

Annual Report 2014  
**Uranium**SA



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## Corporate Directory

### Directors

Alice McCleary  
*Chairman*

David Paterson  
*Executive Director*

Russel Bluck  
*Executive Director*

### Chief Financial Officer / Company Secretary

Damien Connor

### Registered Office & Administrative Office

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South Australia 5067  
Telephone +61 (0)8 8132 0577  
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### Share Registry

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Level 5, 115 Grenfell Street  
Adelaide SA 5000  
GPO Box 1903  
Adelaide SA 5001  
Investor Enquiries (within Australia): 1300 556 161  
Facsimile +61 8 8236 2305

### Auditor

Grant Thornton Audit Pty Ltd  
Level 1, 67 Greenhill Road Wayville SA  
5034

### Banker

National Australia Bank  
Level 1, 22 King William Street Adelaide SA  
5000

### Australian Securities Exchange

ASX code: USA

### Website

www.uraniumsa.com.au



## Significant Events

### ***Resources Estimation to JORC 2012 (ASX 27 Sept13)***

Mineralisation at the Blackbush deposit was re-estimated to conform to JORC 2012. The uranium endowment of the deposit as a whole was maintained.

### ***Targeting High Grade Uranium (ASX 24 Oct13)***

A program of close spaced gravity survey and detailed processing over an area of known high grade mineralisation in the West Zone at Blackbush successfully mapped the distribution and limits of known high grade uranium mineralisation.

### ***SA Government Grant – Samphire Project (ASX 17 Jan14)***

UraniumSA was successful in obtaining a \$50,000 grant from the South Australian Government to advance metallurgical test work connected to its Samphire Project uranium deposits – Blackbush & Plumbush.

### ***Maiden Exploration Target – Wigetty (ASX 12 Feb14)***

UraniumSA announced a maiden Exploration Target in the Company's Muckanippie project in northern South Australia. The Wigetty prospect has multi-commodity mineralisation with potential for the development of an open-pit operation to produce mineral concentrates of ilmenite (titanium) with co-product magnetite (iron) and apatite (phosphate).

### ***New Uranium Prospect at Samphire (ASX 19 Feb14)***

UraniumSA advised of the discovery of the Dragon prospect; a strong track-etch anomaly coincident with a bedrock airborne electromagnetic (AEM) anomaly. The coincident anomalies outlined a feature ~100m wide with a strike extent of ~300m and considered to have a good probability of representing high-grade uranium in bedrock.

### ***Metallurgy Update (ASX 26 March14)***

UraniumSA announced the signing of a Memorandum of Understanding (MOU) with Lanxess Pty Ltd (LANXESS) the Australian wholly owned subsidiary of international chemical company and ion exchange specialist LANXESS AG. The MOU represents a collaboration to test the suitability of LANXESS ion exchange resin in a new application to extract uranium from acidified saline solutions expected to be produced at UraniumSA's flagship Samphire uranium project.

### ***Samphire Exploration Drilling (ASX 31 Mar14)***

UraniumSA completed a short program of exploration drilling within its 100% owned Samphire project, at the following prospects:

*Stock Dam magnetite prospect* is located ~4.6km north of the Blackbush prospect. A single vertical rotary mud hole intersected sub-vertical soft Broadview Schist which was visually estimated in the field to contain a few percent magnetite from 60m, and 15 - 30% magnetite from 68 to end-of-hole at 72m.

*Cowleds IOCGU copper prospect* located ~4km northeast of the Blackbush deposit. Two vertical holes intersected hematized brecciated granites and brecciated and silicified roof-pendant metasediments consistent with the IOCGU model.

*Dragon uranium prospect.* Two vertical rotary mud holes were drilled in two traverses across the track-etch anomaly to provide bedrock geological data and test for alteration and secondary mineralisation.

### ***Placement (ASX 1 April14)***

A placement was made to a sophisticated investor, involving the issue of 15,000,000 shares and 5,000,000 options to raise \$300,000.

### ***Strategic New Exploration Tenure (ASX 23 May14)***

UraniumSA accepted an offer of a new exploration licence at Murninnie (granted EL5440). The ~67 km<sup>2</sup> title is viewed as a strategic and important addition to the Company's tenure position that comprises the Samphire Project.

### ***Blackbush Unconformity Mineralisation (ASX 25 July 14)***

Provided an update on ongoing work in the Samphire Project focussed on identifying drillable targets for the continued discovery of high grade uranium mineralisation at the unconformity below the Blackbush deposit. USA's system approach evaluation has focussed on the known high grade mineralisation at the Eocene unconformity in the Western Zone of the Blackbush deposit. The work indicates that the structural, geochemical and geological physiochemical features and fundamental mineralising processes and deposit morphologies for an unconformity mineralising system are present.

### ***Placement (ASX 11 Sept14)***

A placement was made to sophisticated investors, involving the issue of 12,000,000 shares and 4,000,000 options to raise \$240,000.

## Overview

UraniumSA discovered a new uranium district at its Samphire project in 2007. The immediate focus was on building a significant inventory of mineralisation which was achieved with the JORC Inferred Resource estimates for the Blackbush and Plumbush deposits. In parallel with the successful inventory build metallurgical, hydrogeological, environmental and community engagement programs commenced and made excellent progress. The collapse in the uranium spot price over the last several years has seen the pace of these aspects of the work slow, and the emphasis has shifted to optimisation of bulk grade at Blackbush and the pursuit of exploration/development upside opportunities to future-proof the project within commodity cycles.

The Samphire project currently has two deposits with resources estimated to JORC classifications:

### Blackbush deposit

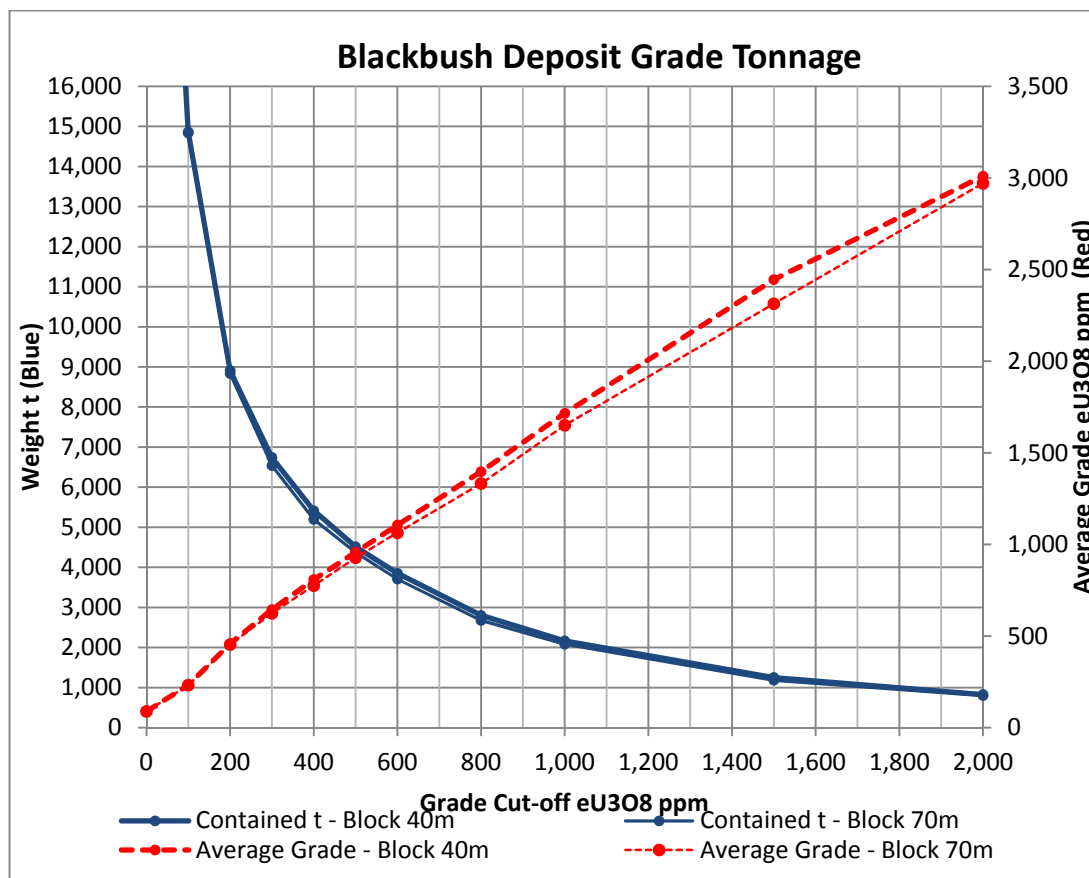
Blackbush deposit has been re-estimated to comply with JORC Code 2012 (ASX 27 September 2013):

- at a 100ppm eU<sub>3</sub>O<sub>8</sub> cut-off a headline estimated inferred resource 64.5 million tonnes of mineralisation at a bulk grade of 230ppm containing 14,850 tonnes eU<sub>3</sub>O<sub>8</sub>.
- at a 200ppm eU<sub>3</sub>O<sub>8</sub> cut-off grade, an estimated inferred resource 19.5 million tonnes of mineralisation at a bulk grade of 460ppm containing 8,900 tonnes eU<sub>3</sub>O<sub>8</sub>.
- at a 500ppm eU<sub>3</sub>O<sub>8</sub> cut-off grade, an estimated inferred resource 4.5 million tonnes of mineralisation at a bulk grade of 960ppm containing 4,500 tonnes eU<sub>3</sub>O<sub>8</sub>.

### Plumbush deposit

Plumbush deposit has an estimated inferred resource 21.8 million tonnes of mineralisation at a bulk grade of 292ppm containing 6,300 tonnes eU<sub>3</sub>O<sub>8</sub> at a 100ppm eU<sub>3</sub>O<sub>8</sub> cut-off grade (ASX 8 April 2011), no new data, estimate is to JORC 2004).

These are significant and real resources of uranium mineralisation with technically robust tonnage/grade characteristics and they underpin the value of the Company.



To use this graph. Choose a cut-off grade along the bottom axis and move up the chart, the blue line (which reads to the left-hand axis) shows the estimated contained tonne of U<sub>3</sub>O<sub>8</sub> and the red line (which reads to the right hand axis) shows the estimated bulk average grade of U<sub>3</sub>O<sub>8</sub> at the chosen cut-off grade.

# Review of Operations

## Uranium Price

The future outlook for uranium is excellent with a well documented build of new nuclear power stations underway across the world. Despite this reality of increasing future demand, the prevailing reality is that spot prices have been falling since mid 2010, producers have been curtailing production in the face of tightening margins, and junior exploration and development companies have extreme difficulty sourcing funds. UraniumSA have been fortunate to receive support from investors who recognise the quality of the underlying assets and who accept the expert consensus view that uranium prices will recover, and recover strongly. The recent stabilisation in the spot price has the potential to break the four year down trend and may be the start of such a recovery.

UraniumSA has good quality uranium assets in its Blackbush and Plumbush deposits. In the face of the extended decline in uranium spot price, we have chosen to focus on increasing the bulk average grade of mineralisation to optimise opportunities to obtain value from these assets. The drilled high grade mineralisation at the unconformity within the Western Zone at Blackbush has provided an immediate opportunity to do this and we are confident that we can drill out and extend this known high grade sediment-hosted mineralisation, and also potentially discover new high grade mineralisation in bedrock settings.

## UraniumSA Projects

UraniumSA explores across the Gawler Craton in South Australia with a focus on the uranium deposits and exploration opportunities within the Samphire project. Your directors are confident that the Samphire project contains one of the most promising undeveloped uranium accumulations in Australia

Elsewhere in the property portfolio exploration for base metals (copper, nickel) and industrial commodities is undertaken in the Muckanippie project.

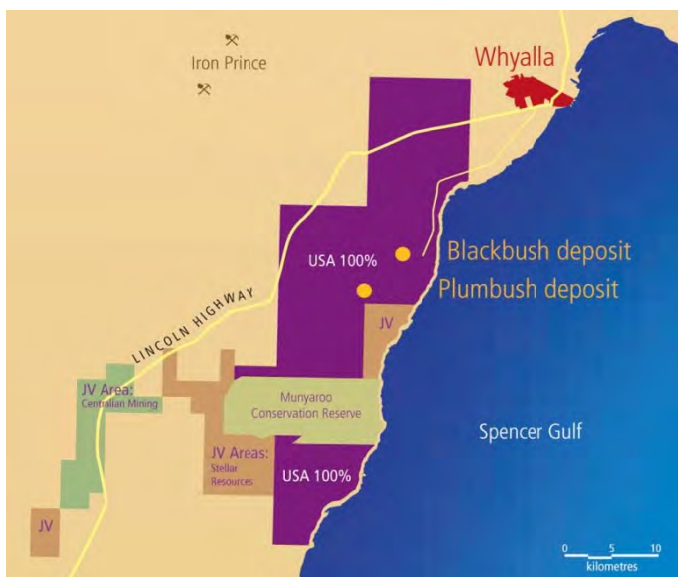
### During the year:

- The Blackbush deposit Inferred Resource was re-estimated to comply with JORC Code 2012. The work was done in-house by UraniumSA and externally audited. There inventory of mineralisation remains unchanged.
- Metallurgical work on saline tolerant ion exchange resins continued. A South Australian Government grant was received and our strategic partnerships continued under MOU's with established commercial resin suppliers.
- A trial of detailed gravity surveying and sophisticated data processing system to map high grade mineralisation was successful. The work will contribute to the effective design of infill drilling of the Western Zone, Blackbush.
- Radon gas detection is extensively and successfully used in the Athabasca Basin in Canada as a primary exploration tool. Ongoing trials at Samphire of the track-etch method for detecting radon gas resulted in the identification and reconnaissance drilling of the Dragon prospect.
- Exploration targeting utilising an adaption of the "systems approach" which resulted in the discovery of Blackbush and Plumbush has identified good quality drill targets below the unconformity in the Western Zone, Blackbush.
- The geology underlying the Samphire project is regarded as highly prospective by UraniumSA and a new exploration title (EL 5440) was acquired during the year.
- Non-uranium exploration. At Samphire, drilling of the Stock Dam prospect discovered minor iron ore, and at the Cowleds IOCGU prospect permissive alteration with copper anomalism. Work on Muckanippie involved evaluation of historic data and resulted in the estimation of a substantive Exploration Target for the Wigetty ilmenite/magnetite/apatite deposit (ASX 12 February 2014) – mineralisation is disseminated through a migmatite host rock and may be amenable to bulk mining and processing.

## UraniumSA's projects



## Samphire project: regional map



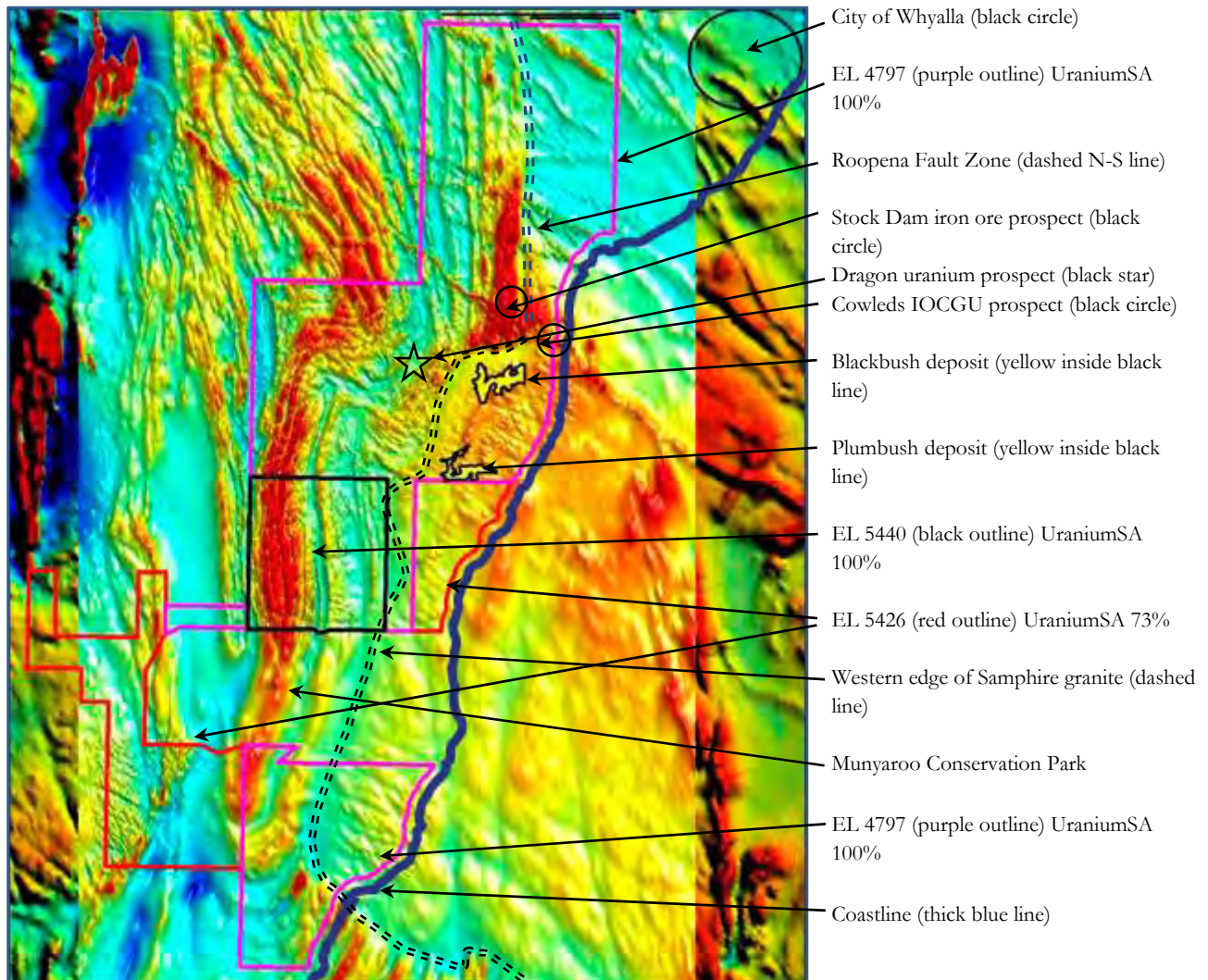


# Review of Operations

## Samphire Project

The Samphire project tenements cover the on-shore portion of the Hiltaba age Samphire granite which is the source of the sediment-hosted uranium in the Blackbush and Plumbush deposits. While our primary task is the investigation and development of the known sediment hosted mineralisation this work is increasingly highlighting the exploration potential of the granite itself. It is clear that the Samphire granite has significant internal compositional variation, alteration, mineralisation and that each of these is associated with variations in uranium content which, in the right combination of circumstances, may approach economic grades.

The Cowleds IOCGU prospect and Stock Dam iron ore prospect are within the thermal alteration aureole of the Samphire granite on its northern margin and lie either side of the Roopena Fault Zone suture. The Dragon uranium prospect is within rocks of the Kalinjala Mylonite Zone where they have been deformed and altered within a north-westerly trending structural corridor extending from the western margin of the Samphire granite.



USA tenure on regional aeromagnetic image, view north. Scale 1cm = 4km (approx.)

# Review of Operations

## Blackbush Deposit

### Inferred Resource Estimation

UraniumSA completed a re-estimation of the Inferred Resource for the Blackbush deposit to incorporate the results of drilling and exploration completed since the previous estimate dated 25 July 2012 (JORC Code, 2004) and to conform with JORC Code 2012. The work was done by Competent Persons employed by UraniumSA and internally reviewed by UraniumSA management. Geos Mining Exploration Consultants (Geos), independent experts, audited UraniumSA's data, data processing and the assumptions and procedures employed in the estimation.

The Blackbush deposit mineralisation is well delineated by drilling and considered to have sound prospects for economic development. On a "whole of deposit" basis it is estimated to comprise some 64.5 million tonnes of mineralisation at a bulk grade of 230ppm containing 14,850 tonnes U<sub>3</sub>O<sub>8</sub> at a 100ppm eU<sub>3</sub>O<sub>8</sub> cut-off grade. Uncertainties surrounding development timeframes, mining method for the Blackbush deposit, and the uranium market price mean that a "most-probable" cut-off grade has not been assumed. Cut-off grades have been applied at 100, 200, 300, 400, 500, 600, 800, 1,000, 1,500 and 2,000 ppm U<sub>3</sub>O<sub>8</sub> to facilitate the informal consideration of alternative development scenarios of mining and processing routes with uranium price. The estimate was released to ASX 27 September 2013.

### High Grade Mineralisation

Higher grade mineralisation is preferentially developed at and about the basal Eocene unconformity in the Western Zone at Blackbush within the envelope of the 1m% contour. Within this envelope work is continuing with the objective of optimising the bulk grade of the known sediment hosted mineralisation and the discovery of new occurrences in basement below the unconformity.

A detailed gravity survey was carried out over known high grade mineralisation within the Western Zone with the data processed and interrogated using forward modelling and inversion methodologies in Intrepid Geomodeller software. This innovative work established that there is a sound association between uranium mineralisation and gravity residuals from forward modelling in this particular setting (ASX 24 October 2014). A paper on the work was presented by Mathew Zengerer, Consultant Geophysicist, to the Ninth International Mining Geology Conference 2014 in Adelaide.

*Forward gravity image with contours of the total m% accumulation of uranium mineralisation in the drill holes superimposed:*

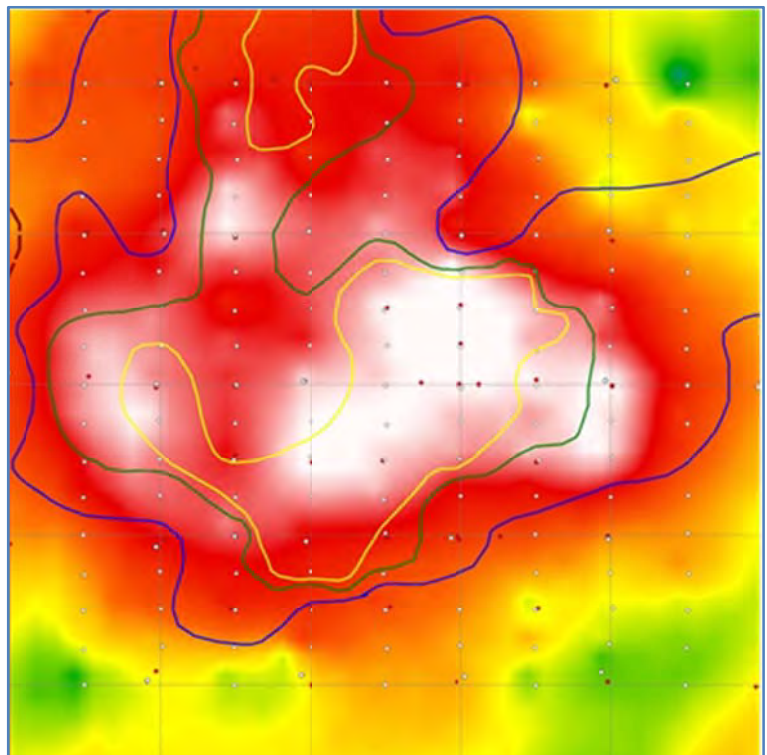
*blue 0.5m%,*

*green 1.0m%*

*yellow 1.5m%*

*Red dots are completed drill holes; grade and density data from the holes was used in the forward modelling. White dots are individual gravity stations.*

*View north, 550 metres W-E.*



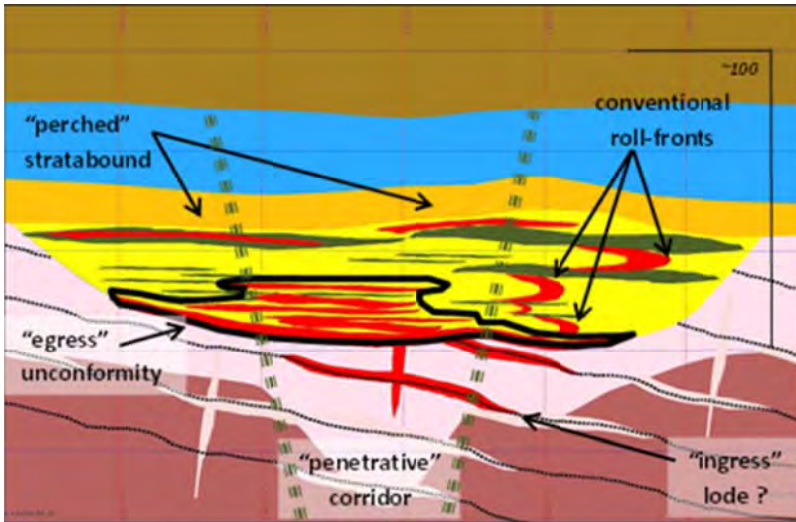
The work has established that detailed gravity and intensive processing and modelling can assist with the design of subsequent drilling programs for grade optimisation. Refer ASX 24 October 2013 for further detail.



# Review of Operations

## Exploration Concepts

Work continued throughout the year on the development of a “system model” which could account for all of the mineralisation styles known from within Blackbush and the Samphire project. The early decades of modern exploration in Australia used “deposit model” analogues which were very successful in the discovery of today’s mines. Variations of a “systems model” approach are now widely and successfully used to conceptualise and direct exploration in Australia. The discovery of the Samphire project and Blackbush and Plumbush deposits by UraniumSA was the result of an adaption of a systems model approach. This consisted of identifying an ultimate source for the uranium, the stratigraphy and structure which could provide pathways for mineralising fluids, and sites with the potential to cause redox reactions and deposit mineralisation.



A similar systems model approach is being used by UraniumSA to investigate the interrelationships between the regionally extensive sediment hosted mineralisation, the sediment hosted mineralisation localised by the basal Eocene unconformity within the Western Zone, the shallow dipping uranium mineralised clay altered structures in basement below the Western Zone, and the clay alteration and epithermal veining of the basement granite at Blackbush and elsewhere. If successful, this work will lead into exploration targeting with the ability to deliver significant new discoveries of uranium mineralisation within the Samphire project.

Blackbush West Schematic - Samphire Project (view north, scale as shown. Underlying image ASX release 27 Nov 2013).

## Samphire Granite

UraniumSA believes that the ultimate source of the uranium in the sediment hosted Blackbush and Plumbush deposits is the underlying Samphire granite. Uranium mineralisation is present throughout the granite at highly anomalous but so far at economically insignificant grades, and this high background is a critical component of the “systems models” referred to above. The exploration opportunity is for the discovery of major new resources of uranium mineralisation if we can identify mechanisms through which this mineralisation can increase to potentially economic grades and tonnages within granite.

Work done during the course of the year showed that the Samphire granite is peraluminous (high aluminium) and has undergone significant fractionation into phases of differing composition.

Ongoing geological and geophysical interpretation has identified that a Northwest Arcuate Zone of the Samphire granite underlies all of the presently known uranium mineralisation. We are focussing attention on this area to search for new large tonnage, low grade and/or high grade deposits.

This work is important if we are to continue to discover new deposits in this district. Understanding the mechanism of concentration of uranium into late fractionate phases of the granite will enable us to target specific units for disseminated/veinlet bulk uranium mineralisation. Understanding the source and behaviour of primary saline mineralised brines will help us understand the relationships between the known epithermal fluorite veining and clay alteration and mineralisation and allow exploration to effectively target high grade mineralisation in the granite

## Track etch surveys and the Dragon prospect

Radon gas detection is extensively and successfully used in the Athabasca Basin in Canada as a primary exploration tool for uranium mineralisation. The radon is specifically produced from the radioactive decay of uranium and as a gas it migrates through cover rocks to surface where it can be detected and values calculated. There are a large number of variables that influence the gas migration, there are no absolute levels of significance for the measured gas, and background “noise” in the measured response may swamp otherwise significant signals. Each application requires extensive trialling and development. Despite these difficulties, radon gas methods are widely used and are regarded as very effective exploration tools in the Athabasca Basin. UraniumSA has carried out two trials at Samphire of the track-etch method for detecting radon gas.

The first trial of track etch was over the Samphire granite about Blackbush to investigate if the sediment hosted mineralisation could be detected through ~50m of relatively impervious limestone and clay sediment cover. A response was obtained over the Western Zone mineralisation but there were stronger responses elsewhere in the profile that were not related to drilled mineralisation. Subsequent work on other aspects of the Blackbush deposit suggests that some of the high background response may be the result of variations in uranium content in fractionated granite.

A second trial of track etch was carried out over the western block of the Samphire project where basement is present below ~20m of porous cover rocks – a setting which is seen as more favourable for the migration of radon gas. Similar basement rocks elsewhere on the Eyre Peninsula host occurrences of uranium mineralisation. Repeatable anomalous results were obtained at the Dragon prospect above an AEM anomaly at an interpreted depth of ~130m. The prospect was tested with shallow rotary mud drilling to refusal at ~25m which intersected mylonites with minor alteration but no anomalous radioactivity. The track etch method detected a strong and reproducible anomaly which was not accounted for by shallow drilling; more work is warranted.

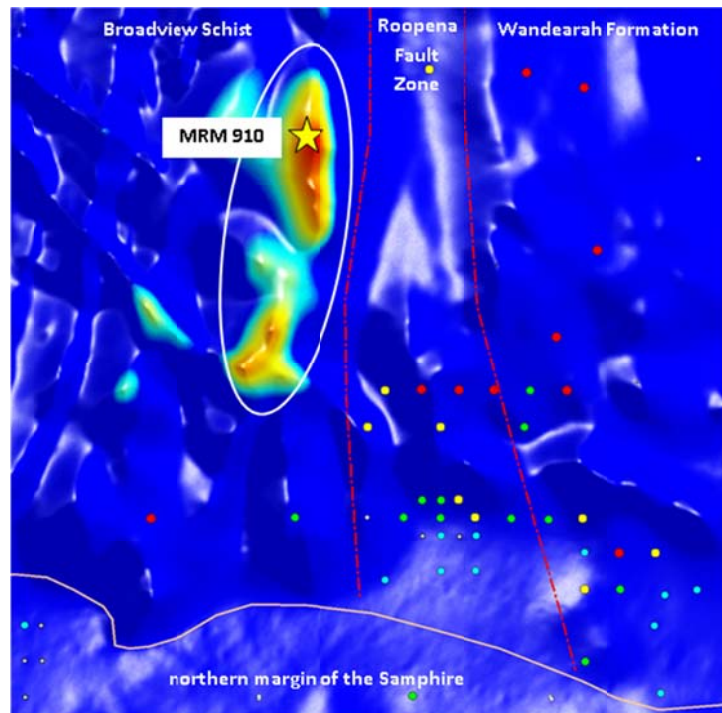


# Review of Operations

## Stock Dam iron mineralisation

The Stock Dam prospect is centred on a high amplitude aeromagnetic anomaly located ~4.6km north of the Blackbush prospect. A single vertical rotary mud hole (MRM910) intersected sub-vertical soft Broadview Schist which was visually estimated in the field to contain a few percent magnetite iron mineral from 60m, rising to 15-30% from 68 to end-of-hole at 72m. Initial interpretation indicates the anomaly is sourced in a sedimentary unit within the metasomatic halo of the Samphire granite, steep dipping and turning back to the west from about 400m below surface. The drill hole reached the top of the anomaly which is interpreted as a zoned mineralisation with a magnetite dominated core (estimated ~30% magnetite) and peripheral hematite halo.

The coloured circles are UraniumSA rotary mud holes drilled into younger cover sequences for sediment-hosted uranium exploration. The interpreted significance of the iron values shown (portable XRF discussion next page) on the image are:



grey, blue and green dots increasing cuts within the normal background distribution of values

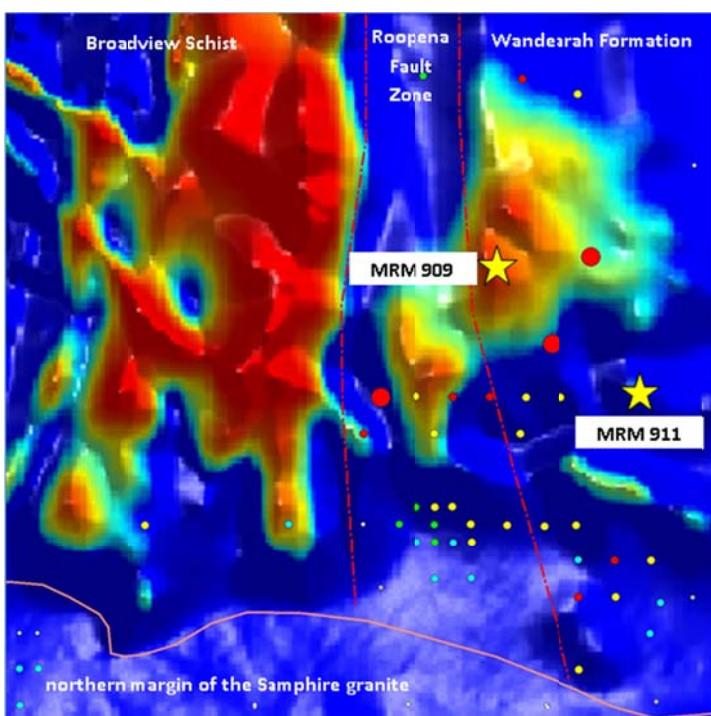
yellow dots above the normal background population and possibly significant

red dots orders of magnitude above the upper limit of the background population and potentially significant iron anomalies

The location of the prospect within the tenement is shown on the map, page 6. The image is ~4km west-east and the same north-south. The underlying image is a pseudocolour rendering of the TMI and the peak anomaly drilled by MRM 910 is approximately 1km north-south. Data and other information in release ASX 31 March 2014.

## Cowled IOCGU prospect

The Cowleds IOCGU copper prospect is located ~4km northeast of the Blackbush deposit and has the geological, geochemical and geophysical attributes of an IOCGU mineralised system. It lies on the northern margin of the Samphire granite intrusive in contact with interpreted Wandearah Formation and is cut by the north-south trending regionally significant Roopena Fault. Geochemistry of end-of-hole samples (sediment hosted exploration drill holes) shows copper-iron anomalism associated with a subtle aeromagnetic anomaly.



Two vertical rotary mud holes (MRM909, 911, aggregate depth 119m) to test the geological interpretation and obtain samples for geochemical analysis and petrology. The holes intersected hematized brecciated granites and brecciated and silicified roof-pendant metasediments consistent with the IOCGU model.

The coloured circles are UraniumSA rotary mud holes drilled into younger cover sequences for sediment-hosted uranium exploration. The holes stopped in basement rocks and end-of-hole grab samples collected. A hand portable XRF (see Table) was used to determine indicative metal contents for geochemical appraisal. These values have been empirically sub-divided into six categories of significance and colour coded. The interpreted significance of the copper values shown on the image are:

grey, blue & green dots increasing cuts within the normal background distribution of values

yellow dots above the normal background population and possibly significant

red dots orders of magnitude above the upper limit of the background population and potentially significant copper anomalies

The location of the prospect within the tenement is shown on the map, page 6. The image is ~4km west-east and the same north-south. The underlying image is a pseudocolour rendering of the TMI. Data and other information in release ASX 31 March 2014.

# Review of Operations

## Samphire project - Metallurgical development

When UraniumSA discovered uranium in the Samphire project and Blackbush deposit it was quickly recognised that the natural saline formation waters would not allow the use of conventional resins for the extraction of uranium in an in-situ recovery mining operation. In-house metallurgical research and development has been run in parallel with our successful exploration to first identify, and then prove, that there are commercial resins and processes able to extract uranium from saline solution.

UraniumSA has continued its metallurgical research work during the year under collaborative MOU's with our strategic partners and ion exchange experts CleanTeq Holdings Limited (CleanTeQ) and LANXESS AG. The collaboration was successful in obtaining an Innovation Voucher Program grant from the South Australia Government through DMITRE, now Department of State Development (DSD), for a program of work to evaluate the performance of three selected resins during locked cycle ion exchange test work.

The program was commenced at Ian Wark Research Institute at the University of South Australia in January 2014 and ongoing evaluation of the flow of results from the work identified the major impurities which effect uranium recovery from hypersaline solutions in ion exchange. Adaptive changes to the test design were implemented and the work continued. Final reports are being compiled and are due in the near future.

Separately from the collaborative programmes UraniumSA investigated the potential for concentration of leach liquor via membrane filtration. The work indicated good possibilities for the technique but it has not been pursued at this time.

The metallurgical research and development program is run by Simon Hall, the Company's metallurgical manager.

## Muckanippie project

The Muckanippie project is located in the Central Gawler Craton approximately 65 kms northwest of Tarcoola, within the Woomera Prohibited Area of South Australia. The majority of the tenement covers an aeromagnetic signature associated with an intrusive complex named by PIRSA (now DSD) as the Muckanippie Layered Mafic Complex (MLMC) comprised of a variety of mafic, ultramafic rock, intermediate and granitic rock types.

During the year a re-evaluation of historic third-party work completed at the Wigetty prospect enabled UraniumSA to make an estimation of an Exploration Target (ASX 12 February 2014) with the potential to produce concentrates of ilmenite (titanium) with co-product magnetite (iron) and apatite (phosphate). Internationally, there are a number of prospects with similar tonnage/grade and commodity profiles which are at various stages of evaluation or advanced development – the proposed products are bulk-traded industrial feedstock and agricultural materials and potential economics are profoundly influenced by commodity price cycles and end-user relationships. These prospects are located within mafic complexes and host rocks are texturally isotropic and mechanically competent intrusive nortite/gabbro.

The point of difference for the Wigetty mineralisation is that it is hosted in a metamorphic migmatite host rock which should have significant textural anisotropy and potentially a lower mechanical strength which could result in lower crushing and beneficiation costs. A preliminary metallurgical appraisal of the host rock has commenced using small end-of-hole samples which have been obtained from the DSD core library facility.

The results of soil geochemical surveys over portions of the MLMC completed early in the year are being evaluated.

## Other exploration and projects

The Samphire uranium project has been the focus of UraniumSA's financial and technical resources since its discovery in 2007 and this is likely to remain the case in the current year. Sufficient work has been done on all other titles for the Company to retain its desired interest and where exploration potential has warranted it.

Refer to comments in the Directors' Report on page 13.

# Review of Operations

## Land and Community

UraniumSA has and will continue to inform the broader Upper Spencer Gulf and Eyre Peninsula communities and landowners of our work-in-progress on the Samphire project. The most recent community engagement day was held in November 2013. This protocol has at all times been transparent and ongoing, and forms, as it have for a number of years now, a fundamental component of our overall business strategy.

UraniumSA employs a Community and Government Liaison Officer to ensure that we engage as positively as possible with landowners and to ensure that we are fully aware of, and meet, our corporate and social obligations. The Company will continue this approach in recognition of the critical importance of these issues to affected landowners, to the local community seeking economic uplift, and to the Australian community which is entitled to see equitable outcomes from minerals exploration and development.

## Regulation

All aspects of the uranium industry in Australia and internationally are subject to strong statutory and regulatory controls. The South Australian Government agencies have many years of experience with uranium projects and have developed and implement very effective administration, review and control processes.

UraniumSA conducts its exploration activities under the provisions of Exploration Licences issued by the South Australian Government, either in its own name or those of its Joint Venture partners. These Licences give the Company a right to explore for minerals subject to extensive directions and controls which are designed to protect the rights of landowners and ensure that work is conducted in an effective and environmentally aware manner. UraniumSA has developed its own operating practises and internal procedures and documentation to ensure that its operations in the field meet or exceed the statutory requirements. We are confident that our operations meet prevailing best practise.

## Health & Safety (WHS)

The Group's corporate objective is to ensure that we maintain a safe and productive work environment. During 2013-2014 there were 3 minor incidents on our work sites resulting in 2 days lost time (2012-2013 had no incidents). No incidents have involved significant physical injury, and each has been investigated and changes have flowed through into the work place. The main business of UraniumSA is uranium exploration and radiation safety and monitoring is a priority within the Group. The Company has a dedicated consultant as the registered Radiation Safety Officer. It also engages an external specialist consultant for advice and assistance. During the year compliance activities relating to radiation and radiation in the workforce continued.

## Competent Person

*The exploration results mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck a Director of UraniumSA Limited and Member of the Australian Institute of Geoscientists with sufficient experience relevant to the style of mineralisation and type of deposits being considered, and to the activity which is reported to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr Bluck consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.*



# Directors' Report

Your Directors present this report on UraniumSA Limited and its consolidated entities (Group) for the financial year ended 30 June 2014.

## Directors

The following directors were in office during the whole of the financial year, and up to the date of this report:

- Alice McCleary
- David Paterson
- Russel Bluck

## Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

- Damien Connor – BCom, CA, GAICD

Damien has been a member of the Institute of Chartered Accountants in Australia since 2002 and has over 13 years finance and accounting experience including 8 years in the mining industry. Damien is also a Graduate of the Australian Institute of Company Directors, and is currently completing the Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

## Meetings of Directors

The number of meetings of the Company's board of Directors and each of Board committee held during the year ended 30 June 2014, and the numbers of meetings attended by each Director were as follows:

Director	Director Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended
A McCleary	11	11	2	2
D Paterson	11	11	2	2
R Bluck	11	11	-	-

As at the date of this report the Group has not formed separate Remuneration or Governance Committees, as these matters are handled by the Board as a whole.

## Principal Activities

The principal activity of the Group during the course of the year was the exploration for uranium and other minerals on the Group's exploration licenses in South Australia. There has been no change to these activities during the financial year.

## Operating Results

The loss of the Group after recognising a research and development tax concession of \$36,512 was \$746,708 (2013: \$853,196).

## Dividends

No dividends were declared or paid during the financial year. No recommendation for payment of dividends has been made to the date of this report.

## Operating and Financial Review

The Group has projects comprising 6 granted exploration licences in South Australia covering an area of approximately 1,826km<sup>2</sup>. The primary focus was the Group's 100% owned Samphire project located 20km south of Whyalla on the Eyre Peninsula, and the 100% owned Muckanippie project located in northern South Australia.

Over the year your directors have been mindful of cash preservation and have reduced corporate, operating and exploration expenditure accordingly during the year.

## SAMPHIRE PROJECT (EL 4979)

EL 4979 was the focus of exploration efforts during the year with activities that included:

- Mineralisation at the Blackbush deposit was re-estimated to conform to JORC 2012. The uranium endowment of the deposit as a whole was maintained.
- The distribution of high grade mineralisation at western Blackbush was accurately mapped by a program of close spaced gravity survey and sophisticated data processing. The method will assist forward drill planning.
- A short program of exploration drilling was completed within the 100% owned Samphire project targeting the following prospects:

**Stock Dam magnetite prospect** is located ~4.6km north of the Blackbush prospect. A strike extensive aeromagnetic anomaly was tested with a single vertical rotary mud hole which intersected sub-vertical soft Broadview Schist which visually significant magnetic iron mineralisation. More work is warranted.

**Cowleds IOCGU copper prospect** located ~4km northeast of the Blackbush deposit. Aeromagnetic, drilling and anomalous copper geochemical data was interpreted as a sub-circular Hiltaba granite stock. Two vertical holes intersected hematized brecciated granites and brecciated and silicified roof-pendant metasediments consistent with an IOCGU mineralising system.

**Dragon uranium prospect.** Two traverses of shallow vertical rotary mud holes were drilled across the track-etch anomaly. Bedrock was variably altered but not anomalous. The track-etch anomaly was not accounted for.

## Directors' Report

- Metallurgical partnerships were strengthened with an MOU with LANXESS AG complimenting the Company's ongoing relationship with CleanTeQ, a grant from the SA Government for various resin laboratory studies carried out at the Ian Wark Research Institute.
- Detailed re-assessment of all geotechnical data particularly focussed on identifying drillable targets for high grade uranium mineralisation below the unconformity in the Western Zone at Blackbush. A systems approach examination of the structural, geochemical and geological physiochemical features of the zone concluded that the attributes and known mineralisation/alteration indicated settings which could host significant mineralisation.

### MUCKANIPPIE PROJECT (EL 4694)

- ***Wigetty prospect – titanium-iron-phosphate project***

UraniumSA commenced an appraisal of the multi-commodity Wigetty titanium-iron prospect during the December 2013 quarter, which resulted in the release of a Maiden Exploration Target of mineralisation at the Wigetty prospect (ASX 12 & 13 February 2014).

- ***Copper-nickel base metal exploration***

Geological mapping and soil sampling programs carried out over two areas of the interpreted mafic complex rocks are being appraised.

### OTHER PROJECTS

- ***MIDGEE (EL 5426) – including Plumbush deposit***

Access and Wardens Court matters are work in progress. No field work during the year.

- ***WILDHORSE PLAIN (EL 4693)***

No field work was carried out by the Company during the year, joint venture partner Pirie Resources Pty Ltd (100% subsidiary of Archer Exploration Ltd – ASX Code: AXE) continued its work on the tenement, which remains in good standing.

- ***PINE HILL (EL 4787)***

No field work. The Company will likely relinquish its interest in the tenement shortly.

- ***MURNINNIE (EL 5440)***

UraniumSA accepted an offer of this new exploration licence in May 20014. The ~67 km<sup>2</sup> title is a strategic addition to the Company's Samphire Project tenure package.

- ***NEW PROJECTS***

Exploration work was carried out both within and external to existing exploration licences for commodities other than uranium. A balanced diversification approach will continue moving forward.

## Future Developments, Prospects and Business Strategies

The Blackbush and Plumbush deposits in the Samphire project underpin the value of the Company. And as the uranium market recovers these assets will support the markets re-valuation of our share price.

UraniumSA will continue to focus on the Blackbush deposit to optimise its economic potential by expanding known envelopes of higher than deposit average grade, and by exploring for and discovering new high grade mineralisation in and below the existing inferred resource. Other work may examine high grade opportunities at Plumbush, and seek to identify targets for the discovery of large tonnage/low grade mineralisation in the Samphire granite. Using our in-house expertise the Company will continue to investigate the metallurgical opportunities for the treatment of the Muckanippie project Wigetty prospect mineralisation.

The Board has adopted a budget to pursue these objectives and continues to consider the options which are available for the future funding.

### Events since the end of the Financial Year

On 11 September 2014 the Company announced a placement of ordinary shares and unlisted options to sophisticated investors to raise \$240,000. The placement involved the issue of 12,000,000 fully paid ordinary shares at a price of \$0.02 and the issue of 4,000,000 unlisted options for no consideration. The options will have an exercise price of \$0.06 and expire on 12 September 2016

# Directors' Report

## Information on Directors

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**Alice McCleary,**  
DUniv, BEc FCA FTIA FAICD  
*Non-Executive Chairman*

### **Experience**

Alice is a Chartered Accountant. She is a director of Archer Exploration Ltd (ASX listed), a director of Benefund Ltd, Forestry Corporation of South Australia and Adelaide Community Healthcare Alliance Inc (ACHA). She is Vice-President of the South Australian Chamber of Mines and Energy (SACOME).

Previous leadership roles include Deputy Chancellor of the University of South Australia and National President of the Taxation Institute of Australia. Alice's professional interests include financial management and corporate governance.

Alice is a member of UraniumSA's Audit committee.

### **Interest in Shares and Options**

2,136,167 ordinary shares and nil unlisted options to acquire further ordinary shares.

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**David Paterson,**  
BAppSc, GradDip BusAdmin, AusIMM  
*Executive Director*  
*Acting Chief Executive Officer*  
*(appointed 8 March 2013)*  
*Chairman of Audit Committee*

### **Experience**

David began his career as a geologist. He has diverse experience in the Australian minerals industry.

David was a Member of Australian Stock Exchange Ltd and brings over 20 years' experience in stockbroking, capital markets and finance to the Company. He was a senior consultant with wealth management group Prescott Securities Ltd and held the position of National Manager Research & Stockbroking for the parent company, WHK Group (now Crowe Howarth Australia), from April 2003 to December 2005.

David has significant experience in all facets of running a mineral exploration company. He currently a Non-Executive Director of ASX listed Bulletproof Group Limited (was former ASX listed Spencer Resources Limited where David served as Chairman). He is a Fellow of Financial Services Institute of Australia and a Member of the Australasian Institute of Mining and Metallurgy.

### **Interest in Shares and Options**

500,000 unlisted options to acquire further ordinary shares and nil interest in ordinary shares.

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**Russel Bluck,**  
BSc MSc MAIG  
*Executive Director*  
*Geoscience Manager (appointed 8 March 2013)*

### **Experience**

Russel is a Director of UraniumSA and is the Company's Geoscience Manager leading the development strategy for the Blackbush and Plumbush uranium discoveries while conceiving and delivering exploration programs directed towards new discoveries. He was the driving force in establishing the Company as a successful South Australian focussed uranium explorer and developer and was Managing Director from before UraniumSA's listing on the ASX in October 2006 until stepping down in March 2013 under the Company's planned succession strategy. Russel has worked in the mineral exploration industry for over 45 years providing geotechnical and corporate consulting services and involved in the formation and listing of junior mining sector companies on the ASX and Canadian stock exchange.

### **Interest in Shares and Options**

5,059,234 ordinary shares and 5,075,000 unlisted options to acquire further ordinary shares.

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# Directors' Report

## Remuneration Report (audited)

The Directors of UraniumSA Limited present the Remuneration Report in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

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

- A. Principles used to determine the nature and amounts of remuneration
- B. Details of remuneration
- C. Employment Contracts of Directors and other Key Management Personnel
- D. 2015 Remuneration Forecast for Directors and other Key Management Personnel
- E. Share based compensation

### A. Principles used to determine the nature and amounts of remuneration

The Board acts as the remuneration committee as a consequence of the size of the Board and the Group. The Board believes that individual salary negotiation is more appropriate than formal remuneration policies and external advice and market comparisons are sought where necessary. The Board recognises that the attraction of high calibre executives is critical to generating shareholder value. The key management personnel of the Company are the Board of Directors and Executive officers. Note 4 lists the respective names and roles of the Company's key management personnel.

The Board's Policy for determining the nature and amount of remuneration for the Company's key management personnel is as follows:

- All key management personnel are remunerated based on services provided by each person. Key management personnel receive a superannuation guarantee contribution required by the government which increased from 9.25% to 9.50% from 1<sup>st</sup> July 2014, and no key management personnel receive any other retirement benefits. The Board annually reviews the packages of Executive Directors and other key management personnel by reference to the Groups performance, individual performance and comparable information from industry sectors and other listed companies on similar industries.
- The Board may exercise discretion in relation to approving increases, incentives, bonuses and options. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.

The Company has an Employee Share Option Plan of which Directors and other key management personnel are eligible and entitled to participate.

- The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$500,000). Fees for non-executive Directors are not linked to the performance of the Company.

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee option plans, which may exist from time to time.

Each member of the executive team has signed a formal contract at the time of their appointment covering a range of matters including duties, rights, responsibilities and any entitlements on termination.

The standard contract sets out the specific formal job description.

### Performance based remuneration

Performance based remuneration is tailored to increase goal congruence between shareholders, Directors and other key management personnel.

Currently this is facilitated through the issue of options to encourage the alignment of personal and shareholder interests.

### Voting and comments made at the Company's 2013 Annual General Meeting

The Company received more than 97% of "yes" votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration report.

# Directors' Report

## B. Details of Remuneration

The tables below show details of the remuneration received by the Directors and other Key Management Personnel of the Company for the current and previous financial year.

### Director and Other Key Management Personnel Remuneration

2014	Short-Term Benefits		Post-Employment Benefit	Share Based Payment		Unpaid as at 30 June	Equity Based Remuneration
	Salary and Fees	Performance Bonus	Superannuation	Termination Benefit	Options	Total	Salary and Fees*
	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>							
A McCleary	78,476	-	1,524	-	-	80,000	38,667
D Paterson	111,013	-	-	-	-	111,013	54,083
R Bluck	157,437	-	14,563	-	-	172,000	
Subtotal	346,926	-	16,087	-	-	363,013	92,750
<b>Other Key Management Personnel</b>							
D Connor	130,441	-	12,066	-	2,105	144,612	
<b>Total</b>	<b>477,367</b>	<b>-</b>	<b>28,153</b>	<b>-</b>	<b>2,105</b>	<b>507,625</b>	<b>92,750</b>

\* During the year the Directors voluntarily offered to receive reduced cash payments for a period of time to conserve the Company's cash flow. Included within the salary and fees for 2014 above is an amount of \$92,750 which remains an unpaid as at 30 June 2014. In the event that this amount is settled in equity, shareholder approval will be required.

Refer to page 17 for details of the Company's forecast remuneration of Directors and other Key Management Personnel for the year ended 30 June 2015.

2013	Short-Term Benefits		Post-Employment Benefit	Share Based Payment		Unpaid as at 30 June	Equity Based Remuneration
	Salary and Fees	Performance Bonus	Superannuation	Termination Benefit	Options	Total	Salary and Fees*
	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>							
A McCleary	77,578	-	2,422	-	-	80,000	10,667
D Paterson	82,599	-	-	-	5,050	87,649	
R Bluck	335,779	-	27,552	-	-	363,331	29,642
Subtotal	495,956	-	29,974	-	5,050	530,980	40,309
<b>Other Key Management Personnel</b>							
D Connor	155,250	-	13,973	-	4,690	173,913	
<b>Total</b>	<b>651,206</b>	<b>-</b>	<b>43,947</b>	<b>-</b>	<b>9,740</b>	<b>704,893</b>	<b>40,309</b>

\* During the year the Directors voluntarily offered to receive reduced cash payments for a period of time to conserve the Company's cash flow. Included within the salary and fees for 2013 above is an amount of \$40,309 which remains an unpaid as at 30 June 2014. In the event that this amount is settled in equity, shareholder approval will be required.

# Directors' Report

## C. Employment Contracts of Directors and Other Key Management Personnel

Remuneration and other terms of employment for the Directors and other key management personnel are formalised in either contracts of employment or service agreements. The major provisions of the agreements relating to remuneration are set out below:

Name	Base Remuneration**	Unit of Measure	Term of Agreement	Notice Period	Termination Benefits
D Paterson *	Variable	Hourly rate contract	None	None	None
R Bluck	\$144,000	Per annum salary	None	One month	None
D Connor	Variable	Hourly rate contract	12 months	3 Months	None

\* From 1<sup>st</sup> July 2014 to 30 September 2014 D Paterson's hourly rate contract is capped at \$4,000 per month.

\*\* Base remuneration inclusive of Superannuation Guarantee Contribution (SGC).

## D. 2015 Remuneration Forecast for Directors and Other Key Management Personnel

The below table details the Company's forecast for the remuneration of each of the Key Management Personnel for the year ended 30 June 2015, and reflects revised remuneration arrangements as a further and continued effort to preserve the Company's cash:

	CASH		NON-CASH	
	Executive Salary	Director Fees	Shares*	Total
	\$		\$	\$
A McCleary	-	15,000	30,000	45,000
D Paterson	48,000	12,000	-	60,000
R Bluck	144,000	12,000	-	156,000
D Connor	93,600	-	-	93,600
<b>Total</b>	<b>285,600</b>	<b>39,000</b>	<b>30,000</b>	<b>354,600</b>

\* Share based remuneration will be subject to shareholder approval.

## E. Share Based Compensation

### Number of Unlisted Options held by Directors and Key Management Personnel as at 30 June

2014					Option		Total	Total
Key Management Personnel	Balance 1.7.13	Granted as Compensation	Options Exercised	Cancelled/ Lapsed	Balance 30.6.14		Vested 30.6.14	Unvested 30.6.14
A McCleary	-	-	-	-	-	-	-	-
D Paterson	500,000	-	-	-	500,000	500,000	-	-
R Bluck	5,000,000	-	-	-	5,000,000	5,000,000	-	-
R Bluck*	126,000	-	-	(51,000)	75,000	50,000	25,000	-
D Connor	400,000	-	-	-	400,000	400,000	-	-
<b>Total</b>	<b>6,026,000</b>	<b>-</b>	<b>-</b>	<b>(51,000)</b>	<b>5,975,000</b>	<b>5,950,000</b>	<b>25,000</b>	<b>-</b>

\* Indirect related party interest.

2013					Option		Total	Total
Key Management Personnel	Balance 1.7.12	Granted as Compensation	Options Exercised	Cancelled/ Lapsed	Balance 30.6.13		Vested 30.6.13	Unvested 30.6.13
A McCleary	500,000	-	-	(500,000)	-	-	-	-
D Paterson	-	500,000	-	-	500,000	500,000	-	-
R Bluck	6,000,000	-	-	(1,000,000)	5,000,000	5,000,000	-	-
R Bluck*	51,000	75,000	-	-	126,000	76,000	50,000	-
D Connor	400,000	-	-	-	400,000	266,667	133,333	-
<b>Total</b>	<b>6,951,000</b>	<b>575,000</b>	<b>-</b>	<b>(1,500,000)</b>	<b>6,026,000</b>	<b>5,842,667</b>	<b>183,333</b>	<b>-</b>

\* Indirect related party interest.



## Directors' Report

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the plan.

There were no options over ordinary shares in the Company granted as remuneration to Directors or other key management personnel during the year (2013: 575,000).

During the current reporting period, there were no ordinary shares issued on the exercise of options previously granted as compensation.

During the year the following options previously granted as compensation lapsed:

Name	Number Granted	Exercise Price \$	Lapsed/Expiry Date
R Bluck*	51,000	\$0.68	17/01/2014

\* Indirect related party interest.

### Number of Shares held by Directors and Key Management Personnel as at 30 June

#### 2014

Key Management Personnel	Balance 1.07.13	Granted as Compensation	Options Exercised	Net Other Change	Balance 30.6.14
A McCleary	2,136,167	-	-	-	2,136,167
D Paterson	-	-	-	-	-
R Bluck	4,834,234	-	-	-	4,834,234
R Bluck*	225,000	-	-	-	225,000
D Connor	-	-	-	-	-
<b>Total</b>	<b>7,195,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,195,401</b>

\* Indirect related party interest.

#### 2013

Key Management Personnel	Balance 1.07.12	Granted as Compensation	Options Exercised	Net Other Change	Balance 30.6.13
A McCleary	2,136,167	-	-	-	2,136,167
D Paterson	-	-	-	-	-
R Bluck	4,834,234	-	-	-	4,834,234
R Bluck*	225,000	-	-	-	225,000
D Connor	-	-	-	-	-
<b>Total</b>	<b>7,195,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,195,401</b>

\* Indirect related party interest.

### End of Audited Remuneration Report

#### Unissued Shares Under Option

The following options are unexercised at the date of this report:

Grant Date	Option Type	Number of Shares Under Option	Exercise Price	Expiry Date
5 October 2011	Unlisted	5,000,000	\$0.2000	5 October 2016
10 February 2012	Unlisted	1,350,000	\$0.2000	09 February 2015
31 October 2012	Unlisted	800,000	\$0.2000	30 October 2015
02 April 2014	Unlisted	5,000,000	\$0.0600	02 April 2016
12 September 2014	Unlisted	4,000,000	\$0.0600	12 September 2016
<b>Total</b>		<b>16,150,000</b>		

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

No shares have been issued as a result of exercise of options throughout the year ended 30 June 2014 or after balance date at the time of signing this report.

# Directors' Report

## Non-Audit Services

The Board of Directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

Details of amounts paid to the auditors of the Company and its related practices for audit and non-audit services provided during the reporting period are set out in Note 5 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 20 of this Financial Report and forms part of this Directors' report.

## Indemnifying Officers or Auditor

During the reporting period, the Company has paid premiums to insure all Officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of the information to gain advantage for themselves or someone else to cause detriment to the Group.

## Proceedings on Behalf of the Group

No person has applied to the Court for leave to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors.



*Alice McCleary*  
*Chairman*  
*Adelaide*

*Dated this 29<sup>th</sup> day of September 2014*

# Auditor's Independence Declaration



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67 Greenhill Rd  
Wayville SA 5034

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## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF URANIUMSA LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of UraniumSA Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read "S J Gray".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A large, stylized handwritten signature in blue ink, likely belonging to S J Gray.

S J Gray  
Partner – Audit & Assurance

Adelaide, 29 September 2014

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# Corporate Governance Statement

A copy of the Group's Corporate Governance Manual and its Code of Conduct and Ethics may be found on the company's website, [www.uraniumsa.com.au](http://www.uraniumsa.com.au)

These documents set out the principles of corporate governance which the Board, and all employees, are obliged to comply with:

## Principle 1: Laying solid foundations for management and oversight

The Company's Corporate Governance Manual sets out the matters reserved for the Board's decision. The Board has established delegations to senior executives so that their authority and duties are clear. These relate to expenditure approvals, day-to-day decision-making, routine ASX disclosures, review of potential projects, OH&S, staffing, promotion of the Company and Board reporting. Details are set out in the Company's Corporate Governance Manual.

We also advise that a performance evaluation of the Acting Chief Executive Officer was carried out during the year in accordance with our published policy. In addition, the Chairman reviewed the performance of the Board, and the Board reviewed the performance of the Chairman and other key executives in accordance with the policy.

## Principle 2: Structuring the board to add value

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report, and their term of office, are detailed in the Directors' report.

The following Director of the Company is independent:

A McCleary

Alice holds less than 5% of the issued capital of the Company, and has no current or recent material business relationship with the Company other than as a Director.

Given the current size and scope of the Company, it is not Company policy to have a majority of independent Directors. Persons have been selected as Directors to bring specific skills and industry experience to the Company. The Company has in the past, and aims to continue into the future, to have majority representation by Non-executive Directors.

The Company does not have a separate Nomination Committee. However, the Board considers the composition, size and skills of the Board as part of its

Board evaluation process, when selecting and appointing new Directors, and at other relevant times, and considers that it does not presently require a Nomination Committee given the present size of both the Company and the Board.

The Corporate Governance Manual sets out the process for evaluating the effectiveness of the Board. The Board has followed this process in the 2014 year.

Board members are permitted to obtain independent professional advice at the expense of the Company, as set out in the Corporate Governance Manual.

## Principle 3: Promote ethical and responsible decision-making

The Company's Code of Conduct and Ethics establishes the practices Directors and staff must follow to comply with the law, meet stakeholder expectations, maintain confidence in the Company's integrity and report unethical practices.

The Corporate Governance Manual outlines a clear policy applicable to all staff and Directors in relation to trading in the Company's shares. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities' prices.

While the Company values gender diversity and recognises its benefits, it has not set measurable objectives for achieving gender diversity due to the current size and nature of its operations.

The Company is committed to the engagement of the best people available to meet the requirements of the Company, the Board and its business.

At 30 June 2014 the Board comprises of 33% women and 20% of the Company's overall workforce are women. Details shown in the table below:

	Male	Female	Total
Board (Non-Executive)	-	1	1
Executives & Senior Management	3	-	3
Technical & Administration	5	1	6
<b>Total</b>	<b>8</b>	<b>2</b>	<b>10</b>

# Corporate Governance Statement

## **Principle 4: Safeguarding integrity in financial reporting**

The Company has a separate Audit Committee consisting of majority Non-Executive Director representation. The audit Committee has an approved charter and carries out its functions independently of monthly Board meetings. The Chair of the Audit Committee is Director D Paterson with Director A McCleary as member. The Company considers the size of the Audit Committee appropriate given the present size and scope of the Company and the Board.

The Company selects its external auditor on a merit basis and is currently satisfied with the audit services being provided. The current external auditor is Grant Thornton. The Company is satisfied with the external audit service provided and has not otherwise had cause to consider auditor rotation or re-selection processes, but will base any such decisions on competency.

## **Principle 5: Making timely and balanced disclosure**

The Company's procedures for ensuring timely ASX disclosure are set out in the Corporate Governance Manual. The Geoscience Manager, Acting Chief Executive Officer and Company Secretary have day-to-day responsibility for compliance with ASX Listing Rules. All strategic disclosures to the ASX are approved by the Board. The functions of the Competent Person for the purposes of the JORC code are performed by the Geoscience Manager, Mr Russel Bluck.

## **Principle 6: Respecting the rights of shareholders**

The Company's shareholder communication policy is set out in the Corporate Governance Manual. The Company relies principally on ASX disclosure and AGM meeting notices to communicate with shareholders, which are considered adequate at this stage of the Company's development.

## **Principle 7: Recognising and managing risk**

The Company's risk management policies are outlined in the Corporate Governance Manual. The Company has comprehensive policies in place to manage financial and operational risk, and these are being further developed and expanded as the Company's operations expand. The effectiveness of management of these risks is reported upon to the Board regularly. Broader corporate risks are reviewed by the Board as a whole on an ongoing basis,

and risk minimisation strategies such as insurance are in place. The Board has conducted a formal risk assessment of its activities.

In relation to financial risks, the Company has internal controls in place and these are reviewed as part of the external audit function. The Company also received formal assurances from the Acting Chief Executive Officer and Chief Financial Officer/Company Secretary as to the effectiveness of the Company's risk management and internal control environment, as required by s295A of the Corporations Act.

## **Principle 8: Remunerate fairly and responsibly**

The Company does not have a Remuneration Committee given the current size of the Board, the Company and its operations. The Board as a whole has responsibility for the functions of a remuneration committee and reviews remuneration levels on an individual basis, and given the present size of the Company, considers this individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

The amount of remuneration for all Directors and Executives, including all monetary and non-monetary components, are detailed in the Directors' Report. All remuneration is valued at the cost to the Company and expensed. There are no schemes for retirement benefits for Non-executive Directors other than statutory superannuation.

The Company seeks to remunerate employees fairly in accordance with industry benchmarks and individual performance. Contracts of employment with senior executives may include base salary, superannuation and provision of a motor vehicle. The contracts allow for annual performance and remuneration reviews. All employees are also entitled to participate in the Company's employee share option plan. Employees are not permitted to use margin lending or similar facilities in relation to their shares in the Company.

# Corporate Governance Statement

The following table sets out the Company's compliance with the ASX Corporate Governance Guidelines:

## Checklist of Corporate Governance Principles and Recommendations

Principle 1 – Lay solid foundations for management and oversight			CGM* Ref.
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	✓	1.1
1.2	Disclose the process for evaluating the performance of senior executives.	✓	1.1, 8.2
1.3	Provide the information indicated in Guide to reporting on Principle 1.	✓	
Principle 2 – Structure the Board to add value			
2.1	A majority of the board should be independent Directors.	✗	2.1
2.2	The chair should be an independent Director.	✓	2.1
2.3	The roles of the chair and Chief Executive Officer should not be exercised by the same individual.	✓	2.1
2.4	The board should establish a nomination committee.	✗	2.2
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	✓	2.2
2.6	Provide the information indicated in Guide to reporting on Principle 2.	✓	
Principle 3 – Promote ethical and responsible decision-making			
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> <li>The practices necessary to maintain confidence in the Company's integrity;</li> <li>The practice necessary to take into account their legal obligations and the reasonable expectations of stakeholders; and</li> <li>The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</li> </ul>	✓	3.1
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	✗	
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	✗	
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✓	
3.5	Provide the information indicated in Guide to reporting on Principle 3.	✓	
Principle 4 – Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	✓	4.2
4.2	Structure the audit committee so that it: <ul style="list-style-type: none"> <li>Consists only of Non-executive Directors</li> <li>Consists of a majority of independent Directors</li> <li>Is chaired by an independent chair, who is not the chair of the board; and</li> <li>Has at least three members</li> </ul>	✗	4.2
4.3	The audit committee should have a formal charter.	✓	4.2
4.4	Provide the information indicated in Guide to reporting on Principal 4.	✓	



# Corporate Governance Statement

## Principle 5 – Make timely and balanced disclosure

5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	✓	5.1
5.2	Provide the information indicated in Guide to reporting on Principle 5.	✓	

## Principle 6 – Respect the rights of shareholders

6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of the policy.	✓	6.1
6.2	Provide the information indicated in Guide to reporting on Principle 6.	✓	

## Principle 7 – Recognise and manage risk

7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	✓	7.1, 4.2
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 the 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.	✓	4.2
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 if risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	4.2
7.4	Provide the information indicated in Guide to reporting on Principle 7.	✓	

## Principle 8 – Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	✗	9.1
8.2	The remuneration committee should be structured	✗	9.1
8.3	Clearly distinguish the structure of Non-executive Directors' remuneration from that of executive directors and senior executives.	✓	9.1
8.4	Provide the information indicated in Guide to reporting on Principle 8.	✓	

\* Refer Corporate Governance Manual (CGM) on the Company's website.



## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014

UraniumSA limited ABN 48 119 978 013 and Consolidated Entities: Financial Statements

	Notes	Consolidated Group	
		2014 \$	2013 \$
Revenue	2	53,314	140,884
Depreciation and amortisation expense		(28,000)	(39,990)
Impairment - exploration assets		(16,371)	(225,951)
Employee benefits expense		(471,671)	(632,448)
Occupancy expense		(71,953)	(69,497)
Consultants expense		(8,413)	(6,480)
ASX listing and registry expense		(43,398)	(52,807)
Loss on disposal of plant & equipment		(49,873)	-
Other corporate expenses from ordinary activities		(146,855)	(191,841)
<b>Loss before income tax</b>		<b>(783,220)</b>	<b>(1,078,130)</b>
Income tax benefit	3	36,512	224,934
<b>Loss for year</b>		<b>(746,708)</b>	<b>(853,196)</b>
<b>Loss attributable to members of the parent entity</b>		<b>(746,708)</b>	<b>(853,196)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<b>Total comprehensive income for the year</b>		<b>(746,708)</b>	<b>(853,196)</b>
<b>Total comprehensive income contributable to the members of the parent entity</b>		<b>(746,708)</b>	<b>(853,196)</b>
<b>Earnings per Share</b>		<i>Cents</i>	<i>Cents</i>
Basic and diluted loss per share	6	(0.5)	(0.6)

The accompanying notes form part of the financial statements



## Statement of Financial Position as at 30 June 2014

		Consolidated Group	
	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	503,190	1,599,511
Trade and other receivables	8	25,821	25,532
Other current assets	9	9,944	10,565
<b>TOTAL CURRENT ASSETS</b>		<b>538,955</b>	<b>1,635,608</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	1,458,272	1,682,400
Exploration and evaluation assets	12	14,521,233	13,569,652
<b>TOTAL NON-CURRENT ASSETS</b>		<b>15,979,505</b>	<b>15,252,052</b>
<b>TOTAL ASSETS</b>		<b>16,518,460</b>	<b>16,887,660</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	225,654	158,828
Short-term provisions	14	125,161	122,045
<b>TOTAL CURRENT LIABILITIES</b>		<b>350,815</b>	<b>280,873</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	14	17,300	22,656
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,300</b>	<b>22,656</b>
<b>TOTAL LIABILITIES</b>		<b>368,115</b>	<b>303,529</b>
<b>NET ASSETS</b>		<b>16,150,345</b>	<b>16,584,131</b>
<b>EQUITY</b>			
Issued capital	15	25,585,141	25,285,141
Reserves	16	324,820	1,324,305
Retained losses		(9,759,616)	(10,025,315)
<b>TOTAL EQUITY</b>		<b>16,150,345</b>	<b>16,584,131</b>

The accompanying notes form part of the financial statements

## Statement of Change in Equity for the year ended 30 June 2014

UraniumSA limited ABN 48 119 978 013 and Consolidated Entities: Financial Statements

	Issued Capital \$	Share Option Reserve \$	Retained Losses \$	Total \$
<b>Consolidated Group</b>				
<b>Balance at 30 June 2012</b>	<b>25,285,141</b>	<b>1,250,079</b>	<b>(9,172,119)</b>	<b>17,363,101</b>
<i>Transactions with owners</i>				
Fair value of options issued/vested	-	74,226	-	74,226
<i>Transactions with owners</i>	<b>25,285,141</b>	<b>1,324,305</b>	<b>(9,172,119)</b>	<b>17,437,327</b>
Total comprehensive income for year	-	-	(853,196)	(853,196)
<b>Balance at 30 June 2013</b>	<b>25,285,141</b>	<b>1,324,305</b>	<b>(10,025,315)</b>	<b>16,584,131</b>
<i>Transactions with owners</i>				
Shares issued during the year	300,000	-	-	300,000
Transfer of share option reserve to retained loss	-	(1,012,407)	1,012,407	-
Fair value of options issued/vested	-	12,922	-	12,922
<i>Transactions with owners</i>	<b>25,585,141</b>	<b>324,820</b>	<b>(9,012,908)</b>	<b>16,897,053</b>
Total comprehensive income for year	-	-	(746,708)	(746,708)
<b>Balance at 30 June 2014</b>	<b>25,585,141</b>	<b>324,820</b>	<b>(9,759,616)</b>	<b>16,150,345</b>

The accompanying notes form part of the financial statements

## Statement of Cash Flows for the year ended 30 June 2014

		Consolidated Group	
	Notes	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts received from consulting services		25,381	24,142
Payments to suppliers and employees		(665,770)	(840,050)
Interest received		39,858	141,391
Research and development tax concession		36,512	661,690
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	20	<b>(564,019)</b>	<b>(12,827)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration expenditure		(832,938)	(1,561,052)
Payments for property, plant and equipment		-	(11,845)
Proceeds from sale of property, plant and equipment		636	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(832,302)</b>	<b>(1,572,897)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares		300,000	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>300,000</b>	<b>-</b>
<b>Net decrease in cash held</b>		<b>(1,096,321)</b>	<b>(1,585,724)</b>
<b>Cash at the beginning of the financial year</b>		<b>1,599,511</b>	<b>3,185,235</b>
<b>Cash at the end of the financial year</b>	7	<b>503,190</b>	<b>1,599,511</b>

The accompanying notes form part of the financial statements



## Note 1 - Statement Of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of UraniumSA Limited and controlled entities ('Consolidated Group' or 'Group').

### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

UraniumSA Limited is a for profit entity for the purposes of preparing the financial statements. The financial report has been presented in Australian dollars.

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

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

#### a) Principles of Consolidation

The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A list of controlled entities is contained in Note 10 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the Consolidated Group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the Consolidated Group, including any recognised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with those adopted by the parent entity

### Business Combinations

The Group applies the acquisition method in accounting for business combinations.

The acquisition method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Any deferred consideration payable is discounted to present value using the equity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

#### b) Income Tax

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

**Note 1 - Statement Of Significant Accounting Policies continues**

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

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

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

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

**Tax Consolidation**

UraniumSA Limited and its wholly-owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. The Group notified the Australian Tax Office that it had formed an income tax Consolidated Group to apply from 1 July 2006. The tax Consolidated Group has entered a tax funding arrangement whereby each company in the Group contributed to the income tax payable by the

Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities recognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

**c) Property, Plant and Equipment**

Property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, with the exception of land, are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the assets are held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the Lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Non-Current Asset	Depreciation Rate	Basis of Depreciation
Plant and equipment	10 - 33%	Straight Line
Buildings	2%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of Profit or Loss and Other Comprehensive Income.

**d) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area

**Note 1 - Statement Of Significant Accounting Policies continues**

have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**e) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**f) Financial Instruments***Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss.

Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Derecognition*

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

**Classification and Subsequent Measurement***i) Financial assets at fair value through profit or loss*

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



## Note 1- Statement Of Significant Accounting Policies continues

### ii) Loans and receivables

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

### iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

### iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

### v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

### g) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### h) Interests in Joint Arrangements

The Consolidated Group's share of assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements. Details of the Consolidated Group's interest are shown in Note 17.

### i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the

amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### Equity - Settled Compensation

The Group has an Employee Share Option Plan. The bonus element over the exercise price of the employees services rendered in exchange for the grant of shares and options is recognised as an expense in the Statement of Profit or Loss and Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the option granted.

### j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### k) Cash and Cash Equivalent

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

### l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

### m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the year in which they are incurred.

### n) Goods and Services Tax (GST)

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

## Note 1- Statement Of Significant Accounting Policies continues

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

### o) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

### p) Critical Accounting Estimates and Judgments

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

### Key estimates

#### *Impairment*

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

Impairment was recognised in respect of exploration and evaluation assets for the year ended 30 June 2013.

#### *Exploration and evaluation*

The Group's policy for exploration and evaluation is discussed at Note 1(d). The application of this policy requires the directors to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, the directors conclude that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off though the statement of profit or loss and other comprehensive income.

### q) Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australia Accounting Standards and Interpretations applicable to its operations which became mandatory. Information on the new standards is presented below:

#### **AASB 10 Consolidated Financial Statements**

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose

Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

#### **AASB 11 Joint Arrangements**

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities- Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates). The amendments have had no impact on the Group.

#### **AASB 13 Fair Value Measurements**

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The Group has applied AASB 13 for the first time in the current year; see Notes 14 (b).

#### **Amendments to AASB 119 Employee Benefits**

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans.

**Note 1- Statement Of Significant Accounting Policies** continues

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

**New standards and interpretations not yet adopted.**

The Group notes the following Accounting Standards which have been issued but are not yet effective at 30 June 2014. These standards have not been adopted early by the Group. The Group assessment of the impact of these new standards and interpretations is set out below:

***AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.***

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash

- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows;
  - The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
  - The remaining change is presented in profit or loss.

There will be no impact on the Group accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements. Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australia Accounting Standards.

## Note 1- Statement Of Significant Accounting Policies continues

*IFRS 15 Revenue from Contracts with Customers*  
(effective date 1 January 2017)

IFRS 15:

- replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related Interpretations
- establishes a new control-based revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

The entity has not yet assessed the full impact of this Standard.

### **Clarification of acceptable methods of depreciation & amortisation (amendments to IAS 16 and IAS 38)**

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

### **Accounting for acquisition of interests in joint operations (amendment to IAS 11)**

The amendments to IFRS 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in IFRS 3 *Business Combinations*, should:

- apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except principles that conflict with the guidance of IFRS 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by IFRS 3 and other IFRSs.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

### **s) Going Concern basis of accounting**

This financial report has been prepared on the basis of going concern.

The cash flow projections of the Group indicate that it will require additional capital for continued operations. The Group incurred a net loss of \$746,708 (2013: loss of \$853,196) and operations were funded by a net cash outlay of \$1,096,321 (2013: outlay of \$1,585,724).

The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, then going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The financial report was authorised for issue on 29<sup>th</sup> September 2014 by the Board of Directors.



## Note 2 - Revenue

Operating activities

- Serviced office and consulting fees
- Interest received

Total Revenue

Serviced office space, management and consulting services represent amounts received from non-related parties.

## Note 3 - Income Tax Benefit

a) The components of income tax benefit comprise:

Current tax

b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:  
30% (2013: 30%):

Net Loss

Prima facie tax benefit on loss from ordinary activities before income tax at 30%

Add/(less):

Tax effect of:

- other

Research and development tax concession

Tax effect of temporary differences not brought to account as they do not meet the recognition criteria

Income Tax attributable to operating loss

c) Unused tax losses for which no deferred tax asset has been recognised at 30%

Consolidated Group	
2014	2013
\$	\$
21,396	24,790
31,918	116,094
53,314	140,884
36,512	224,934
36,512	224,934
(783,220)	(1,078,130)
(234,966)	(323,439)
3,991	22,502
230,975	(300,937)
36,512	224,934
230,975	300,937
36,512	224,934
6,738,332	6,277,550

#### Note 4 - Key Management Personnel Compensation

- a) Names and positions held of consolidated entity key management personnel in office at any time during the financial year are:

Alice McCleary	Chairman
David Paterson	Executive Director/Acting CEO
Russel Bluck	Executive Director/Geoscience Manager
Damien Connor	Chief Financial Officer & Company Secretary

Other than those employees of the Company listed above there are no additional key management personnel.

#### b) Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014. The total remuneration paid to KMP of the Group during the year is as follows:

	2014	2013
	\$	\$
Short term benefits	477,367	651,206
Post-employment benefits	28,153	43,947
Termination benefits	-	-
Share - based payments	2,105	9,740
	<b>507,625</b>	<b>704,893</b>

#### Note 5 - Auditors' Remuneration

Remuneration of the auditor for:

- auditing or review of the financial report
- taxation services provided by the practice of the auditor

#### Consolidated Group

2014	2013
\$	\$
26,000	26,500
4,000	5,050
<b>30,000</b>	<b>31,550</b>

#### Note 6 - Earnings Per Share (EPS)

Reconciliation of earnings to Loss

Loss for year used to calculate basic EPS

(746,708)	(853,196)
-----------	-----------

Number

Number

- a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS

<b>150,932,290</b>	<b>147,274,756</b>
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- b) In accordance with AASB 133 "Earnings per Share" as potential ordinary shares may only result in a situation where their conversion results in decrease on profit per share or increase in loss per share, no dilutive effect has been taken into account.

### Note 7 - Cash And Cash Equivalents

Short term deposits  
Cash at bank and on hand

The effective interest rate on short term bank deposits was 3.7% (2013: 4.8%). These deposits have an average maturity of 184 days (2013: 120 days). The Group's exposure to interest rate risk is summarised at Note 24.

### Note 8 - Trade And Other Receivables

GST receivable  
Accrued interest  
Other receivables

At 30 June 2014 the Group did not have any receivables which were outside normal trading terms (past due but not impaired).

### Note 9 - Other Current Assets

Prepayments

#### Consolidated Group

	2014	2013
	\$	\$
	479,872	1,592,758
	23,318	6,753
	503,190	1,599,511
	11,347	10,695
	2,532	10,472
	11,942	4,365
	25,821	25,532
	9,944	10,565

### Note 10 - Investments In Controlled Entities

		Percentage Owned (%)	
	Country of Incorporation	2014	2013
<b>Parent Entity</b>			
UraniumSA Limited	<i>Australia</i>		
<b>Subsidiaries of UraniumSA Limited</b>			
Samphire Uranium Pty Ltd	<i>Australia</i>	100	100
Angus Resources Pty Ltd	<i>Australia</i>	100	100
Fatjack Pty Ltd	<i>Australia</i>	100	100
UraniumSA Exploration Pty Ltd	<i>Australia</i>	100	100

### Note 11 - Property, Plant And Equipment

#### i) Plant and Equipment at cost

Accumulated depreciation

Balance at 30 June

#### Movements in carrying amounts:

Balance at the beginning of the year

Additions

Disposals

Depreciation

Balance at 30 June

#### ii) Land at cost

Balance at 30 June

#### Movements in carrying amounts:

Balance at the beginning of the year

Additions

Balance at 30 June

#### iii) Buildings at cost

Accumulated depreciation

Balance at 30 June

#### Movements in carrying amounts:

Balance at the beginning of the year

Additions

Depreciation

Balance at 30 June

#### Total property, plant and equipment

### Consolidated Group

2014	2013
\$	\$
1,418,616	1,653,117
(1,223,649)	(1,234,144)
194,967	418,973
418,973	638,731
-	11,845
(50,509)	-
(173,497)	(231,603)
194,967	418,973
1,258,082	1,258,082
1,258,082	1,258,082
1,258,082	1,258,082
-	-
1,258,082	1,258,082
6,074	6,074
(851)	(729)
5,223	5,345
5,345	5,467
-	-
(122)	(122)
5,223	5,345
1,458,272	1,682,400



## Note 12 - Exploration And Evaluation Assets

Costs carried forward in respect of areas of interest in:  
Exploration and evaluation phases at cost

### a) Movements in carrying amounts:

Exploration and evaluation

Balance at the beginning of the year

Amounts capitalised during the year

Exploration expensed

Balance 30 June

## Consolidated Group

2014	2013
\$	\$
14,521,233	13,569,652
14,521,233	13,569,652
13,569,652	12,084,410
967,952	1,711,193
(16,371)	(225,951)
14,521,233	13,569,652

During the year \$145,617 (2013: \$191,735) of equipment depreciation was included in amounts capitalised as exploration and evaluation costs. A summary by tenement is included at Note 17.

## Note 13 - Trade And Other Payables

Unsecured liabilities:

Trade payables

Other payables and accruals \*

39,303	11,627
186,352	147,201
225,654	158,828

\* included within the 30 June 2014 amount is \$133,058 relating to an accrual for unpaid Director fees. In the event that this amount is settled in equity, shareholder approval will be required.

## Note 14 - Provisions

CURRENT

Employee entitlements

NON CURRENT

Employee entitlements

125,161	122,045
17,300	22,656

## Note 15 - Issued Capital

162,274,756 (2013: 147,274,756) fully paid ordinary shares

### Consolidated Group

2014	2013
\$	\$
25,585,141	25,285,141

### a) Ordinary Shares

Total shares at 30 June 2012

Number  
147,274,756

Shares issued during the year

-

Total shares issued at 30 June 2013

147,274,756

Shares issued during the year

15,000,000

Total shares issued at 30 June 2014

162,274,756

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### b) Issued Capital

At the beginning of the year

\$ 25,285,141 \$ 25,285,141

Shares issued during the year

300,000 -

Total shares issued at 30 June

25,585,141 25,285,141

### c) Options on Issue

Details of the share options outstanding as at the end of the year are set out below:

Grant Date	Options	Expiry Date	Exercise Price		
14-Oct-10	Employee options	14-Oct-13	0.2923	-	250,000
23-Nov-10	Employee options	23-Nov-13	0.2923	-	333,333
17-Jan-11	Employee options	17-Jan-14	0.6800	-	438,500
23-Feb-11	Employee options	17-Jan-14	0.6800	-	150,000
28-Apr-11	Employee options	28-Apr-14	0.4200	-	250,000
6-Jul-11	Employee options	6-Jul-14	0.2923	150,000	150,000
5-Oct-11	Director options	5-Oct-16	0.2000	5,000,000	5,000,000
10-Feb-12	Employee options	9-Feb-15	0.2000	1,350,000	1,425,000
31-Oct-12	Director options	30-Oct-15	0.2000	500,000	500,000
31-Oct-12	Employee options	30-Oct-15	0.2000	300,000	300,000
02-Apr-14	Placement	02-Apr-16	0.0600	5,000,000	-
				12,300,000	8,796,833

All options are unlisted.

### d) Capital Management

The Group has no externally imposed capital requirements.

## Note 16 - Reserve

### a) Share Option Reserve

The share option reserve records items recognised as an expense on valuation of employee share options.

Total reserves at balance date

## Consolidated Group

2014	2013
\$	\$
324,820	1,324,305
324,820	1,324,305

## Note 17 - Tenements And Joint Ventures

The Group's interest in tenements and unincorporated joint ventures are as follows:

Project	Tenement	Commodity	Carrying value \$	Carrying value \$
Wild Horse Plain	EL 4693	Uranium, Base Metals	472,759	463,970
Muckanippie	EL 4694	Uranium, Base Metals	939,827	825,945
Mullaquana*	EL 4979	Uranium, Base Metals	12,760,019	11,935,098
Midgee	EL 5426	Uranium	345,723	335,142
Murninnie	EL 5440	Uranium, Base Metals	2,905	-
Pine Hill**	EL 4787	Uranium, Base Metals	-	9,497
Carrying value of exploration costs			14,521,233	13,569,652

\* Mineral Claim 4280, granted on 22 December 2010 covering 225 hectares. A Retention Lease application on the mineral claim submitted to regulator on 11 August 2011.

\*\* The Company will likely relinquish its interest in the tenement shortly. Capitalised expenditure on the tenement has been expensed.

All tenements are within South Australia.

## The Group's farmed-in interests in unincorporated joint venture operations are noted below:

Name of EL	Principal activity	Joint venture partner	2014	2013
Midgee	Mineral exploration	Hiltaba Gold Pty Ltd	73%	73%

## Farmed-out interests in unincorporated joint venture operations are noted below:

Wild Horse Plain*	Mineral exploration	Archer Exploration Ltd	100%	100%
Pine Hill**	Mineral exploration	Centralian Mining Pty Ltd	50%	50%

\* Retain 100% of uranium.

\*\* The Company will likely relinquish its interest in the tenement shortly.

[illegible]

### b) Contingencies

An action by a landowner has been lodged against Samphire Uranium Pty Ltd (a wholly owned subsidiary of UraniumSA Limited) in the Warden's Court, regarding access and compensation. The company is defending this action.

At this stage of proceedings it is not practical to estimate the potential outcome of the claim.

### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of exploration licence cost centres as each cost centre has different cash requirements. Operating segments are therefore determined on the same basis. The Group's operating segments are divided into Samphire which has a JORC Compliant Resource, and all other exploration tenements.

## Samphire Compliant Resource Tenements

This relates to the Group's tenements where there are ongoing exploration activities and government approvals with the objective of advancing the identified resources of mineralisation towards eventual commercial production. Qualifying expenditure incurred on the Samphire tenements is capitalised.



**Note 19 - Segment Information** continues

*Other tenements*

This relates to tenements other than the Samphire compliant resource tenements. Qualifying expenditure incurred on these tenements is capitalised.

*Mining revenue*

The Group has no mining revenue during the year.

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Inter-segment transactions*

All such transactions are eliminated on consolidation of the Group's financial statements.

*Segment Assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of the nature and physical location.

*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

*Unallocated items*

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of core operations of any segment:

- interest received;
- impairment of assets, other than exploration, and other non-recurring items is of revenue or expense; and
- income tax expense and deferred tax assets and liabilities.

**Segment Performance**

	Tenements		Tenements		Total	
	JORC Compliant Resource - Samphire		Other			
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
<b>Segment results before income tax</b>	-	-	(16,371)	(225,951)	(16,371)	(225,951)
	-	-	(16,371)	(225,951)	(16,371)	(225,951)
<b>Reconciliation of segment results to Group net loss before tax</b>						
Unallocated income and expenses						
Interest and other income					53,314	140,884
Depreciation					(28,000)	(39,990)
Corporate overheads					(792,163)	(953,073)
(Loss) before tax					(783,220)	(1,078,130)
<b>Segment assets as at 30 June</b>	12,760,019	11,935,098	1,761,214	1,634,554	14,521,233	13,569,652
Segment asset increase for the year						
- exploration expenditure capitalised	824,921	1,466,706	143,031	244,487		
- impaired during the year	-	-	(16,371)	(225,951)		
Total corporate and unallocated assets					1,997,227	3,318,008
<b>Total Group assets</b>					16,518,460	16,887,660
<b>Segment liabilities at 30 June</b>	21,761	30,883	-	-	21,761	30,883
Total corporate and allocated liabilities					346,354	272,646
<b>Total Group liabilities</b>					368,115	303,529

## Note 20 - Cash Flow Information

### Reconciliation of cash flows from operations with Loss from ordinary activities after income tax

Consolidated Group	
	2014
	\$
	2013
	\$
Loss from ordinary activities after income tax	(746,708)
Non cash flows in loss;	
- Depreciation expense (net of capitalisation)	28,000
- Share-based payments	12,922
- Exploration expensed	16,371
- Net loss on disposal of property, plant and equipment	49,873
Changes in assets and liabilities;	
- (Increase)/Decrease in trade and other receivables	1,815
- Increase/(Decrease) in trade and other payables	75,948
- Increase/(Decrease) in provisions	(2,240)
Net cash used in operating activities	(564,019)

## Note 21 - Share-based Payments

### 2014

There was no new share-based payment arrangements during the year ended 30 June 2014.

### 2013

- On 31<sup>st</sup> October 2012, 500,000 share options were granted to the Director David Paterson, following approval at the 2013 AGM, to take up ordinary shares at an exercise price of \$0.20. The options are exercisable on issue. The options have no voting rights. At balance date, 30 June 2013, none of the options had been exercised. The fair value of the options issued was \$5,050. All options granted are ordinary shares in UraniumSA Limited, which confer a right of one ordinary share for every option held.
- On 31<sup>st</sup> October 2012, 300,000 share options were granted as part of UraniumSA Employee Share Scheme, for employees to take up to ordinary shares at an exercise price of \$0.20. The options are exercisable 1/3<sup>rd</sup> on issue, 1/3<sup>rd</sup> 12 months from issue, 1/3<sup>rd</sup> 24 months from issue. The options have no voting rights. At balance date, 30 June 2013, none of the options had been exercised. The fair value of the options issued was \$3,030. All options granted are over ordinary shares in UraniumSA Limited, which confer a right one ordinary share for every option held.

**Note 21 - Share-based Payments** continued

	Consolidated Group			
	2014		2013	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	8,796,833	0.246	10,496,833	0.262
Granted	-	-	800,000	0.200
Forfeited	(75,000)	-	-	-
Exercised	-	-	-	-
Expired	(1,421,833)	-	(2,500,000)	-
Outstanding at year-end	7,300,000	0.200	8,796,833	0.246
Un vested at year-end	100,000	0.200	725,000	0.246

The options outstanding at 30 June 2014 had a weighted average exercisable price of \$0.20 and a weighted average remaining contractual life of 1.11 years.

No options were issued during the year as remuneration.

The fair value of options issued in the prior year were calculated by using a Black-Scholes option pricing model applying the following inputs:

	2014	2013	
		31-Oct-13	31-Oct-13
Weighted average exercise price	-	\$0.20	\$0.20
Weighted average life of the option	-	3 years	3 years
Underlying share price	-	\$0.08	\$0.08
Expected share price volatility	-	54%	54%
Risk free interest rate	-	2.57%	2.57%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under employee benefits expense in the statement of comprehensive income is \$8,864 (2013: \$52,839) which relates in full, to equity settled share-based payment transactions. Of the remaining share options expense \$4,058 (2013: \$21,387) was capitalised as exploration expenditure.

**Note 22 - Events After The Balance Date**

On 11 September 2014 the Company announced a placement of ordinary shares and unlisted options to sophisticated investors to raise \$240,000. The placement involved the issue of 12,000,000 fully paid ordinary shares at a price of \$0.02 and the issue of 4,000,000 unlisted options for no consideration. The options will have an exercise price of \$0.06 and expire on 12 September 2016.

Other than as detailed above and elsewhere in this report, no matters or circumstances have arisen since the end of the financial year which has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Note 23 - Related Party Transactions****a) Subsidiaries**

Interests in subsidiaries are disclosed in Note 10.

**b) Key Management Personnel**

Disclosures relating to Key Management Personnel are set out in Note 4 and the Remuneration Report.

**c) Other transactions with related parties**

A McCleary is a Director of Archer Exploration Limited. Refer Note 17 for details of a joint venture between the Group and Archer Exploration Limited.

**Note 24 - Financial Risk Management****a) Financial Risk Management Policies**

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payables. The Group does not currently undertake hedging of any kind and is not directly exposed to currency risk.

The Group does not have a formally established treasury function. The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The main risk the Group is exposed to through its financial instruments is interest rate risk. The Group holds the following financial instruments:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash at bank	2.50	2.75	23,318	6,753	-	-	23,318	6,753
Deposits	3.72	4.83	479,872	1,592,758	-	-	479,872	1,592,758
Receivables					25,821	25,532	25,821	25,532
<b>Total Financial Assets</b>			<b>503,190</b>	<b>1,599,511</b>	<b>23,821</b>	<b>25,532</b>	<b>529,011</b>	<b>1,625,043</b>
<b>Financial Liabilities</b>								
Payables			-	-	(225,654)	(158,828)	(225,654)	(158,828)
<b>Total Financial Liabilities</b>			-	-	(225,654)	(158,828)	(225,654)	(158,828)
<b>Total Net Financial Assets</b>			<b>503,190</b>	<b>1,599,511</b>	<b>(199,833)</b>	<b>(133,296)</b>	<b>303,357</b>	<b>1,466,215</b>

*Net Fair Value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non- interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on discounting future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The balances are not materially different from those disclosed in the Statement of Financial Position of the Group.



**Note 24 - Financial Risk Management continued**

**b) Market Risk**

*Interest Rate Risk*

Interest rate risk is managed with a mixture of fixed and floating rate cash deposits. At 30 June 2014 approximately 95% (2013: 99%) of the Group's deposits are fixed. It is the policy of the Group to keep between 90% and 100% of surplus cash in higher yielding deposits.

*Sensitivity Analysis- Interest Rates*

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. Any impacts would be in relation to deposit yields on cash investments.

At 30 June 2014, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2014	2013
	\$	\$
Change in loss		
- Increase in interest rates by 2%	10,064	27,700
- Decrease in interest rates by 2%	(10,064)	(27,700)
Change in equity		
- Increase in interest rates by 2%	10,064	27,700
- Decrease in interest rates by 2%	(10,064)	(27,700)

**c) Credit Risk**

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions, and represents the potential financial loss if counterparties fail to perform as contracted.

The Group has no significant concentrations of credit risk and cash term deposits are limited to high credit quality financial institutions.

The carrying amount of the Group's financial assets represents the maximum credit exposure. Refer to the table above within Note 24 (a) for weighted average interest rates and floating and fixed interest financial instruments.

**d) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions.

The Board of Directors are ultimately responsible for Group's liquidity risk management. Liquidity risk is managed by maintaining adequate reserves and investing surplus cash only in major financial institutions.

At the end of the reporting period the Group held cash and at call deposits of \$503,190 (2013: \$1,599,511) that are expected to readily generate cash inflows for managing liquidity risk. The Group has sufficient funds to finance its operations and exploration activities and to allow it to fund unforeseen expenditure.

### Parent Entity

## Current assets

Non-current a

- Loans to subsidiaries

- Investments in subsidiaries

- Other non-current assets

Total Assets

## Liabilities

## Non-current liabilities

## Total Liabilities

## Equity

## Share options

Retained losses

## Total Equity

## Financial performance

## Other comprehensive

Total comprehensive income

Total comprehensive income

UraniumSA Limited has not entered into a deed of cross guarantee with its wholly-owned subsidiaries Angus Resources Pty Ltd, Samphire Uranium Pty Ltd, Fatjack Pty Ltd and UraniumSA Exploration Pty Ltd.

UraniumSA Limited did not have any contingent liabilities as at 30 June 2014 or 30 June 2013.

## Lease expenditure commitments

There are no contractual capital commitments for the acquisition of property, plant or equipment at the date of signing this report.

Parent Entity	
2014	2013
\$	\$
529,625	1,623,351
15,910,388	15,152,728
5	5
24,013	52,013
16,464,031	16,828,097
305,151	231,703
8,535	12,263
313,686	243,966
16,150,345	16,584,131
25,585,141	25,285,141
313,275	1,142,231
(9,748,071)	(9,843,241)
16,150,345	16,584,131
(677,422)	(624,345)
-	-
(677,422)	(624,345)
81,573	140,000

## Directors' Declaration

The Directors of the Group declare that:

- 1 the Financial Statements and Notes as set out on pages 26 to 50 are in accordance with the *Corporations Act 2001* and:
  - a) comply with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 1; and
  - b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Consolidated Group;
- 2 the Managing Director and the Chief Financial Officer have each declared that:
  - a) the financial records of the Group for the year ended have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes give a true and fair view;
- 3 in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



*Alice McCleary*

*Chairman*

*Adelaide*

*Dated this 29<sup>th</sup> day of September 2014*

# Independent Auditor's Report



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URANIUMSA LIMITED**

### **Report on the financial report**

We have audited the accompanying financial report of UraniumSA Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the 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 then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility for the financial report**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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.

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# Independent Auditor's Report



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

## **Material uncertainty regarding continuation as going concern**

Without qualifying our opinion, we draw attention to Note 1(s) in the financial report which indicates that the consolidated entity incurred a net loss of of \$746,708 and operations were funded by a net cash outlay of \$1,096,321. These conditions, along with other matters as set forth in Note 1(s), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

# Independent Auditor's Report



## Report on the remuneration report

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

## Auditor's opinion on the remuneration report

In our opinion, the remuneration report of UraniumSA Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

  
S J Gray  
Partner – Audit & Assurance  
Adelaide, 29 September 2014

## Additional Information

Compiled as at 19 September 2014

### Distribution of equity securities

#### Number of security holders by size of holding:

Range	Fully Paid Ordinary Shares	Unlisted Options
1 - 1,000	97	-
1,001 - 5,000	366	-
5,001 - 10,000	320	-
10,001 - 100,000	823	4
100,001 - 9,999,999,999	214	15
<b>Total</b>	<b>1,820</b>	<b>19</b>

There were 1020 shareholdings of less than a marketable parcel of shares.

### Twenty largest holders of each class of quoted equity security

#### Ordinary Shares

Rank	Name	Units	% Issued Capital
1	MR LINDSAY MURRAY CARTHEW	25,759,419	14.78
2	MOTTE & BAILEY PTY LTD	8,101,845	4.65
3	MR DENNIS JUN TOW	7,540,000	4.33
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,814,938	3.91
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	6,089,674	3.49
6	BLUCK HOLDINGS PTY LTD	4,634,233	2.66
7	HILTABA GOLD PTY LTD	3,888,238	2.23
8	MONEX BOOM SECURITIES (HK) LTD	2,671,021	1.53
9	MR BEDE LANCE RAMAH	2,660,158	1.53
10	M & K KORKIDAS PTY LTD	2,566,022	1.47
11	MR LUKE WILLIAM WRIGHT RIDHALGH	2,500,000	1.43
12	MUTUAL TRUST PTY LTD	2,310,500	1.33
13	MARTIN SIMON JANES + ADRIENNE FRANCES JANES	2,000,000	1.15
14	SUNRISE WA PTY LTD	1,400,000	0.80
15	CITICORP NOMINEES PTY LIMITED	1,353,298	0.78
16	MS ALICE MCCLEARY + MR BRIAN JOHN MCCLEARY	1,299,546	0.75
17	MR GREGORY JOHN CONNOR + MRS SUE ELLEN CONNOR	1,250,000	0.72
18	MEOW SENG LEE	1,250,000	0.72
19	EAP NOMINEES PTY LTD	1,135,208	0.65
20	NORINE NOMINEES PTY LTD	1,100,000	0.63
<b>TOTAL</b>		<b>86,324,100</b>	<b>49.53</b>

### Substantial Shareholders

The name of the substantial shareholder in the Group, the number of equity securities to which the substantial shareholder and their associates have a relevant interest, as disclosed in substantial holding notices and other notices given to the Group:

Shareholder	Number of Ordinary Shares Held	% of Ordinary Shares Held
MR LINDSAY MURRAY CARTHEW	25,759,419	14.78%

### Voting Rights

#### a) Fully paid ordinary shares

On a show of hands, every person qualified to vote, whether as a member or proxy or attorney or representative, shall have one vote. Upon a poll, every member shall have one vote for each share held.

#### b) Unlisted options

No voting rights.

