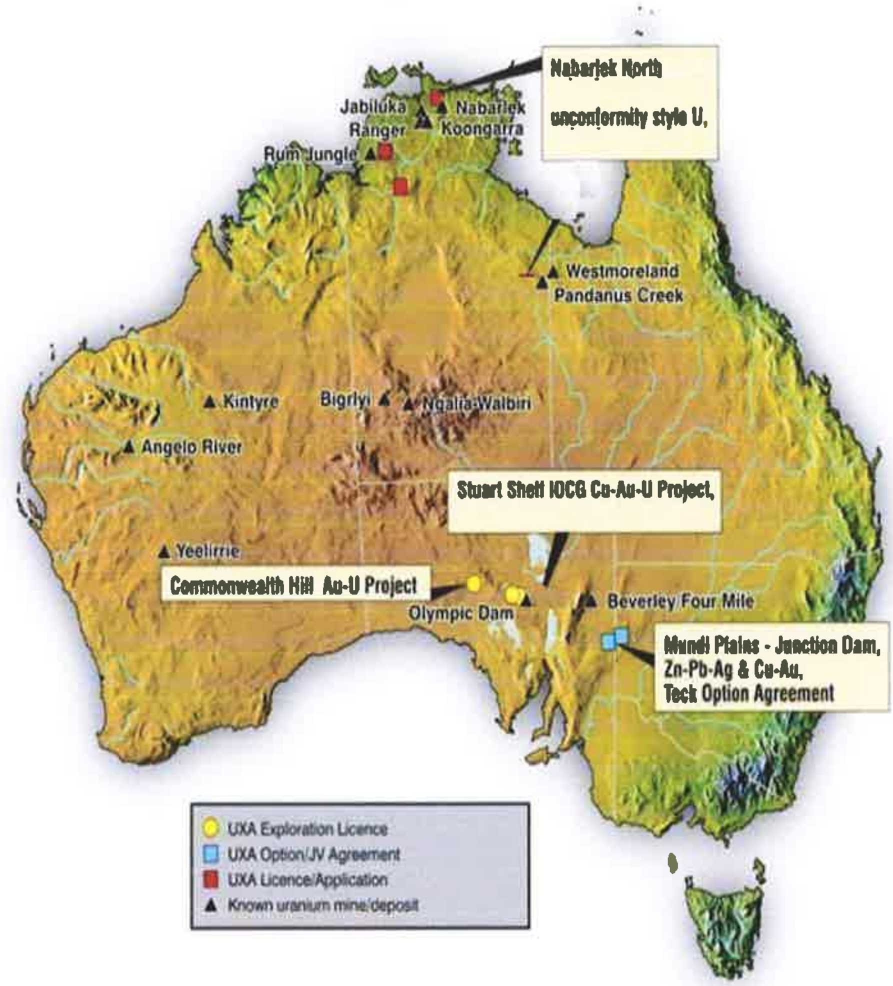

Fig 1. Location of UXA's Exploration Projects

Northern Territory Uranium Project

UXA's Northern Territory Uranium Project consists of two granted Exploration Licences and nine exploration license applications in two main areas, the Alligator River and the Westmoreland uranium provinces.

During the year former exploration partner, RIL Australia Pty Ltd withdrew from all exploration joint ventures, resulting in all NT tenements reverting 100% to UXA. Five of the Exploration Licence applications will emerge form moratorium over the next 18 months. UXA also decided to relinquish the Nabarlek West licences (EL 24564 and EL 28245) due to inaccessibility.

Nabarlek North EL 24868

The Nabarlek North tenement EL24868 is located in the Alligator River uranium province to the north of the Nabarlek Uranium mine, which operated from 1979-88 with a reported head grade of 1.86% U_3O_8. The tenement is highly prospective for unconformity style uranium-copper-gold-platinum deposits, similar to the Nabarlek deposit.

During the year, UXA completed a second RC percussion drilling program of 21 holes totalling 1,740m in three target areas identified from previous exploration results. Selected drill chip samples were submitted for assay, and holes were downhole logged.

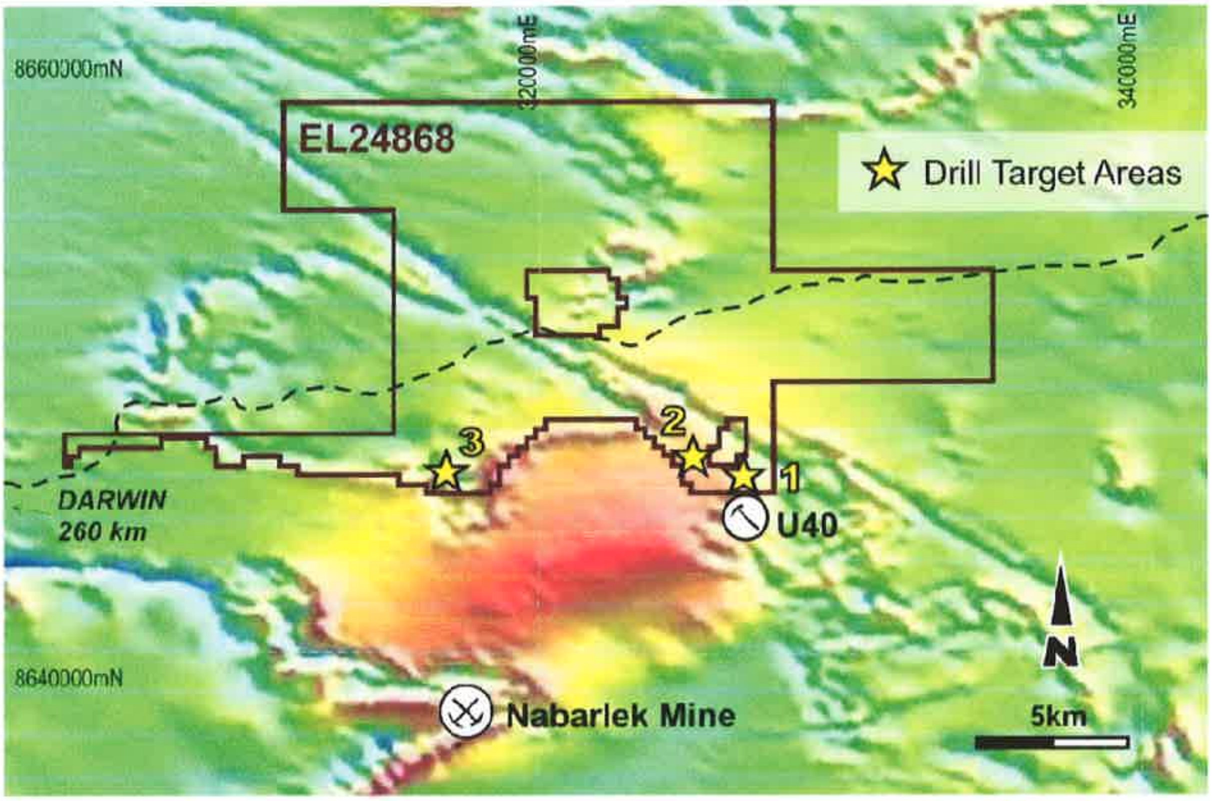

Fig 2. EL 24868 Nabarlek North showing exploration target areas.

Area 1

During the 2011 field season, UXA conducted a first phase RC percussion drilling program along three east-west lines at Area 1 adjacent to the U40 prospect, targeting the potential northerly strike extension of the U40 mineralisation. This drilling returned strongly anomalous results from gamma logging in 5 of the holes, with values of up to 1.3m @ 460ppm U_3O_8. Only minor geochemical assaying was undertaken.

Area 1 is located only 280m north of a high-grade mineralisation discovery at the U40 prospect within the adjoining tenement to the south held by Cameco and Uranium Equities Ltd. Results from this prospect include 6.8m @ 6.71% U_3O_8, with 7.3m @ 1.68%Cu and 1.5m @ 0.54 g/t Pd and 0.24 g/t Pt from the same hole. Another hole at U40 intersected 4.8m @ 1.85% U_3O_8 with 8.3m at 2.12%Cu, 3.1m @ 6.89 g/t Au and 2.6m @ 1.57 g/t Pd and 0.96 g/t Pt all within the same mineralised envelope.

In the 2012 field season, a further 12 holes were drilled in Area 1 to further delineate the results from earlier programs. A number of shallow low-level U zones, and deeper U-Cu-Au-As mineralised zones were intersected, generally confirming previous results. Best drilling result was 2m @ 0.46% Cu with elevated U, Au and Pb in hole 12NNRC12. A number of strong sericite, chlorite and hematite zones were identified, and require further follow up.

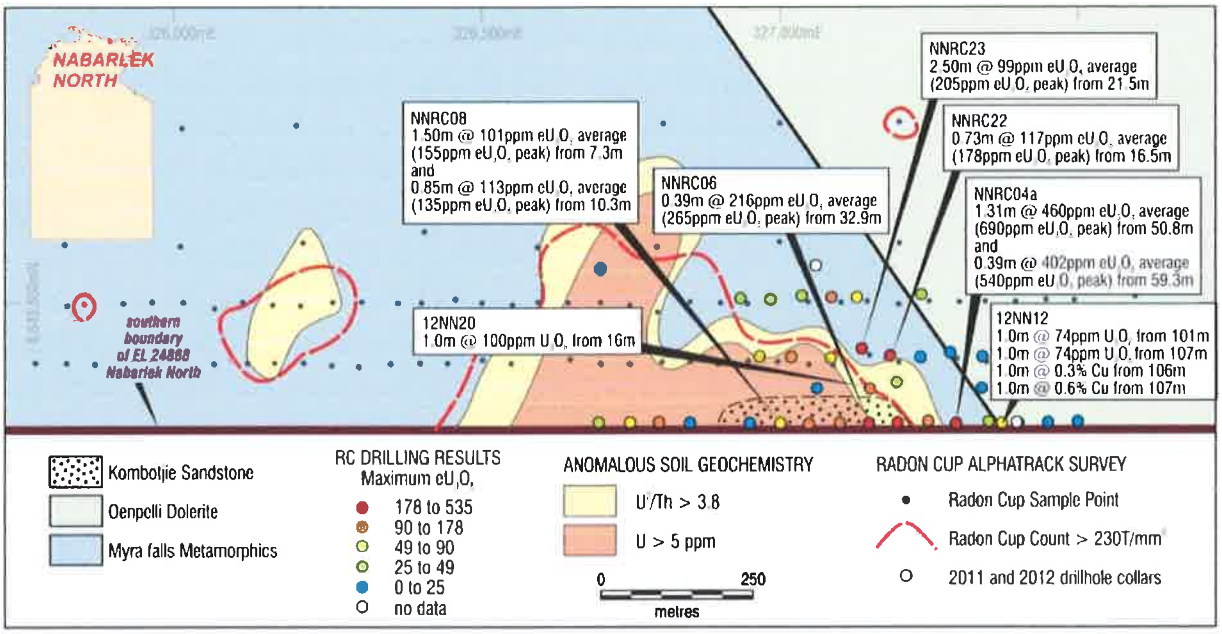

Fig 3. EL 24868 Nabarlek North Area 1 target summary exploration results.

Area 2

Four RC holes were drilled in Area 2 during the year to test a zone identified from anomalous soil geochemical sampling and radon cup results, conducted in the previous year. This area is located to the north of Area 1 along the Quarry Fault complex, as it approaches the regional Tor Fault. Drilling intersected a thick zone of clay above a schist-amphibolite basement containing abundant quartz with trace amounts of sulphides. A significant quartz vein zone was also located. The drilling confirmed that the area is underlain by mica schists and amphibolites of the Myra Falls Metamorphics, and not Nimbuwah Granites as previously interpreted. Low scintillometer readings resulted in no samples being submitted for assay, but further work is required to fully assess the results.

Area 3

Four RC holes were drilled in Area 3 during the 2012 season, to test zones of anomalous soil geochemistry and high radon cup counts obtained in the 2011 season, and from previous exploration over this area. The drilling program confirmed the presence of Oenpelli Dolerite and Myra Falls Metamorphic schists in the anomalous area, and two holes intersected significant fault zones comprising quartz breccia and hematitic alteration. Hole 12NNRC02 intersected 32m of fault material in two zones, although the orientation and true width of the zone is not known. Only a few intervals have been assayed, with only low level U and Cu values returned. Area 3 sits within the northern extension of the Nabarlek-Tip Fault Zones, which extends at least 7km south to the Nabarlek uranium mine (closed in 1988) which is regarded as a highly prospective structural corridor in the region.

Pandanus West (EL 24565)

The Pandanus West tenement is situated in the Murphy Uranium province in the Northern Territory, an extension of the Westmoreland Uranium province across the border in Queensland, and is prospective for Westmoreland or unconformity style uranium deposits. UXA holds one granted tenement (Pandanus West) of 960 sq km and three tenement applications in the area.

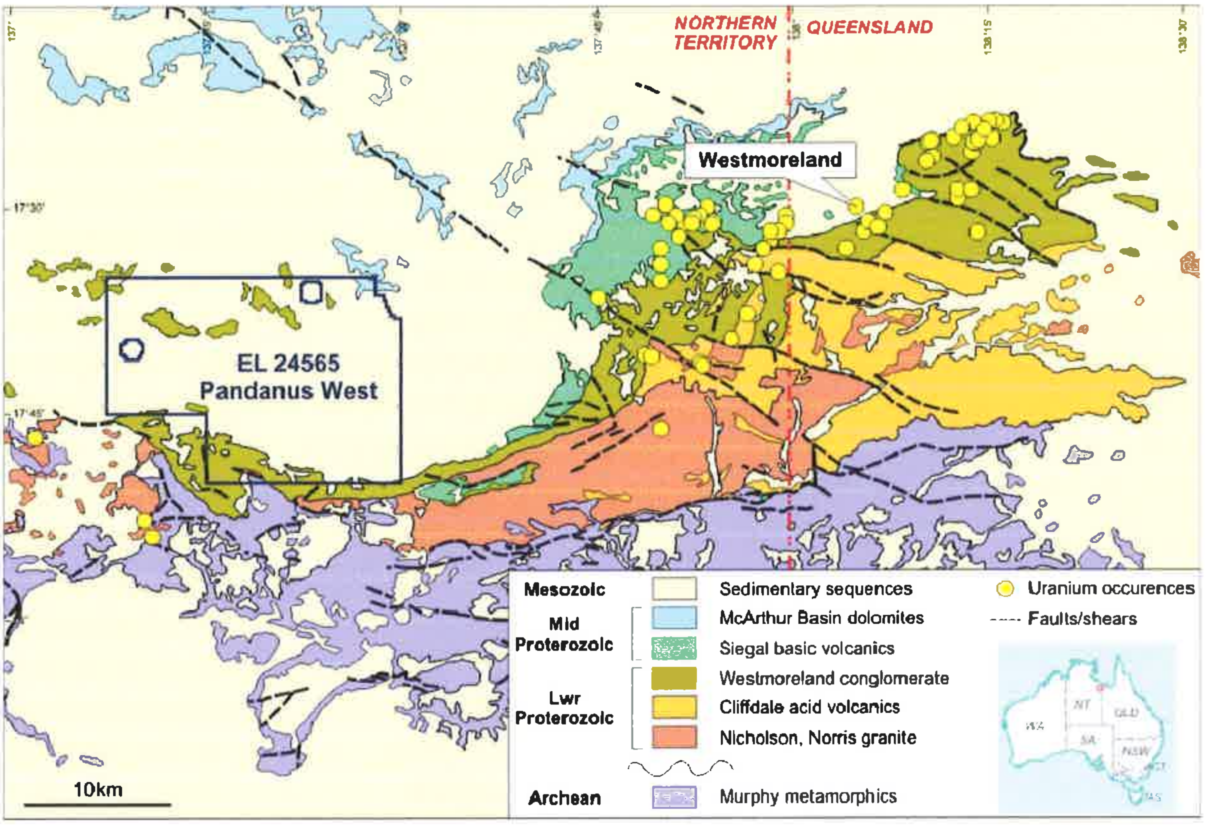

Fig 4. Location of EL 24565 Pandanus West showing regional mineralisation

Exploration was commenced at Pandanus West tenement in the previous year, with the flying of a detailed 6,900 line km airborne magnetic and radiometric survey. Little modern exploration had been undertaken over the tenement area prior to this survey. Activities during the current year include interpretation of the airborne survey results, ground mapping and sampling, and preliminary investigation of uranium anomaly sources.

Interpretation of the airborne geophysical survey indicates the tenement covers extensive areas of mid-Proterozoic basement rocks, including Westmoreland Conglomerate and Seigal Volcanics, particularly in the south. This sequence hosts much of the uranium mineralisation in the Westmoreland area further to the east. The central part of the tenement has outcropping Mesozoic and Tertiary sediments covering the McArthur Basin sequence. The thickness of this is cover sequence is poorly known, but appears to increase towards the east.

Field examination has confirmed the presence of the Westmoreland conglomerate units extending for the entire length of the tenement southern boundary. Initial reconnaissance follow up of U^2/Th anomalies has identified association with younger Mesozoic and Tertiary cover rocks, but detailed follow up is required. Limited rock chip sampling and petrographic analysis has identified the presence of basic volcanics (Seigal Volcanics) in the uranium anomalous areas.

Katherine North (ELA 24577)

The Katherine North tenement area was first applied for in 2005, and was placed in moratorium following previous attempts to engage with traditional owners and locals. The tenement is prospective for Cu-Au-U mineralisation. UXA is preparing to re-commence negotiations concerning the tenement once the current 5 year moratorium period expires in 2014. The application is held 100% by UXA.

Commonwealth Hill (EL 4971)

The Commonwealth Hill tenement (EL4971) lies in the Green Zone of the Woomera Prohibited Area (WPA) in South Australia and is prospective for Archaean lode gold deposits, similar to the Challenger gold mine 10km to the south, and for sedimentary-hosted uranium in the Garford palaeochannel which transects the northern part of the tenement. The tenement has only been lightly explored, given its proximity to the operating Challenger gold mine.

The Company currently holds a native title mining agreement with the Antakirinja traditional owners and has signed an access agreement with the Commonwealth Department of Defence. Under the revised terms for exploration in the WPA, Green Zone tenement holders will have 309 days annual access to their tenements for exploration.

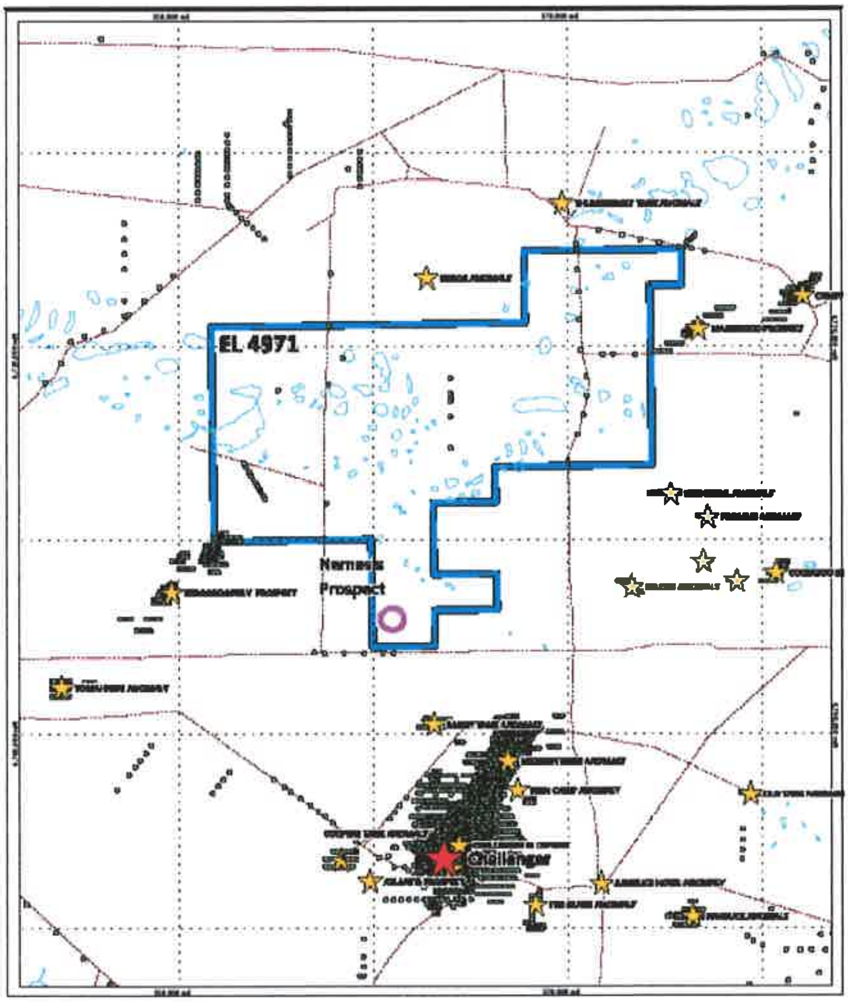

Fig 5. Location of EL 4971 Commonwealth Hill showing the location of the Nemesis prospect and the Challenger Gold Mine. Grid squares are 10 km.

Previous regional exploration over the tenement located a zone of near-surface gold mineralisation in the south of the tenement, termed the Nemesis prospect. At this location, regional calcrete sampling and follow-up 400m grid sampling identified a 1km long gold in calcrete anomaly, with peak value 42 ppb. Blue quartz float at surface went up to 0.79 g/t Au, and saprolite samples contain significantly elevated C-Pb-Zn-Ni-As. Elsewhere, calcrete sampling has identified other Au and Cu-Pb-Zn-As anomalous zones.

Shallow drilling on 200m centres at Nemesis, to an average depth of 36m, has identified zones of low-level gold and Cu-Pb-Zn-As mineralisation within the saprolite cover, and within the highly folded gneissic basement. Many of the mineralised zones occur at the bottom of the holes.

Further drilling of the Nemesis zone at depth, and further detailed delineation of the regional anomalies already defined is planned. Exploration below the known Garford palaeochannel in the centre of the tenement is also planned, as it covers the projected strike extension of known gold mineralisation outside of the tenement to the south west.

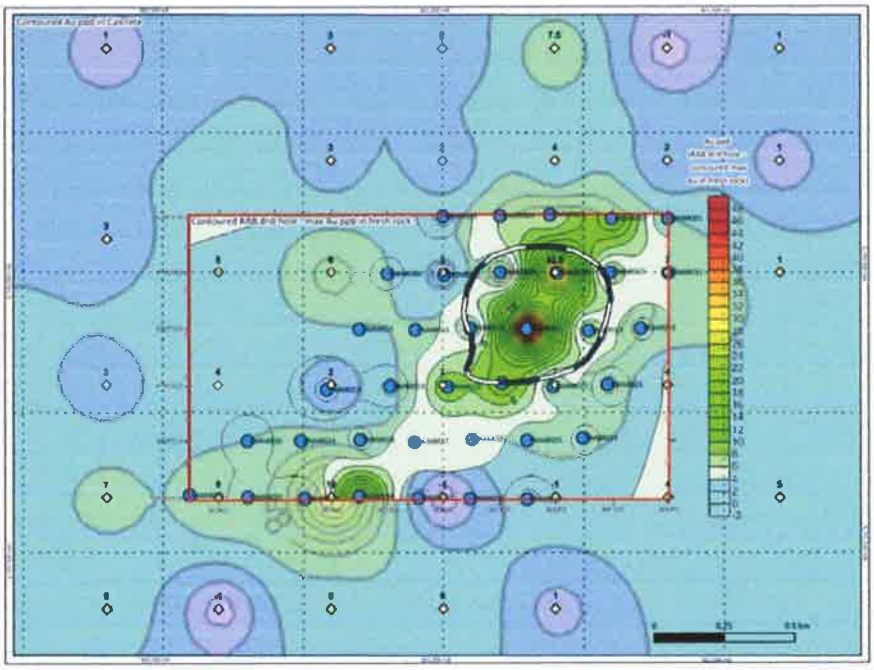

Fig 6. Detail of the Nemesis Prospect, showing colour contoured regional gold calcrete results, and overlayed RAB drilling results. Challenger Gold Mine 500m diameter open pit outline shown for scale.

Mundi Plains-Junction Dam Project, Cu-Au, Pb-Zn-Ag

The Broken Hill region of far western New South Wales and eastern South Australia is highly prospective for stratiform Broken Hill-style lead-zinc-silver deposits. UXA's Mundi Plains and Junction Dam joint venture with Teck Australia Pty Ltd and other parties covers approximately 750 sq km of prospective geology to the west of the town of Broken Hill.

Little exploration was conducted on the tenements during the year to 30 June 2013, and in August 2013 UXA exited the project.

Stuart Shelf Cu-Au-U Project

The Stuart Shelf region in South Australia is highly prospective for large copper-gold-uranium deposits, and hosts the world class Olympic Dam deposit, as well as the Prominent Hill deposit and the Carrapateena deposit currently under evaluation.

During the year, joint venture partner and manager Straits Resources Ltd decided to excise five tenements from the Stuart Shelf joint venture, and retain four tenements for further exploration assessment. Subsequently UXA decided to exit the joint venture and sold its residual equity in the four joint venture tenements to Straits for $375,000.

UXA continued to hold two tenements in the Stuart Shelf region in its own right, EL 4927 Playford and EL 4928 Playford South East. Subsequent to year end, UXA relinquished EL 4928 Playford South East.

Details of all Tenements held or which UXA has rights to at 30 June 2013

Number	*State*	*Exploration Licence Name*	*Status*	*Application*	*Date Granted*	*Expiry*	*Area km²*
EL 4971	South Australia	Commonwealth Hill	Granted	17/03/2011	08/08/2012	07/08/2014	265
EL 4927	South Australia	Playford	Granted	18/08/2010	19/06/2012	18/06/2014	285
EL 4928	South Australia	Playford SE	Granted	15/09/2011	18/12/2011	17/12/2013	477
Sub-Total							**1,027**
EL 24565	Northern Territory	Pandanus West	Granted	02/02/2005	18/05/2011	17/05/2017	960
ELA 28690	Northern Territory	Pandanus West "A"	Application	02/02/2005	-	-	7
ELA 28691	Northern Territory	Pandanus West "B"	Application	02/02/2005	-	-	7
ELA 28692	Northern Territory	Pandanus West "C"	Application	02/02/2005	-	-	14
ELA 24577	Northern Territory	Katherine North	Application	02/02/2005	-	-	223
EL 24868	Northern Territory	Nabarlek North	Granted	02/02/2005	27/09/2010	26/09/2016	191
ELA 28241	Northern Territory	Nabarlek North "A"	Application	19/08/2005	-	-	13
ELA 28242	Northern Territory	Nabarlek North "B"	Application	19/08/2005	-	-	12
ELA 28243	Northern Territory	Nabarlek West "A"	Application	02/02/2005			47
ELA 28244	Northern Territory	Nabarlek West "B"	Application	02/02/2005	-		8
ELA 24586	Northern Territory	Rum Jungle NE	Application	02/02/2005			35
Sub-Total							**1,517**
Grand Total							**2,544**

Competent Person Statement

Information presented in this report relating to Exploration Results was prepared and first disclosed by the Company under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms is it not aware of any new information or data that materially affects the information included in the previous market announcements.

The information in this report that relates to Exploration Results is compiled by Mr David Walker, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Walker is the Managing Director of Dalkeith Resources Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Walker consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Wireline Logging Business

During the December 2012 quarter UXA decided to divest its wireline logging business in Australia and USA, and re-focus on exploration activities. The decision to sell its wireline logging business, along with its complimentary Prompt Fission Neutron (PFN) technology, was taken after a general contraction of logging work in the mineral industry. The following technical comments are included here for reference only.

GAA Wireline (GAA)

During the year, GAA Wireline, operator of the Australian downhole wireline logging business, continued its operations across a wide range of industries. The majority of business generated was for coal, iron ore and uranium exploration projects.

Specific areas of operation were:

- Iron Ore in South Australia and New South Wales
- Coal in Queensland
- Uranium in South Australia and Western Australia,
- Base Metals in South Australia

The PFN technology was sold in early 2013. UXA subsequently found no interest for the GAA business, and the assets of GAA were auctioned in June 2013, and the company placed in liquidation in July 2013.

The USA wireline logging business is operated by Geoscience Services USA (GS USA), a subsidiary of GAA Wireline, based in Jackson, Mississippi. During the year GS USA continued to provide services to the uranium exploration industry, including PFN surveying. GS USA was mainly active in Wyoming and Texas.

UXA sold its GS USA business to a group of GAA Wireline's managers including CEO David Quinn and Non-executive Director David Sutich, effective November 2012. The consideration for the sale was $440,220 including assumption of outstanding lease obligations, and was approved by UXA shareholders at the Annual General Meeting on 17 April 2013.

Subsequent Events

Significant Events during the year which have Impacted on the Current Position of the Company as at 30 June 2013.

The securities of UXA have remained in suspension from trading on ASX (ASX: UXA) from 1 October 2012 whilst negotiations continued to recapitalise the Company. The recapitalisation did not occur. As a consequence, UXA reported that its directors had placed its wholly-owned subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation on 8 July 2013 and then proceeded to appoint administrators to the parent company, UXA Resources Limited, on 26 July 2013.

As at the date of appointment of the Liquidator and Administrator respectively, the directors lost control of the company and its subsidiaries.

Effect of the loss of control of the subsidiary companies on the financial position of the Company:
in thousands of dollars

Cash and Cash Equivalents	(28)
Trade and Other Receivables	(32)
Inventories	-
Other Current Assets	-
Plant and Equipment	(853)
Deferred Tax Assets	-
Trade and Other Payables	(376)
Employee Benefits	(345)
Financial Liabilities	(852)
Deferred Tax Liabilities	-
Gain / (Loss) on Loss of Control of Subsidiaries	**(2,486)**

Loss of control of subsidiaries

On 8 July 2013 Geoscience Associates Australia Pty Ltd was placed into liquidation and the Company lost control of that subsidiary. On 26 July 2013 the directors of UXA Resources Limited appointed Administrators to the parent company, UXA Limited. From that date, directors lost control of the parent company.

Execution of Deed of Company Arrangements (DOCA)

Since the administrators were appointed to UXA, the creditors of UXA resolved to execute a Deed of Company Arrangement (DOCA) with Palgrave Resources Limited (Palgrave) on 22 November 2013.

The estimated effect of the execution of the DOCA on the financial position of the Company:

Trade and Other Receivables	-
Trade and Other Payables	1,657,513
Employee Benefits	41,490
Net Liabilities	**1,699,003**
Estimated Receivable from Fund Raising ("Agreed Amount")	(300,000)
Estimated Return to Employees	41,490

Estimated Return to Secured Creditor	-
Estimated Return to Unsecured Creditors	28,510
Payables - DOCA	230,000
Gain / (Loss) on Discharge of Debts upon Execution of DOCA	**1,699,003**

Summary of Arrangement between Palgrave Resources Limited and UXA Resources Limited (subject to Deed of Company Arrangement)

Arrangement with UXA

On 22 November 2013 Palgrave Resources Ltd signed agreements with UXA, its Administrator and its two convertible noteholders to restructure UXA and appoint Palgrave Directors as directors of UXA. The agreements also provide for the orderly progress of the restructuring of UXA, the holding of a shareholders meeting and relisting and capital raising by way of new issue to shareholders. The terms of the arrangement are set out in more detail in the following section.

Terms of DOCA Proposal

Under the agreements between Palgrave and UXA, the Administrator will continue in his role until UXA shareholders approve the Palgrave proposal. The DOCA provides for a moratorium period in which claims against UXA cannot be enforced while the capital restructure and relisting of the company's shares is being undertaken.

All approvals by ASX, Shareholders and ASIC for the transactions contemplated by the DOCA and the Reconstruction Deed must occur on or before in the end of August 2014 or as extended. Upon a distribution being made to Creditors under the Creditors' Trust in respect of admitted claims, all claims of creditors shall be released and extinguished. The DOCA will terminate following achievement of the proposed capital restructure as contemplated by the Reconstruction Deed and establishment of the Creditors' Trust.

The Restructure Proposal

Under the DOCA, Palgrave will undertake a capital restructure of UXA consisting of consolidation of the existing UXA shares, cancellation of lost capital, conversion of the convertible notes to equity together with the raising of capital by way of placement and public prospectus offer.

Subject to shareholder approval, Palgrave will initiate a UXA public offer to raise up to $3.2 million at a price not less than 5 cents per post consolidation share. A minimum of $1 million will be raised under the public offer.

Completion of the transaction is subject to several conditions. UXA shareholders must approve the transactions, at least $1 million must also be raised under the public offer, and all outstanding lodgements required by ASIC are to be finalised. Outstanding payments to both ASX and ASIC are to be met and confirmation received from ASX that it will lift the suspension on trading and re-instate the securities to quotation.

A notice of general meeting and explanatory statement will be sent to the Company's shareholders convening a shareholders' meeting at which shareholders will be requested to vote on resolutions including the issue of shares and options to the convertible noteholders ASOF and La Jolla, the appointment of Palgrave's directors to the Board of UXA, the consolidation of share capital, cancellation of lost capital, the issue of share placements and the proposed capital raising.

Effectuation of DOCA

Upon satisfaction of all of the conditions precedent, completion of the transactions contemplated by the Reconstruction Deed and establishment of the Creditors' Trust, the DOCA will be effectuated and will extinguish all creditor claims against the Company enabling the Company to be recapitalized and re-listed on the ASX.

Directors' Report

The Directors present their report together with the financial report of UXA Resources Limited (UXA) and of the Group, being the Company and its subsidiaries for the year ended 30 June 2013 and the auditor's report thereon.

Directors

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

Name and qualifications	Experience, special responsibilities and other director relationships
Neill Fleming Arthur Chairman *Eur Ing* BE Chem.(Hons), FAusIMM, C Eng, FIChE, FAICD	Neill was Chairman of Granite Power Limited until September 2013; Chairman of Metallum Resources PLC (UK) until 2012; and Chairman of Ambre CTL Ltd until March 2012. From January 2005 until December 2010 he was a Director of The Australasian Institute of Mining and Metallurgy (The AusIMM); until March 2006, Director of Superior Coal Limited; formerly CEO of ASX 200 listed and unlisted organisations in Australia and overseas; currently or formerly advisor on energy and infrastructure issues to a number of government bodies in Australia and overseas; and a professional mentor. Neill was appointed as a Director and Chairman of the Board on 17 February 2005. Other listed company Directorships held during past 3 years: Nil
Stephen Russell Penney Managing Director (Resigned 14 June 2013) BA, PhD, FAusIMM,	Dr. Russell Penney was appointed Managing Director of the company, effective as of 3 December 2008 and resigned on 14 June 2013. Previous to this appointment, Dr Penney was Executive Director and Chief Executive Officer of NGM Resources Limited (ASX: NGM), a diversified mineral exploration company with a focus on uranium and base metals. During his 4 years at NGM, Dr Penney led the team that acquired and advanced uranium and nickel exploration projects in three African nations. Dr Penney has a PhD in geology and a BA from Trinity College Dublin University and has conducted research at Oxford and Melbourne Universities. Dr Penney has worked for a number of larger mining companies including Placer Dome (now part of Barrick Gold), Pasminco (later becoming Zinifex), BP Minerals and CSIRO Exploration and Mining. Other listed company Directorships held during past 3 years: Nil

Directors (continued)

Name and qualifications	**Experience, special responsibilities and other director relationships**
Scott McKay Non-Executive Director *BA, CA*	Scott is a chartered accountant and has spent 33 years in Europe, China and Australia in Leadership and Consulting roles specializing in supply chain in a range of projects. His roles have included Finance Director, Chief Executive and General Manager Supply Chain roles and in delivery in brownfield and greenfield projects in Mining, Oil and Gas, Metals, Agriculture, Industrial and Consumer Good Sectors. Scott was an executive with the Resources Group in Aurecon until June 2013 and lead the Bulk Commodity Supply Chain group internationally as well as having a business development and client relationship management role with BHP Billiton and has been involved with the Olympic Dam project locally. He has also led mergers and acquisitions and held roles on remuneration and audit sub-committees. Appointed 29 March 2012
David Sutich Non-Executive Director *BEng*	David is an electrical engineer and wireline specialist with 18 years of business and operational management experience working with the major international oilfield services company Schlumberger across the Middle East, Asia and Australia. David has extensive global business development experience in the high technology resources services industry. Appointed 29 March 2012
Ian McLeay Mutton Non-Executive Director (Retired 3 December 2012)	Ian Mutton is a non-practicing lawyer with an extensive background in competition and product liability laws. Ian spent a decade with the Commonwealth Crown Solicitor on continuous secondment to the (then) Trade Practices Commission, and a decade and a half with CSR Limited devising and implementing product liability defence and asset protection strategies in Australia, New Zealand and the USA. Ian sits on boards of emerging listed and unlisted Australian companies engaged in the energy, exploration, technology, minerals and oil & gas exploration sectors in Australia. Appointed 6 July 2005 Retired 4 December 2012

Company Secretary

Graham Seppelt

Mr Graham Seppelt was appointed as Company Secretary on 1 December 2009.

Mr Seppelt has had extensive experience as a contract accountant and in corporate advisory roles. He is currently company secretary for Legend Corporation Limited, BSA Limited, and Australian Zircon NL.

Company particulars

UXA is incorporated in Australia. The address of the registered office and principal place of business is:

20 Oborn Road
Mt Barker
SA 5251 Australia
Phone: +61 8 8363 7970
Fax: +61 8 8363 7963
Email:
Web:

The relevant contact details for the Administrator:

Mr Adam Shepard
Farnsworth Shepard
Level 2, 32 Martin Place
Sydney NSW
Ph: (02) 7903 8000

Principal activities

UXA Resources Limited (ASX:UXA) is a diversified explorer that has exploration tenements in South Australia and Northern Territory located within world class mining provinces.

Review and result of operations and state of affairs

The loss after income tax amounted to $4,483,500 (2012: $8,221,422).

During the year ended 30 June 2013, 214,941,514 ordinary shares were issued at a weighted average price of 0.20 cents per share, totalling $438,932. These shares were issued by the conversion of convertible notes, and by placement of shares to investors. At 30 June 2013 the company noted that the securities of UXA had remained in suspension from trading on ASX (ASX: UXA) from 1 October 2012 whilst negotiations continued to recapitalise the Company. The recapitalisation did not occur. As a consequence, UXA reported that its directors had placed its wholly-owned subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation on 8 July 2013 and then proceeded to appoint administrators to the parent company, UXA Limited, on 26 July 2013.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year and no dividend is recommended for the current year (2012: nil).

Events subsequent to reporting date

Subsequent to reporting date in July 2013, an Administrator and Liquidator were appointed to UXA Resources Ltd and a wholly owned subsidiary respectively. Consequently the directors lost control of the company and its subsidiaries. Detailed comment on the subsequent events is reported in the earlier part of this report.

Environmental regulation

The Group's project areas are located on exploration licences ("ELs") issued by the Department of Primary Industries South Australia (SA) and Department of Mines and Energy (NT) and operate under environmental licences issued by the Environmental Protection Authority. These licences require the preparation of an annual Environmental Management report as well as periodic rehabilitation reports as exploration proceeds.

The Group has a statutory obligation to protect the environment in areas in which it was and is exploring. During the reporting period, the Group met its obligations pursuant to environmental legislation.

Corporate governance statement

The Company, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices, which reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with the Company.

These policies and practices remain under constant review as the corporate governance environment and good practice evolve.

This statement outlines the Company's system of governance during the Financial Year and the extent of the Company's compliance, as at the end of the Financial Year, by reference to the second edition of the ASX Corporate Governance Principles and Recommendations with 2010 amendments and to the Corporations Act 2001.

As at the date of publication, the Company complies with the recommendations in all respects other than *Recommendation 3.3.*

1. The Board and Executive Directors

The Board is responsible for the appointment and contract with the Managing Director. The Managing Director leads the organisation and develops a business strategy and budget in collaboration with the Board and implements them, once approved by the Board.

The Managing Director is responsible for the internal work culture of the Company, for the employment of staff and consultants and for overall financial and operational management and control. The Managing Director is the primary spokesperson for UXA and the lead person in its key relationships with Government, ASX and other organizations whilst focusing on the management of exploration programs, technical reporting and any future joint ventures and commercial opportunities.

Under the Constitution of the Company, the Directors may confer upon the Managing Director any of the powers exercisable by the Directors upon such terms and conditions and with any restrictions as they see fit. Likewise, the Directors may at any time revoke, withdraw, alter or vary all or any of those powers. The Board determines the performance goals and remuneration of the Managing Director.

2. Meetings of Directors

The following table sets out the number of meetings of the Company's Directors during the year ended 30 June 2013 and the number of meetings attended by each Director.

	Board Meetings		Audit Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Neill Arthur	25	25	-	-	1	1
Ian Mutton	14	7	12	7	-	-
Russell Penney	24	15	-	-	-	-
Scott McKay	25	23	16	16	1	1
David Sutich	25	22	10	5	1	1

3. *Share options*

Options issued/exercised/expired in the current financial year

There were no unlisted options granted to directors or to employees under an approved Employee Share Option Plan (ESOP). 14,495,000 options expired during the year. The issued options have exercise prices as follows:

Total outstanding options at the date of this report:

Unlisted options	Exercisable at 20 cents on or before 4 December 2014	1,500,000
Unlisted options	Exercisable at 0.899 cents on or before 12 April 2015	5,000,000
TOTAL UNLISTED OPTIONS		**6,500,000**

4. *Non-audit services*

No non-audit services were provided by the Group's auditor during the current financial year.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

Audit services	**2013 $**	**2012 $**
Remuneration for audit and review of financial reports under the Corporations Act 2001	78,500	73,000

Non-audit services	**2013 $**	**2012 $**
Research and development tax related services	-	9,358

5. *Remuneration report - Audited*

5.1 *Principles of compensation*

The Chairman, Managing Director and the non-executive Directors together have the authority and responsibility for directing and controlling the activities of the Company and are therefore considered key management personnel. The Company Secretary is also considered key management personnel. The Company has not appointed any other key management personnel who participate in making decisions affecting the whole or a substantial part of the business of the Company or its financial standing.

Remuneration levels of the Board and Managing Director are approved by the Board. In doing so, the Board seeks to retain the professional services of Directors as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary. The Board has not engaged the services of any remuneration consultants for the year ended 30 June 2013.

The Board delegates the review and determination of appropriate remuneration levels of staff to the Managing Director.

Remuneration of the Managing Director and staff is determined with reference to prevailing industry standards and is set with the aim of attracting and retaining the best possible calibre of employees.

The Managing Director entered into an Employment Agreement (variation to existing agreement) with the Company dated 24 March 2011 at a salary of $325,000 (inclusive of superannuation). In addition, 3 million shares will be issued if the UXA share price exceeds 10 cents for ten consecutive trading days (vesting 50% on award and 50% in 12 months time) plus a Discovery Bonus equal to 20% of the fixed remuneration component (comprising 50% cash and 50% shares calculated at the date of issue) for the discovery of inferred resources. The Agreement has no fixed term and may be terminated by either party on six months written notice. There are no additional termination payments provided for under the Agreement. On 14 December 2012, the Managing Director tendered his resignation, effective from 14 June 2013.

Non-executive Directors are each paid a fee, totalling $40,000 plus a $6,000 committee fee per annum (exclusive of superannuation) and the non-executive Chairman is paid $60,000 plus $6,000 committee fee. Executive Directors are not paid Directors' fees. No performance-based bonuses or option-based remuneration was made to non-executive Directors. Members of the Audit Committee are paid an additional fee of $5,000 per annum (exclusive of GST or superannuation).

The total of all non-executive Directors' fees, exclusive of consulting fees, GST or superannuation, in any one financial year will not exceed $300,000 without approval by the Members. The level of individual non-executive Director's fees within the approved total is determined by the Board. Upon retirement, a non-executive director may be entitled to a retirement benefit based on their total fees over the prior three years in accordance with the Corporations Act 2001. In due course, one or more of the Directors may become salaried employees, depending on the way in which the activities of UXA develop. In the event that such Director(s) become salaried employees, their remuneration will be inclusive of any Directors' fees.

5.2 Directors' and executive officers' remuneration

Directors

2013 ($)	Short-term			Post - employment			Share – based payments	TOTAL	*Value of options as proport-ion of remuner-ation (%)*
	Salary	Fees / comms	Total	Super-annuation benefits	Long Service Leave	Retire-ment Benefit	Options		
N Arthur	72,699	6,000	78,699	-	-	-	-	78,699	-
R Penney*	211,200	-	211,200	19,008	-	-	-	230,208	-
I Mutton**	13,333	-	13,333	1,200	-	-	-	14,533	-
S McKay	46,789	-	46,789	4,211	-	-	-	51,000	-
D Sutich	51,000	22,000	73,000	-	-	-	-	73,000	-
D Hawley***	33,333	-	33,333	-	-	-	-	33,333	-
Total	**428,354**	**28,000**	**456,354**	**24,419**	-	-	-	**480,773**	-

*Russell Penney retired on 14 June 2013
** Ian Mutton retired on 3 December 2012
*** D Hawley retired on 30 June 2012

Key Management Personnel

2013 ($)	Short-term			Post - employment		Share – based payments	TOTAL	*Value of options as proporti on of remuner -ation (%)*
	Salary	Fees / Comms	Total	Super-annuation benefits	Long Service Leave	Options		
S Powell**** *General Manager*	185,964	37,133	223,097	15.748		-	238,845	-
A White***** *Chief Financial Officer*	122,926	-	122,926	11,063	-	-	133,989	-
D Quinn****** *CEO Geoscience*	145,833	-	145,833	13,125	-	-	158,958	-
G Seppelt *Company Secretary*	-	46,933	46,933	-	-	-	46,933	-
Total	**454,723**	**84,066**	**538,790**	**39,936**		-	**578,726**	-

**** Simon Powell resigned 28 March 2013
***** Andrew White resigned on 15 December 2012
****** David Quinn left on 15 April 2013

Directors' and executive officers' remuneration

2012 ($)	Short-term			Post - employment			Share – based payments	TOTAL	*Value of options as proportion of remuneration (%)*
	Salary	Fees and comms	Total	Super-annuation benefits	Long Service Leave	Retire-ment Benefit	Options		
N Arthur	66,000	5,820	71,820	5,940			-	77,760	-
R Penney	298,165	-	298,165	26,835	3,335		-	328,335	-
S Gemmell	26,000		26,000	2,340		40,000		68,340	
D Hawley	46,000		46,000	4,140				50,140	
I Mutton	46,000	-	46,000	4,140			-	50,140	-
S McKay	10,308	-	10,308	928	-	-	-	11,236	-
D Sutich	10,308	-	10,308	928	-	-	-	11,236	-
Total	**502,781**	**5,820**	**508,601**	**45,251**	**3,335**	**40,000**	-	**597,187**	-

The fees / commissions consist of travel costs to attend seminars, commission on equity raising and consultancy fees.

Other Key Management Personnel

2012 ($)	Short-term			Post - employment		Share – based payments	TOTAL	*Value of options as proportion of remune r-ation (%)*
	Salary	Fees / Comms	Total	Super-annuation benefits	Long Service Leave	Options		
S Powell *Senior Geologist*	194,337	-	194,337	17,490	1,071	-	**212,898**	-
A White *Chief Financial Officer*	183,486	-	183,486	16,514	2,052	-	**202,052**	-
D Quinn *CEO Geoscience*	175,000	-	175,000	16,176	2,703	89	**193,968**	-
G Seppelt *Company Secretary*	-	41,150	41,150	-	-	-	**41,150**	-
Total	**552,823**	**41,150**	**593,973**	**50,180**	**5,826**	**89**	**650,068**	-

5.3 Options granted as part of remuneration

There were no options granted to Directors during the year. There were no bonuses paid to the Directors during the year. The number of options is determined according to the relative performance of the Company's shares against a basket of uranium explorer shares (to be determined) over the year prior to the anniversary date. There are no performance criteria for the issue of options to non-executive directors.

5.4 Performance income as a proportion of total remuneration

No performance-based bonuses have been paid to Directors or executives during the financial year. It is the intent of the Board to include performance bonuses as part of remuneration packages in the future.

5.5 Directors' Interests

Ordinary shares

	Held at 1 July 2012	Purchases	Received on exercise of options	Sales	Held at 30 June 2013
N Arthur	5,819,081	-	-	-	5,819,081
R Penney	5,816,768	-	-	-	5,816,768
I Mutton	114,286		-	-	114,286
S McKay	2,369,863	-	-	-	2,369,863
D Sutich	2,369,863	-	-	-	2,369,863
Total	**16,489,861**	-	-	-	**16,489,861**

Options over ordinary shares

	Held at 1 July 2012	Granted as compen-sation	Exercised/ Lapsed/ Purchased	Held at 30 June 2013	Vested during the year	Vested and exercisable at 30 June 2013
N Arthur	1,500,000	-	-	1,500,000	-	1,500,000
I Mutton	1,000,000	-	1,000,000	-	-	-
R Penney	3,000,000	-	3,000,000	-	-	-
Total	**5,500,000**	-	**4,000,000**	**1,500,000**	-	**1,500,000**

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee has regard to the following indices in respect of the current financial year and the previous five financial years.

	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Loss attributable to owners of the Company	4,583	8,221	3,608	6,173	5,928	3,080
Basic and diluted loss per share (cents)	0.6	1.8	1	3	7	3

10.6 Diversity

The board recognizes that it is appropriate to have gender diversity throughout the company to assist in balancing overall priorities and skills for the company as a whole.

The Group values an inclusive culture where all people are able to succeed to the best of their ability. These principles also guide our employees' conduct in all their dealings with stakeholders of the

Company. Diversity is regarded as a key factor in enabling the Company to attract the broadest range of talent in the market when positions become vacant.

Our commitment to diversity requires that we work to ensure an environment which is supportive of equality and access for all our staff to career opportunities, development, remuneration and benefits.

However, because of the very small size of the workforce within the company, UXA considers applicants for each vacant position on merit, skill and aptitude for the role required rather than being conscious of a target for various classes of diversity, including gender. As a result, the company has not set targets for any of the multiple opportunities for diversity.

Directors' and Officers' indemnification

During the financial year, the Group paid premiums to insure the Directors and Officers of UXA. No indemnity or premium was paid in respect of the auditor.

UXA has agreed to indemnify and keep indemnified the Directors and Officers of UXA against all liabilities incurred by the Directors or Officers as a Director or Officer of UXA and all legal expenses incurred by the Directors or Officers as a Director or Officer of UXA.

The indemnity applies to the extent and in the amount that the Directors or Officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by UXA, under the general law or otherwise.

The indemnity does not extend to any liability:

- to UXA or a related body corporate of UXA; or
- arising out of conduct of the Directors or Officers involving a lack of good faith; or
- which was incurred prior to January 2005 and which is in respect of any negligence, default, breach of duty or breach of trust of which the Directors or Officers may be guilty in relation to UXA or related body corporate.

Proceedings on behalf of UXA

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

UXA was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 25 and forms part of the Directors' Report for the year ended 30 June 2013.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This Report is signed in accordance with a resolution of the Directors.

Neill F Arthur
Director
4 August 2014

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

To: the directors of UXA Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

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

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

KPMG

Scott Fleming
Partner

Adelaide

4 August 2014

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

In thousands of AUD	Note	2013	2012
Revenue			
Logging revenue		2,702	4,564
Total revenue		2,702	4,564
Other income	6	1,662	565
Operating Costs			
Professional fees		(539)	(478)
ASX/ registry expenses		(14)	(34)
Depreciation & amortisation expense		(453)	(1,067)
Impairment expense		(1,217)	(4,379)
Printing & communications		(99)	(141)
Insurance		(227)	(243)
Employee related expenses		(3,183)	(4,243)
Advertising/ promotions expenses		(14)	(51)
Travel		(278)	(639)
Office expenses		(249)	(314)
Exploration expenditure written off		(2,003)	(276)
Share options expense		-	(40)
Conversion option		608	(608)
Loss on sale of property, plant & equipment		(298)	-
Other expenses		(771)	(717)
Total expenses		(8,737)	(13,230)
Loss from operating activities		(4,373)	(8,101)
Interest revenue		9	61
Interest expense		(219)	(275)
Net finance costs		(210)	(214)
Loss before income tax		(4,583)	(8,315)
Income tax benefit	10	-	94
Loss for the year		(4,583)	(8,221)
Other comprehensive income		(184)	158
Total comprehensive loss		(4,767)	(8,063)
		Cents	Cents
Basic loss per share	32	(0.6)	(1.8)
Diluted loss per share	32	(0.6)	(1.8)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements

Consolidated balance sheet

As at 30 June 2013

In thousands of AUD	Note	2013	2012
Assets			
Cash and cash equivalents	11	101	932
Trade and other receivables	12	-	1,023
Inventories	13	-	100
Other current assets	14	-	9
Intangible assets	16	-	-
Assets Held for Sale	15	855	3,070
Exploration and evaluation assets	17	1,208	2,777
Other non-current assets	18	-	91
TOTAL ASSETS		**2,164**	**8,002**
Liabilities			
Trade and other payables	19	1,436	1,016
Employee Entitlements	20	366	332
Loans and borrowings - Secured	27	852	1,259
Loans and borrowings – Convertible Notes	27	1,302	2,003
Deferred income		-	848
TOTAL LIABILITIES		**3,956**	**5,458**
NET ASSETS		**(1,792)**	**2,544**
Equity			
Share capital	21	30,855	30,424
Reserves	22	1,268	1,452
Accumulated losses		(33,915)	(29,332)
TOTAL EQUITY		**(1,792)**	**2,544**

The consolidated balance sheet is to be read in conjunction with the notes to the financial statements

Consolidated statement of cash flows

For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		3,924	4,354
Cash payments to suppliers and employees		(4,725)	(6,372)
Interest received		9	61
Interest paid		(219)	(275)
Net cash used in operating activities	25	**(1,011)**	**(2,232)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(434)	(1,409)
Payments for property, plant & equipment		(209)	(551)
Proceeds from sale of fixed assets		534	109
Proceeds from sale of tenements		375	-
Refund / (payment) of bonds/ term deposits		-	70
Net cash from / (used in) investing activities		**266**	**(1,781)**
Cash flows from financing activities			
Proceeds from issue of share capital		79	582
Proceeds from borrowings		58	327
Proceeds from convertible notes		242	2,758
Repayment of borrowings		(465)	(1,217)
Net cash from / (used in) financing activities		**(86)**	**2,450**
Net decrease in cash and cash equivalents		**(831)**	**(1,563)**
Cash and cash equivalents at 1 July		**932**	**2,495**
Cash and cash equivalents at 30 June	11	**101**	**932**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements

Consolidated statement of changes in equity

For the year ended 30 June 2013

	Issued Capital $'000	Accumulated Losses $'000	Reserves $'000	Total $'000
Balance at 1 July 2012	30,424	(29,332)	1,452	2,544
Loss for the year	-	(4,583)	-	(4,583)
Other comprehensive income	-	-	(184)	(184)
Total comprehensive loss for the period	-	(4,583)	(184)	(4,767)
Transaction with owners, recorded directly in equity				
Contributions by and distributions to owners				
Fair value of equity issued – Convertible Notes	360	-	-	360
Fair value of equity issued – Placement	79	-	-	79
Share issue costs	(8)	-	-	(8)
Total contributions by and distributions to owners	431	-	-	431
Balance as at 30 June 2013	**30,855**	**(33,915)**	**1, 268**	**(1,792)**
Balance at 1 July 2011	28,362	(21,111)	1,254	8,505
Total comprehensive loss for the period				
Loss	-	(8,221)	-	(8,221)
Other comprehensive income				
Total other comprehensive income	-	-	158	158
Total comprehensive loss for the period	-	(8,221)	158	(8,063)
Transaction with owners, recorded directly in equity				
Contributions by and distributions to owners				
Fair value of equity issued – Rights Issue / SPP	582	-	-	582
Fair value of equity issued – Convertible Notes	1,384	-	-	1,384
Fair value of equity issued – Placement	195	-	-	195
Share issues costs	(99)	-	-	(99)
Fair value of options granted	-	-	40	40
Total contributions by and distributions to owners	2,062	-	40	2,102
Balance as at 30 June 2012	**30,424**	**(29,332)**	**1,452**	**2,544**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements

Notes to the consolidated financial statements

1. Reporting entity

UXA Resources Limited (UXA) is a company domiciled in Australia. The address of UXA's registered office is 20 Oborn Road Mount Barker SA 5251. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise UXA Resources Ltd and its subsidiaries, Geoscience Associates Australia Pty Ltd, Geoinstruments International Pty Ltd and Geoscience Services USA Inc. (wholly owned and consolidated until sold on 17 April 2013) together referred to as the 'Group' and individually as 'Group entities.' UXA is a for profit entity.

2. Basis of preparation

(a) Realisation basis of preparation

At 30 June 2013, the Group had a net asset deficiency of $1,792,000 and had been unable to refinance its debts or raise capital. The Company ceased to trade and was placed in Administration on 26 July 2013. The Company was suspended from listing on the Australian Stock Exchange on 23 August 2013.

Based on current forecasts there is significant uncertainty as to the Group's ability to meet it's commitments over the foreseeable future. Consequently, the financial statements have not been prepared on a 'going concern' basis but rather have been prepared on an 'alternate' basis representing a planned orderly realisation of assets and settlement of liabilities.

The Company's ability to resume operations as a going concern is contingent upon successfully raising additional capital and negotiating the settlement of its liabilities through a Deed of Company Arrangement (DOCA) which was executed between the Company and Palgrave Resources Limited on 22 November 2013. The Company expects to realise its assets and extinguish its liabilities at amounts different from those stated in the financial report, on the basis of the conditions outlined in the DOCA.

Refer note 29 and 30 for further details in connection with the Group's financial position and the DOCA.

(i) Realisation basis of accounting

The 'realisation basis' of accounting adopted by the Group in the preparation of its financial statements continues to apply the requirements of Australian Accounting Standards taking into account that the Group is not expected to continue as a going concern in its present form in the foreseeable future.

As the property, plant and equipment assets meet the requirements for held for sale or discontinued operations under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations,* they were recognised as current assets and measured at the lower of their carrying amount and fair value less cost to sell. The carrying value of assets at 30 June 2013 reflects the directors' assessment of recoverable value based on fair value less costs to sell.

No additional provisions or liabilities have been recognised as a result of adopting the alternate basis of accounting as the Directors have not incurred any additional legal or contractual obligations.

The valuation of assets and liabilities included in these financial statements has been shown to reflect the subsequent event transactions that are known.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report also complies with the International Financial Reporting Standards (IFRS) and Interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 4 August 2014.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company and its Australian subsidiaries' functional currency. Geoscience Services USA, Inc. has its functional currency as United States dollars.

(e) Use of estimates and judgement

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 2(a) – Alternate basis of accounting

Note 10 – Tax loss recoupment

Note 16 – Intangible assets

Note 17 – Recoverability of exploration and evaluation assets

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Basis of consolidation

(i) Business combinations

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

(ii) Measuring goodwill

The Group measures goodwill as the fair value of the consideration transferred, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

(iii) Transaction costs

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

(iv) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed of.

(b) Net finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

(c) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(d) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(e) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

(f) Inventories

Inventories consist of spare parts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Property, plant and equipment

Items of property, plant and equipment are measured on the cost basis less accumulated depreciation and any impairment losses recognised.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised within Other Income in profit and loss

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to UXA and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

All plant and equipment have limited useful lives and are depreciated using the straight line method over their estimated useful lives. Assets are depreciated from the date they are available for use.

Depreciation rates, residual values and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads. The estimated useful life used for plant and equipment (office furniture and equipment and computer hardware) is three years. The estimated useful life for vehicles and tools used by the borehole logging business is five years and ten years respectively.

(h) Intangible assets

(i) Goodwill

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The average useful life applied to these other intangible assets is four years.

(iii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(i) Impairment

Financial assets

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

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

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Non-financial assets

The carrying amounts of UXA's property, plant and equipment and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from the other assets and groups. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(j) Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, initially are capitalised as either tangible or intangible exploration and evaluation assets on an area of interest basis. When a licence is relinquished the related costs are recognised in profit or loss immediately. Costs incurred before UXA has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if:

i. the rights to tenure of the area of interest are current; and
ii. the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
iii. activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

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

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (i)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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

(k) Employee benefits

Defined contribution superannuation funds

Obligations for contributions to superannuation funds under the Superannuation Guarantee are recognised as an expense in profit or loss when they are due.

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that UXA expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to UXA as the benefits are taken by the employees. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if UXA has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term benefits

The Group has a provision for Long Service Leave on the basis that some employees have more than three years employment service. The Group's net obligation in respect of long-service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value.

The Group will reassess the need for such a provision on an annual basis.

(l) Share-based payments

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

Further details of share based payments transactions are described in Note 21.

(m) Earnings per share

UXA presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary Shareholders of UXA by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary Shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(o) Joint ventures

The interests of the Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements its share of jointly controlled assets, jointly incurred liabilities and expenses and its share of income that it earns from the sale of goods or services by the joint venture.

(p) Revenue and income

Borehole logging services revenue

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to level of drilling work performed.

Other Income

Management fee revenue is recognised as the service is provided to the customer (joint venture partner) and is determined on the basis of expenditure by the joint venture as per the agreements between the joint venture parties.

Deferred income in relation to funds received from joint venture partners, representing the Company's share of future joint venture funding requirements, is recognised as income as the related expenditure is incurred by the joint venture.

Gains and losses on disposal of an item of property, plant and equipment, and exploration and evaluation assets are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised within Other Income in profit and loss.

(q) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Cash assets are carried at face value of the amounts deposited or drawn.

(r) Trade and other receivables

Trade and other receivables are recognised at cost and carried at original invoice amount less allowances for impairment losses. Payments with customers of the borehole logging business have trading terms of 30 days from date of invoice.

(s) Trade and other payables

Liabilities are recognised at their amortised cost for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

(u) Financial instruments

(i) Convertible notes

Convertible notes issued by the Group are financial instruments that will or may be settled in the Group's own equity instruments. The number of equity instruments varies, on conversion, so that the total fair value of the equity instruments delivered is equal to the amount of the contractual obligation.

The financial liability is recognised initially at fair value and subsequent to recognition, is measured at amortised cost.

The related conversion option is a derivative financial instrument and as such is initially recognised at fair value and subsequently re-measured to fair value on each reporting date. Changes in fair value are recognised immediately in the income statement.

The financial liability will be classified as current when the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting period. Terms of a liability that could at the option of the holder, result in its settlement by issue of equity instruments do not affect its classification.

(ii) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

(v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. The Standards and Interpretations most relevant to the Company that have not been early adopted are:

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements – applicable for annual reporting periods on or after 1 July 2013, the impact of adoption of this standard is yet to be assessed by the entity;

AASB 9 Financial Instruments - applicable for annual reporting periods beginning on or after 1 January 2015, the impact of adoption of this standard is yet to be assessed by the entity;

AASB 10 Consolidated Financial Statements - applicable for annual reporting periods beginning on or after 1 January 2013, this standard is not expected to have a material impact on the entity when adopted;

AASB 11 Joint Arrangements - applicable for annual reporting periods beginning on or after 1 January 2013, this standard is not expected to have a material impact on the entity when adopted;

AASB 12 Disclosures of Interests in Other Entities - applicable for annual reporting periods beginning on or after 1 January 2013, this standard is not expected to have a material impact on the entity when adopted;

AASB 119 Employee Benefits – applicable for annual reporting periods on or after 1 January 2013, this standard is not expected to have a material impact on the entity when adopted; and

AASB 13 Fair Value Measurement – applicable for annual reporting periods beginning on or after 1 January 2013, this standard is not expected to have a material impact on the entity when adopted,

The Company expects to adopt these standards and interpretations in the 2014 and subsequent financial years.

4. Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

credit risk

liquidity risk
market risk
operational risk.

This note presents information about Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk Management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risks. Approximately 18 per cent of the Group's revenue is attributable to sales transactions with a single customer. The credit risk is spread over several commodity types and several geographical locations. Commodity spread includes iron ore, uranium, coal and coal seam gas. Locations include South Australia, Queensland, Northern Territory and Texas and Wyoming in the United States of America. The Group's trade and other receivables relate mainly to the Group's logging customers.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements, including occupational health and safety requirements and national and state radiation regulations
- documentation of controls and procedures, which includes ensuring those controls and procedures meet customer requirements
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action, including re-forecasting at appropriate intervals
- training and professional development. As many of the borehole logging customers are remote mine sites, this includes ensuring the Group's staff are properly inducted on all work sites
- ethical and business standards
- risk mitigation, including insurance where appropriate

Capital management

The Board's policy and objective is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors made one placement of shares during the year in order to increase capital in an attempt to meet their objective. The policy has not changed from the previous annual report.

5. *Contingent Liabilities and Contingent Assets*

The Group does not have any contingent assets or liabilities

6. *Other Income*

	2013 $000	2012 $000
Gain (loss) on disposal of fixed assets	609	(9)
Management fees and realised income from RILA joint venture	1,015	574
Other income	38	-
	1,662	**565**

7. *Operating Segments*

During the year the Group continued with its corporate strategy to mitigate the risks of purely grass roots exploration through diversification of its business activities. As a result the Group operated three reportable segments during the year ended 30 June 2013, as described below, which were the Group's strategic business units. The strategic business units offer different services, and are managed separately to ensure confidentiality of client information. For each of the strategic business units, the Managing Director reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Exploration*: Includes Greenfields and more advanced mineral exploration activities with particular emphasis on uranium, base and precious metals. The Company continually evaluates projects, for farm-in or outright purchase.
- *Geophysical borehole logging:* Cash-generating businesses in Australia and the USA and includes borehole logging in the iron ore, coal, coal seam gas, uranium and geotechnical sectors. The businesses hold the sole rights to the Prompt Fission Neutron tool which provides unique surveying services to the uranium sector. The Company considers the Australian and USA businesses to be two separate reportable segments. During the year, the Company sold the rights to the PFN technology and also sold the assets of in the GeoScience Services USA Inc. The results below reflect the results of activity up until the point of sale of the assets associated with those businesses.

Information about reportable segments For the year ended 30 June 2013

	Exploration		Borehole Logging Aust		Borehole Logging USA		Elimination on consolidation		TOTAL	
$'000	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External Revenues	-	565	2,004	3,834	698	730	-	-	2,702	5,129
Inter-segment revenue	-	389	-	317	-	-	-	(706)	-	-
Depreciation and amortisation	(41)	(94)	(322)	(858)	(90)	(115)	-	-	(453)	(1,067)
Impairment expense	-	-	(1,217)	(3,303)	-	(1,076)	-	-	(1,217)	(4,379)
Interest Income	369	545	-	-	-	-	(360)	(484)	9	61
Interest Expense	(137)	(48)	(419)	(657)	(6)	(1)	343	431	(219)	(275)
Reportable segment profit/ (loss) before income tax and inter-company impairment	(3,306)	(2,015)	(1,011)	(4,265)	(284)	(1,992)	18	(43)	(4,583)	(8,315)
Intercompany impairment	-	(11,331)	-	8,296	-	3,035	-	-	-	-
Reportable segment assets	1,309	3,850	855	3,330	-	823	-	(1)	2,164	8,002
Reportable segment liabilities	2,571	3,417	1,295	1,932	90	104	-	5	3,956	5,458

8. Jointly controlled assets and liabilities

On 14 April 2013, RILA elected to withdraw from the UXA-RILA Joint Venture and from that date, the assets of the Joint Venture reverted to the Company. At year end the following amounts have been brought to account in the financial statements.

	2013 $'000	2012 $'000
Cash and cash equivalents*	40	489
Property, plant and equipment	-	1
Exploration and evaluation assets	947	806
Trade and other payables	-	39

**cash at 30 June 2012 was restricted to funding the Company's share of joint venture exploration activity.*

9. *Auditor's remuneration*

Audit services	**2013**	**2012**
Auditors of UXA – KPMG Australia:	**$**	**$**
Audit and review of the financial reports	$78,500	73,000
Other services		
Auditors of UXA – KPMG Australia:		
Non-audit services	-	9,358

10. *Taxation*

	2013 $'000	2012 $'000
Income tax expense:	-	
Current tax	-	-
Deferred tax	-	-
Under/(over) provision in prior years	-	(94)
	-	(94)
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30%	(1,375)	(2,495)
Add:		
Tax effect of:		
- other non-allowable items	-	203
- unused tax losses and tax offsets not recognised as deferred tax assets	1,375	2,291
Less:		
Tax effect of		
- R&D tax offset credit (prior year)	-	(94)
Income Tax benefit attributable to entity	-	(94)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for recoverability set out in the accounting policies note occur.	$'000	$'000
- Tax losses	7,538	6,809
Deferred tax assets:		
The balance comprises of temporary differences attributable to:		
- Deferred income	-	234
- Employee benefits	110	100
- Acquisition costs	95	115
- Business related costs	-	46
- Non-deductible accruals	-	23
- Tax losses	332	463
- Set off of deferred tax balances	(537)	(981)

	-	-
deferred tax liabilities		
The balance comprises temporary differences attributable to:		
- Capitalised exploration costs	362	806
- Share issue costs	175	175
- Set off of deferred tax balances	(537)	(981)
	-	-
Balance after set off of deferred tax assets and liabilities	-	-

Deferred tax assets have not been recognised in respect of tax losses or temporary differences because it is not yet probable as defined in AASB 112 Income Taxes that future taxable profit will be available against which the Group can utilise benefits from the tax losses and that the Company continues to meet the continuity of ownership test and /or same business test.

11. *Cash and cash equivalents*

	2013 $000	2012 $000
Cash and cash equivalents	101 27	932* 1,023
	27	1,023

** includes $489,000 relating to the UXA-RILA joint venture, which was restricted to finding the Company's share of joint venture exploration actively.*

12. *Trade and other receivables*

	$'000	$'000
Current		
Trade debtors	-	1,023
	-	1,023

13. *Inventories*

Spare parts	-	100
	-	100

14. *Other current assets*

Prepayments	-	9
	-	9

15. *Assets Held for Sale*

Property, plant and equipment

2013 $'000

Cost	Note	Plant & Equipment	Furniture & Fittings	TOTAL
Balance at 1 July 2012		5,247	28	5,275
Acquisitions		209	-	209
Impairment		(2,387)	(28)	(2,415)
Disposals		(969)	-	(969)
Balance at 30 June 2013		**2,100**	**-**	**2,100**
Accumulated depreciation				
Balance at 1 July 2012		2,190	15	2,205
Depreciation charge for the year		453	-	453
Impairment		(1,183)	(15)	(1,198)
Disposals		(215)	-	(215)
Balance at 30 June 2013		**1,245**	**-**	**1,245**
Carrying amounts				
At 1 July 2012		3,057	13	3,070
At 30 June 2013		**855**	**-**	**855**

The carrying value of property, plant & equipment at 30 June 2013 relates to assets pledged as security for the NAB facility debt.

2012 $'000

Cost	Plant & Equipment	Furniture & Fittings	TOTAL
Balance at 1 July 2011	6,374	32	6,406
Acquisitions	589	3	592
Impairment	(1,557)	(7)	(1,564)
Disposals	(159)	-	(159)
Balance at 30 June 2012	**5,247**	**28**	**5,275**
Accumulated depreciation			
Balance at 1 July 2011	1,550	13	1,563
Depreciation charge for the year	902	5	907
Impairment	(250)	(3)	(253)
Disposals	(12)	-	(12)
Balance at 30 June 2012	**2,190**	**15**	**2,205**
Carrying amounts			
At 1 July 2011	4,824	23	4,843
At 30 June 2012	**3,057**	**13**	**3,070**

16. *Intangible assets*

Cost *$'000*	***Note***	**2013**	**2012**
<u>Goodwill</u>			
Balance at beginning of year		-	2,744
Acquisitions through business combinations		-	-
Impairment		-	(2,796)
Effect of movement in exchange rate		-	52
Carrying amount of goodwill at end of year		-	-
<u>Computer Software</u>			
Balance at beginning of year		382	654
Accumulated amortisation & impairment		(382)	(272)
Balance at end of year		-	**382**
Accumulated Amortisation			
Balance at beginning of year		382	218
Amortisation charge for the year		-	164
Balance at end of year		**382**	**382**
Carrying amount of computer software at end of year		-	-

17. *Exploration and evaluation*

Cost *$'000*	**2013**	**2012**
Balance at beginning of year	2,777	1,644
Expenditure in the period	434	1,409
Amounts written off in the period	(2,003)	(276)
Balance at end of year	**1,208**	**2,777**

Estimates and assumptions

Determining the recoverability of exploration and evaluation capitalised in accordance with the group's accounting policy (note 3(j)) requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as the mineralisation of the area of interest, the timing of expected cash flows, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of a mineral reserve becomes available may impact the assessment of the recoverable amount of exploration and evaluation assets.

In the current year, exploration and evaluation expenditure written off mainly relates to Mundi Plains for an amount of $1,800,000. The recoverability of the carrying amount of $1,208,000 is dependent on the successful development and commercial exploitation or sale of the respective areas of interest with the main areas of interest as at 30 June 2013 being Nabarlek North - EL24868 and Pandanus West – EL24565.

18. *Other assets*

	$'000	$'000
Deposits paid	-	91
	-	91

19. *Trade and other payables*

Trade payables	846	601
Other payables and accruals	590	415
	1,436	**1,016**

20. *Employee entitlements*

Liability for annual leave	298	286
Liability for long service leave	68	46
	366	**332**

21. *Share capital*

2013	**No. Shares**	**$'000**	**No. Options**
Balance at 1 July 2012	671,803,271	30,424	20,995,000
Issue of fully paid ordinary shares	214,941,514	431	-
Issue of ESOP options	-	-	-
Issue of unlisted options	-	-	-
Share options exercised	-	-	-
Share options expired	-	-	(14,495,000)
Balance at 30 June 2013	**886,744,785**	**30,855**	**6,500,000**

2012	**No. Shares**	**$'000**	**No. Options**
Balance at 1 July 2011	348,655,962	28,362	16,655,000
Issue of ordinary shares	323,147,309	2,062	-
Issue of ESOP options	-	-	-
Issue of unlisted options	-	-	5,000,000
Share options exercised	-	-	-
Share options expired	-	-	(660,000)
Balance at 30 June 2012	**671,803,271**	**30,424**	**20,995,000**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Shareholder meetings. Issued ordinary shares have a nil par value.

In the event of winding up of UXA, ordinary Shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Options issued to Employees

There are nil unlisted options on issue to employees under an approved Employee Share Option Plan.

Directors

There were no share options issued to directors in this reporting period.

Employees

The option fair value on grant date was assessed as nil.

22. Reserves

	2013 $'000	2012 $'000
Equity Compensation Reserve		
Balance at beginning of year	1,268	1,228
Options expense for the year	-	40
Balance at end of year	**1,268**	**1,268**
Foreign Currency Translation Reserve		
Balance at beginning of year	184	26
Current year movements	(184)	158
Balance at end of year	**-**	**184**
Carrying amounts		
At beginning of year	1,452	1,254
At end of year	**1,268**	**1,452**

23. Operating leases

Leases as lessee	2013 $'000	2012 $'000
Non-cancellable operating lease rentals are payable as		
Less than one year	-	118
Between one year and five years	-	13
	-	**131**

Operating lease expense for the year ended 30 June 2013 was $93,082 (2012: $200,180). Operating leases consisted of agreements for the rental of office premises.

24. *Related parties*

Key management personnel

The following were key management personnel of the Group during the year:

Directors	
N Arthur	Chairman – Non Executive
R Penney	Managing Director
I Mutton	Director – Non-Executive
S McKay	Director – Non-Executive
D Sutich	Director – Non-Executive

Other Key Management Personnel	
S Powell	General Manager
A White	Chief Financial Officer
D Quinn	Chief Executive Officer, Geoscience Associates Australia
G Seppelt	Company Secretary

Summary of compensation

	2013	**2012**
Short-term employee benefits	962,552	1,102,574
Other long term benefits	-	-
Post-employment benefits	96,832	144,592
Termination benefits	-	-
Share-based payments	-	89
Total	**1,059,384**	**1,247,255**

No loans were made to any key management personnel during the period. Details of the nature and amount of the remuneration of each Director and other key management personnel are set out in the Remuneration Report.

Short term benefits in the table above includes the following payments made for consulting and other services to related entities of the following Directors:

24. Related parties (cont.)

Summary of compensation

Director	Transaction	2013 $'000	2012 $'000
N Arthur	Professional services	6	6
D Sutich	Consulting fees	42	-
Total		**48**	**6**

All transactions were on normal commercial terms. No other Key Management Personnel transactions occurred during the year.

Other transactions

The assets of GeoScience Services USA Inc were sold to a group of purchasers, which included D. Sutich, in April 2013 for consideration of $440,220.

The assets of Geoinstruments International Pty Ltd were sold to GeoInstruments Logging LLC, company in which D. Sutich is a Director, in May 2013 for consideration of US$40,000.

Options over ordinary shares

The movement during the reporting period in the number of options over ordinary shares in UXA Resources Limited held directly, indirectly or beneficially, including their related parties, is as follows:

	Held at 30 June 2012	Granted as compen-sation	(Exercised/ Expired)	Held at 30 June 2013	Vested during the year	Vested and exercisable at 30 June 2013
Directors						
N Arthur	1,500,000	-	-	1,500,000	-	1,500,000
R Penney	3,000,000	-	(3,000,000)	-	-	-
I Mutton	1,000,000	-	(1,000,000)	-	-	-
Total	**5,500,000**	**-**	**(4,000,000)**	**1,500,000**	**-**	**1,500,000**

24. *Related parties (cont.)*

Ordinary shares

The movement during the reporting period in the number of ordinary shares in UXA Resources Limited held directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

	Held at 1 July 2012	Purchases	Received on exercise of options	Sales	Held at 30 June 2013
Directors					
N Arthur	5,819,081	-	-	-	5,819,081
R Penney	5,816,768	-	-	-	5,816,768
I Mutton	114,286	-	-	-	114,286
S McKay	2,369,863	-	-	-	2,369,863
D Sutich	2,369,863	-	-	-	2,369,863
Total	**16,489,861**	**-**	**-**	**-**	**16,489,861**

	Held at 1 July 2011	Purchases	Received on exercise of options	Sales	Held at 30 June 2012
Directors					
N Arthur	2,414,286	3,404,795	-	-	5,819,081
R Penney	1,220,000	4,596,768	-	-	5,816,768
S Gemell	1,000,000	-	-	1,000,000	-
D Hawley	9,850,000	50,320	-	-	9,900,320
I Mutton	114,286	-	-	-	114,286
S McKay	-	3,739,726	-	1,369,863	2,369,863
D Sutich	-	3,739,726	-	1,369,863	2,369,863
Total	**14,598,572**	**15,531,335**	**-**	**3,739,726**	**26,390,181**

25. *Reconciliation of cash flows from operating activities*

	2013 $'000	2012 $'000
Loss for the year	(4,583)	(8,221)
Adjustments for:		
Share based payment expense	-	40
Share issue expense	-	-
Foreign currency translation loss / (gain)	(9)	107
Depreciation and amortisation	453	1,067
Recoupment of deferred expenditure	-	249
Exploration expenditure written off	2,003	276
JV Management fees	-	(438)
Asset write down	1,217	4,379
Net gains on disposal of plant and equipment	(311)	-
Convertible note option valuation	(608)	608
Commencement fee	-	125
Operating profit/(loss) before changes in working capital and provisions	(1,838)	(1,808)
Change in trade and other receivables	1,023	(287)
Change in deposits, prepayments and inventories	200	(16)
Change in deferred income	(848)	
Change in trade and other payables / provisions	452	(121)
Net cash used in operating activities	**(1,011)**	**(2,232)**

26. *Financial instruments*

The Company has no financial risk arising from financial instruments, other than cash, term deposits, trade and other receivables, trade and other payables and borrowings. Exposure to credit and interest rate risks arise in the normal course of UXA's business. Trade payables are all payable within two months.

(a) Interest rate risk

UXA has an exposure to future interest rates on cash and cash equivalents as a result of changes in market interest rates. A 1% movement in interest rates would have a $1,010 impact on profit and loss for the year, based on the closing level of cash held. UXA does not use derivatives to mitigate these exposures. The fixed rate loan facilities are not exposed to fluctuations in market interest rates.

2013	**$'000**
Variable rate instruments	
Cash and cash equivalents	101
Net financial assets	**101**
Fixed rate instruments	
Current financial liabilities	(2,154)
Net fixed rate instruments	**(2,154)**

2012	**$'000**
Variable rate instruments	
Cash and cash equivalents	932
Net financial assets	**932**
Fixed rate instruments	
Current financial liabilities	(2,654)
Net fixed rate instruments	**(2,654)**

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security in respect of recognised trade and other receivables and cash and cash equivalents, is the carrying amount as disclosed in the balance sheet and notes to the financial statements.

As at 30 June 2013 none of the Group's receivables were past due (2012: $315K).

26. Financial instruments (continued)

(c) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Non-derivative financial liabilities

2013 $'000	*Carrying Amount*	*Contract-ual cash flows*	*6 mths or less*	*6-12 months*	*1-2 years*	*2-5 years*
Secured bank loans	852	(852)	(852)	-	-	-
La Jolla & ASOF convertible notes	1,302	(1,302)	(1,302)	-	-	-
Unsecured loan	-	-	-	-	-	-
Trade and other payables	1,436	(1,436)	(1,436)	-	-	-
	3,589	**(3,589)**	**(3,589)**	-	-	-

Non-derivative financial liabilities

2012 $'000	*Carrying Amount*	*Contract-ual cash flows*	*6 mths or less*	*6-12 months*	*1-2 years*	*2-5 years*
Secured bank loans	1,259	(1,344)	(476)	(476)	(354)	(38)
La Jolla & ASOF convertible notes	1,395	(1,395)	-	-	(500)	(895)
Unsecured loan	-	-	-	-	-	-
Trade and other payables	1,016	(1,016)	(1,016)	-	-	-
	3,670	**(3,755)**	**(1,492)**	**(476)**	**(854)**	**(933)**

(d) Fair values

The fair values of the financial assets and financial liabilities approximate their carrying values.

No financial assets or financial liabilities are readily traded on organised markets. All financial liabilities (payables) are expected to be settled within two months of balance date.

27. *Loans and borrowings*

Current	2013 $'000	2012 $'000
Secured bank loans – NAB	852	1,259
Convertible notes – La Jolla	802	895
Convertible notes – ASOF	500	500
Convertible notes – other liabilities	-	608
	2,154	**3,262**

TOTAL		
Secured bank loans	852	1,259
Convertible notes	1,302	2,003
	2,154	**3,262**

27. *Loans and Borrowings (continued)*

Loans and Borrowings reconciliation

In thousands of dollars	Currency	Interest rate nominal	Face value	Carrying amount	Year of maturity
Balance as at 1 July 2012					
Secured Bank Loan - NAB	AUD	8.18%	934	934	2014
Secured Bank Loan - NAB	AUD	8.88%	30	30	2014
Secured Bank Loan - NAB	AUD	8.56%	253	253	2015
Secured Bank Loan - NAB	AUD	6.90%	42	42	2016
Convertible Note – La Jolla	AUD	4.50%	895	895	2016
Convertible Note – ASOF	AUD	0.00%	500	500	2014
Convertible Note – option value	AUD	n/a	608	608	2014
New Issues					
Secured Bank Loan - NAB	AUD	8.56%	58	58	2014
Convertible Note – La Jolla	AUD	4.50%	242	242	2014
Interest Charge accrued					
Interest on convertible note facility – La Jolla				25	
Repayments					
Secured bank loan – NAB				(465)	
Convertible Note					
Conversion – La Jolla				(360)	
Convertible notes – option revalued				(608)	
Balance as at 30 June 2013				**2,154**	

Secured bank loan ($852,000 as at 30 June 2013)

The loan from National Australia Bank (NAB) to Geoscience Associates Australia Pty Ltd (GAA) is a finance lease facility secured against the trucks and was repayable by May 2016. The agreement includes a bank covenant that requires the Group to have credit funds in cash at least equal to the bank debt on a quarterly basis. Consistently since June 2012, the Group breached one of its debt covenants in relation to its secured bank loans and received letters of waiver from the National Australia Bank (NAB). Agreement was reached with NAB to defer future hire purchase payments until the sale of the logging business. The logging business did not sell and the assets were auctioned in June 2013 with payments received in July 2013. (refer to note 30 – subsequent events).

Convertible Note – La Jolla Cove Investors Inc

The key terms of the convertible note from La Jolla Cove Investors Inc. (La Jolla) include:

- Total facility of AU$2.5 million, funded over 10 monthly tranches;
- Interest rate of 4.75% p.a., paid quarterly in arrears via UXA shares or cash;
- Term of 4 years;
- Repayable in shares or cash at a 5% premium. The timing of the conversion is at the discretion of La Jolla Cove Investors Inc.;
- Conversion price is the lower of 25 cents or 80% of 3 lowest VWAP for the prior 21 days;

- The agreement terms were not met and due to the entity's suspension from trading on the ASX UXA defaulted.

27. *Loans and Borrowings (continued)*

Convertible Note – Australian Special Opportunity Fund

The key terms of the convertible note from Australian Special Opportunity Fund (ASOF) include:

- Total facility of AU$0.5 million, funded in one tranche;
- Interest rate of 0% p.a.;
- Term of 2 years;
  - Repayable in shares. The timing of the conversion is at the discretion of ASOF and must be a minimum of $50,000 conversions;
  - Conversion price is 91.5% of the 3 lowest consecutive VWAP for the prior 20 trading days.
- The agreement terms were not met and due to the entity's suspension from trading on the ASX UXA defaulted.

28. *Impairment - Assets Held For Sale*

Asset held for sale consisted of property, plant and equipment of the group which was sold post reporting date. The carrying value of these assets was impaired as at 30 June 2013 to recoverable value based on the disposal proceeds.

29. *Going concern*

The Group reported a loss after tax of $4.58 million (2012: loss of $8.06 million) for the year ended 30 June 2013. During the year to 30 June 2013, the Group's cash reserves decreased by $0.83 million to $0.10 million at which time the Group had a net asset deficiency of $1.79m (2012: net assets of $2.54 million). The Company was unable to raise capital or refinance its debts so as to meet its obligations as and when they fell due.

On 26 July 2013, the Company ceased to trade and was placed in Administration. The Company was suspended from listing on the Australian Stock Exchange on 23 August 2013.

The Company's ability to resume operations as a going concern is contingent upon successfully raising additional capital and negotiating the settlement of its liabilities through a Deed of Company Arrangement which was executed between the Company and Palgrave Resources Limited on 22 November 2013. Refer note 30 for further details.

30. *Subsequent events*

Significant events that occurred subsequent to 30 June 2013, include the following:

- On 8 July 2013 the UXA directors placed its wholly-owned subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation. The assets of Geoscience Associates Australia Pty Ltd were sold at auction and the proceeds used in the repayment of secured creditors.
- On 26 July 2013, the Company ceased to trade and was placed in Administration.
- On 18 August 2013, UXA withdrew from its joint venture with Teck, the carrying value of exploration and evaluation assets relating to the joint venture were fully impaired at 30 June 2013. UXA retains no residual interest in the properties, assets or liabilities of the joint venture.
- The Company was suspended from listing on the Australian Stock Exchange on 23 August 2013.
- On 4 November 2013, at a meeting of Creditors of UXA, it was resolved that pursuant to section 439C of the Corporations Act 2001, the Company should execute a Deed of Company Arrangement (DOCA) with Palgrave Resources Limited (Palgrave)
- On 22 November 2013, UXA executed the DOCA with Palgrave.

- On 22 November 2013, Palgrave also signed a Reconstruction Deed with UXA and its two convertible noteholders (La Jolla Cove Investors Inc and Australian Special Opportunity Fund) to restructure UXA. The agreements provide for the orderly restructure of the Group and capital raising by way of a new equity issue to shareholders. The agreements also permit the appointment of Palgrave Directors as directors of UXA.

Deed of Company Arrangement
The DOCA incorporates the Reconstruction Deed and a Creditors' Trust to enable the settlement of creditor claims, outstanding administration costs and the recapitalisation and re-listing of the Company.

The settlement of creditor claims at certain amounts under the DOCA cannot be completed until the following Conditions Precedent to the Reconstruction Deed are satisfied:

- Confirmation by the ASX that the Company is able to satisfy the ASX Listing Rules so as to not have to re-comply with Chapters 1 and 2 of the Listing Rules;
- Shareholder approval being obtained in relation to the recapitalisation of the Company; and
- The Company receiving written conditional approval from ASX to the Company being reinstated to the official list of ASX.

All approvals by ASX, Shareholders and ASIC for the transactions contemplated by the DOCA and the Reconstruction Deed must occur on or before the end of August 2014 (or as extended).

In accordance with the DOCA, following a distribution being made to Creditors under the Creditors' Trust in respect of admitted claims, all claims of creditors shall be released and extinguished. The proposals contained within the DOCA for creditors distributions are at differing values than those recorded in this historical financial report, as until the conditions of the DOCA are met, the liability is recorded as the legally obliged debt as at 30 June 2013.

Palgrave has agreed to undertake a capital restructure of UXA consisting of consolidation of the existing UXA shares, conversion of the convertible notes to equity together with the raising of capital by way of placement and public prospectus offer.

Subject to shareholder approval, Palgrave will initiate a UXA public offer to raise up to $3.2 million at a price not less than 5 cents per post consolidation share. A minimum of $1 million must be raised under the public offer.

The DOCA will terminate following achievement of the proposed capital restructure as contemplated by the Reconstruction Deed and establishment of the Creditors' Trust. Following recapitalisation, it is intended that the Company will be re-listed on the ASX.

31. Parent Entity Information

As at and throughout the year ended 30 June 2013 the parent entity of the Group was UXA Resources Limited.

	Parent	
	2013 **$'000**	**2012** **$'000**
Statement of Profit or Loss and Other Comprehensive Income		
Loss after tax	(3,656)	(13,346)
Total comprehensive income	(1,852)	(13,346)

Statement of Financial Position		
Total Assets	125	3,850
Total Liabilities	2,482	3,418
Parent entity equity comprising of:		
Share Capital	30,855	30,420
Reserves	1,268	1,268
Accumulated losses	(34,912)	(31,256)
Total Equity	(2,789)	432

The parent entity had no contingent liabilities or capital commitments as at 30 June 2013 and 30 June 2012. The accounting policies for the parent entity are consistent with those of the consolidated entity as disclosed in note 3.

32. Earnings Per Share

	2013 cents	2012 cents
Basic earnings (loss) per share	(0.6)	(1.8)
Diluted earnings (loss) per share	(0.6)	(1.8)
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	819,494,430	440,761,444

The calculation of basic and diluted earnings per share at 30 June 2013 was based on the loss for the year according to the Statement of Profit or Loss and Other Comprehensive Income. Options on issue were not considered to be dilutive so the calculation of diluted earnings per share was based on the weighted average of ordinary shares issued.

33. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3.

		Equity Holding	
Name of Subsidiary	**Country of Incorporation**	**2013 %**	**2012 %**
Geoscience Services USA Inc	USA	100	100
Geoinstruments International Pty Ltd	Australia	100	100
Geoscience Associates Australia Pty Ltd *	Australia	100	100

*placed in liquidation on 8 July 2013

Directors' declaration

In the opinion of the Directors of UXA Resources Ltd ("the Group"):

1. In the opinion of the Directors of UXA Resources Limited ("UXA"):

   (a) the financial statements and notes set out on pages 30 to 59 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, for the year ended on that date; and

      (ii) complying with Accounting Standards in Australia (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b);

   (c) since the year ended 30 June 2013, the Group was not able to sustain its existence as a going concern. The directors placed the subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation on 8 July 2013 and then proceeded to appoint administrators to the parent company, UXA Limited, on 26 July 2013. Due to the significant uncertainty outlined in Note 2(a) and reliance on the completion of the Deed of Company Arrangement, the directors are unable to conclude that UXA will be able to pay its debts as and when they fall due for the next 12 months.

2. With both the Chief Executive Officer and Chief Financial Officer having resigned and left the company prior to 30 June 2013, and the Directors have not been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the period ended 30 June 2013.

Without qualifying the above statements, the Directors draw attention to Note 2(a) "alternate basis of preparation" of the financial statements which applied at 30 June 2013.

Dated at Adelaide this 4th day of August 2014.

Neill Arthur
Chairman

Independent auditors' report to the members of UXA Resources Limited

Report on the financial report

We have audited the accompanying financial report of UXA Resources Limited (the company), which comprises the consolidated balance sheet as at 30 June 2013, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33, comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Independence

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

Auditor's opinion

In our opinion:

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Emphasis of matter – basis of preparation and accounting

Without modifying our opinion, we draw attention to Note 2(a) and 29 to the financial report, which describes the basis of accounting, noting that the financial statements have not been prepared on a going concern basis.

Note 2(a) also explains that the Company ceased trading and was placed in Administration on 26 July 2013 with the Company's ability to resume operations as a going concern being contingent upon successfully raising additional capital and completion of the conditions of the Deed of Company Arrangement (DOCA), entered into on 22 November 2013 between the Company and Palgrave Resources Limited. Note 30 describes certain conditions precedent to the completion of the Reconstruction Deed in order to raise equity in accordance with the DOCA.

These factors cast significant doubt on the ability of the Group to realise its assets and settle its liabilities in an orderly manner over the period required and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in section 5 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of UXA Resources Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Scott Fleming
Partner

Adelaide

4 August 2014

Corporate governance statement

Statement

UXA Resources Limited ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles & Recommendations"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P&R[1]	If not, why not[2]
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 1.3[3]	n/a	n/a
Recommendation 2.1		✓
Recommendation 2.2	✓	
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5	✓	
Recommendation 2.6[3]	n/a	n/a
Recommendation 3.1	✓	
Recommendation 3.2	✓	
Recommendation 3.3[3]	n/a	n/a
Recommendation 4.1		✓

	ASX P&R[1]	If not, why not[2]
Recommendation 4.2		✓
Recommendation 4.3	✓	
Recommendation 4.4[3]	n/a	n/a
Recommendation 5.1	✓	
Recommendation 5.2[3]	n/a	n/a
Recommendation 6.1	✓	
Recommendation 6.2[3]	n/a	n/a
Recommendation 7.1	✓	
Recommendation 7.2	✓	
Recommendation 7.3	✓	
Recommendation 7.4[3]	n/a	n/a
Recommendation 8.1		✓
Recommendation 8.2	✓	
Recommendation 8.3[3]	n/a	n/a

1 Indicates where the Company has followed the Principles & Recommendations.

2 Indicates where the Company has provided "if not, why not" disclosure.

3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2012/2013 financial year ("Reporting Period").

Principle 1. Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company by:

(a) overseeing the Company, including its control and accountability systems;

(b) appointing the chief executive officer, or equivalent, for a period and on terms as the directors see fit and, where appropriate, removing the chief executive officer, or equivalent;

(c) ratifying the appointment and, where appropriate, the removal of senior executives, including the chief financial officer and the company secretary;

(d) evaluating the performance of senior executives;

(e) ensuring the Company's Policy and Procedure for Selection and (Re)Appointment of Directors is reviewed in accordance with the Company's Nomination Committee Charter;

(f) approving the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance;

(g) satisfying itself that senior management has developed and implemented a sound system of risk management and internal control in relation to financial reporting risks and reviewed the effectiveness of the operation of that system;

(h) assessing the effectiveness of senior management's implementation of systems for managing material business risk including the making of additional enquiries and to request assurances regarding the management of material business risk, as appropriate;

(i) monitoring, reviewing and challenging senior management's performance and implementation of strategy;

(j) ensuring appropriate resources are available to senior management;

(k) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(l) approving the annual budget of the Company;

(m) monitoring the financial performance of the Company;

(n) ensuring the integrity of the Company's financial (with the assistance of the Audit Committee, if applicable) and other reporting through approval and monitoring;

(o) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

(p) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company;

(q) engaging with the Company's external auditors and Audit Committee (where there is a separate Audit Committee);

(r) monitoring compliance with all of the Company's legal obligations, such as those obligations relating to the environment, native title, cultural heritage and occupational health and safety; and

(s) make regular assessment of whether each non-executive director is independent in accordance with the Company's Policy on Assessing the Independence of Directors.

The Board may not delegate its overall responsibility for the matters listed above. However, it may delegate to senior management the responsibility of the day-to-day activities in fulfilling the Board's responsibility provided those matters do not exceed the Materiality Threshold as defined below.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and to assist the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

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

Disclosure:
The Board is responsible for evaluating the senior executives. The Board reviews the senior executives on an ongoing informal basis.

Recommendation 1.3:
Companies should provide the information indicated in the Guide to reporting on Principle 1.

Disclosure:
During the Reporting Period the performance evaluation of senior executives took place in accordance with the process disclosed at Recommendation 1.2.

Principle 2. Structure the board to add value

Recommendation 2.1:
A majority of the Board should be independent directors.

Disclosure:
The independent directors of the Board are Neill Arthur, Ian Mutton, Scott McKay and David Sutich. The non-independent director of the Board is Russell Penney.

Disclosure:
During the Reporting Period the majority of directors were independent in accordance with the Recommendation 1.2.

Recommendation 2.2:
The Chair should be an independent director.

Disclosure:
The independent Chair of the Board is Neill Arthur.

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

Disclosure:
The Managing Director was Russell Penney who is not Chair of the Board. Subsequent to his resignation, the role has been filled by General Manager, Simon Powell who is not a director.

Recommendation 2.4:
The Board should establish a Nomination Committee.

Notification of Departure:
The Company has established a separate Nomination Committee.

Explanation for Departure:
Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by conducting a separate Nomination Committee Meetings. Accordingly, the Board

performed the role of Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the director with conflicting interests is not party to the relevant discussions.

Recommendation 2.5:
Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:
The Chair is responsible for evaluation of the Board and when deemed appropriate, Board Committees and individual directors.
The Board, in its capacity as the Nomination Committee, is responsible for evaluating the Managing Director.

These evaluations are performed on an ongoing informal basis.

Recommendation 2.6:
Companies should provide the information indicated in the Guide to reporting on Principle 2.

Disclosure:
Skills, Experience, Expertise and Term of Office of each Director
A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors
The independent directors of the Company are Neill Arthur, Ian Mutton, Scott McKay and David Sutich. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's Materiality Thresholds
The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

Materiality – Quantitative
Balance sheet items
Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

Profit and loss items
Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

Materiality – Qualitative
Items are also material if:

(a) they impact on the reputation of the Company;

(b) they involve a breach of legislation or may potentially breach legislation;

(c) they are outside the ordinary course of business;

(d) they could affect the Company's rights to its assets;

(e) if accumulated they would trigger the quantitative tests;

(f) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or

(g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Material Contracts

Contracts will be considered material if:

(a) they are outside the ordinary course of business;

(b) they contain exceptionally onerous provisions in the opinion of the Board;

(c) they impact on income or distribution in excess of the quantitative tests;

(d) any default, should it occur may trigger any of the quantitative or qualitative tests;

(e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;

(f) they contain or trigger change of control provisions;

(g) they are between or for the benefit of related parties; or

(h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("Materiality Threshold").

Statement concerning availability of Independent Professional Advice

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual director's independence.

To assist directors with independent judgement, it is the Board's Policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Nomination Matters

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. To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

Performance Evaluation

During the Reporting Period an evaluation of the Board, Board committees and individual directors did not occur in accordance with the disclosed process at Recommendation 2.5. because of the need to concentrate on determining the company's financial future as the most imperative action.

Selection and (Re) Appointment of Directors

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

Disclosure:

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. One third of the Board of Directors retire in each year in accordance with the Company's Constitution. Re-appointment of directors is not automatic.

Principle 3. 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 and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and 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.

Disclosure:

The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees.

Recommendation 3.3:

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 4. Safeguard integrity in financial reporting

Recommendation 4.1 and 4.2:

The Board should establish an Audit Committee and the Audit Committee should be structured so that it:

(a) consists only of non-executive directors;

(b) consists of a majority of independent directors;

(c) is chaired by an independent Chair, who is not Chair of the Board; and

(d) has at least three members.

Disclosure:

The Audit Committee consists of two directors which does not include the Company Chairman. As a result, the Committee does not comply with the recommendation for three members due to the size of the board.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the Guide to reporting on Principle 4.

Disclosure:

The Audit Committee, held sixteen meetings during the Reporting Period.

Details of each of the director's qualifications are set out in the Directors' Report. All members of the Board consider themselves to be financially literate and have industry knowledge.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5. Make timely and balanced disclosure

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.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2:

Companies should provide the information indicated in the Guide to reporting on Principle 5.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 6. Respect the rights of shareholders

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.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the Guide to reporting on Principle 6.

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 7. Recognise and manage risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the Policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the Policy, the Board delegates day-to-day management of risk to the Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. As part of the Company's risk management system, the Managing Director is required to report on the progress of, and on all matters associated with, risk management on a regular basis. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

In fulfilling the duties of risk management, the Chief Executive Officer/Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

(a) the Board has established authority limits for management which, if exceeded, will require prior Board approval;

(b) the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and

(c) the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

This system includes the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks will be allocated to members of senior management. The risk register will be reviewed quarterly and updated, as required.

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.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's materials business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The Company is currently under external Administration. As a consequence, the Managing Director and the Chief Financial Officer have been unable to provide a declaration to the Board in accordance with section 295A of the Corporations Act. Prior to the date of Administration, the day to day activities of the company were being undertaken by the board which operated under the system of risk management and internal control which was operating effectively in all material respects in relation to financial risk.

Recommendation 7.4:

Companies should provide the information indicated in the Guide to reporting on Principle 7.

Disclosure:
Prior to the appointment of external Administrators, the Board received the report from management under Recommendation 7.2.

However, the Board is unable to receive the assurance from the Managing Director and the Chief Financial Officer under Recommendation 7.3. because those positions do not exist at the date of this report.

Principle 8. Remunerate fairly and responsibly

Recommendation 8.1:
The Board should establish a Remuneration Committee.

Disclosure:
The Board has established a remuneration Committee, the majority of whom are independent directors.

Recommendation 8.2:
Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:
Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance.

Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.3:
Companies should provide the information indicated in the Guide to reporting on Principle 8.

Disclosure:
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, in its capacity as the Remuneration Committee, met during the Reporting Period. To assist the Board to fulfil its function as the Remuneration Committee, it has adopted a Remuneration Committee Charter.

The explanation for departure set out under Recommendation 8.1 above explains how the functions of the Remuneration Committee are performed.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Policy includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

SHAREHOLDER INFORMATION

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings as at 26 July 2013

Directors are only able to access the number of shareholders and their holdings as at the date of appointment of the Administrator on 26 July 2013. On-market trading of shares was suspended on 1 October 2012.

Substantial shareholders

The following were substantial shareholders as at 26 July 2013:

Name	Number of fully paid ordinary shares held	% held
Dr John Henry Madison McMahon	83,183,188	9.38

Voting Rights

Fully paid ordinary shares
Subject to any rights or restrictions attached to any class of shares, at a meeting of members, each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options
Option holders will be entitled on the payment of the exercise price to be allotted one ordinary fully paid share in the company for each Option exercised. Any Options not exercised before expiry will lapse.

Distribution of Shareholders

Category	Holders of Ordinary Shares	% of Issued Capital
1 – 1000	196	0.01
1,001 – 5,000	346	0.11
5,001 – 10,000	247	0.23
10,001 – 50,000	673	2.01
50,001 – 100,000	268	2.51
100,001 – 500,000	546	15.78
500,001 – 1,000,000	151	13.31
1,000,001 – and over	142	66.05
Total number of security holders	2,569	100.00

Unmarketable Parcels

	Minimum Parcel Size	Number of Holders	Units
Ordinary Shares	$500.00 at $0.002/unit	2,028	92,635,495

On market buy-back

There is no current on-market buy back.

Twenty largest shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited including the number and percentage held by those at 26 July 2013 are as follows:

Name	Number of fully paid ordinary shares held	% held
Dr John Henry Addison McMahon	83,183,188	9.38
La Jolla Cove Investors Inc	38,891,514	4.39
Mr Paul Jackson	30,000,000	3.38
CBS Plaza (Aust) Pty Ltd	20,000,000	2.26
Mr B & Mrs S Willcocks <B & S Willcocks Family A/C>	16,404,999	1.85
JP Morgan Nominees Australia Limited	14,637,138	1.65
HSBC Custody Nominees (Australia) Limited	10,808,382	1.22
Mr Mehmet Tavsancioglu	8,983,046	1.01
CWH Resources Limited	8,774,500	0.99
Ms Mooi Fay Lee	8,580,000	0.97
Ayres Investments Pty Ltd	7,900,320	0,89
Mr Deepak Dineshchandra Patel	7,134,000	0.80
Huzami Pty Ltd	7,054,795	0.80
Mr Stephen Ray Blair	6,981,871	0.79
Minsk Pty Ltd	6,727,955	0.76
Tarmel Pty Ltd <Superannuation Fund A/C>	6,424,000	0.72
Mr Oren Brooke Loosemore	6,000,000	0.68
Mr Frank George Spanyik	6,000,000	0.68
Mr The Bao Vu	5,691,596	0.64
Hocking (Holdings) Pty Ltd	5,054,795	0.57
TOTAL	**305,232,099**	**34.42**

Unquoted Securities

Options over Unissued Shares

A total of 6,500,000 share options are on issue as at 30 June 2013. 1,500,000 options are on issue to a director and 5,000,000 options are on issue to Australian Special Opportunity Fund (ASOF).

Company Directory

Directors	Neill Arthur (Chairman) Scott McKay (Non-Executive Director) David Sutich (Non-Executive Director)
Secretary	Graham Seppelt
Australian Business No.	65 112 714 397
Registered Office	20 Oborn Road Mount Barker South Australia 5251 AUSTRALIA Phone: +61 8 8363 7970 Fax: +61 8 8363 7963 Email:
Website	Web:
Auditor	KPMG 151 Pirie Street Adelaide SA 5000
Tax Advisors	PricewaterhouseCoopers 91 King William Street Adelaide SA 5000
Company's Solicitors	Norman Waterhouse Lawyers 45 Pirie Street Adelaide SA 5000
Banks	National Australia Bank Limited 161-167 Glynburn Rd Firle SA 5070
Share Registry	Computershare Investor Services Pty Ltd Level 3 60 Carrington Street Sydney NSW 2000