



Australia United Mining Limited
(Formerly Altius Mining Limited)
ABN 35 126 540 547

Annual Report

For the year ended 30 June 2014



Corporate Directory

AUSTRALIA UNITED MINING LIMITED

ABN 35 126 540 547

REGISTERED OFFICE

Australia United Mining Ltd

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Melbourne, VIC 3001

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DIRECTORS

Xiao Jing Wang (Executive Chairman)

Edward McCormack (Non-Executive Director)

Jia Yu (Non-Executive Director)

John Zee (Executive Director)

Jianbing Zhang (Non-Executive Director)

COMPANY SECRETARY

John Zee

CHIEF EXECUTIVE OFFICER

Graeme Fraser

CHIEF FINANCIAL OFFICER

Robert Ng

AUDITOR

Hayes Knight Audit Pty Ltd

Level 12, 31 Queen Street

Melbourne VIC 3000

SHARE REGISTRY

Computershare Investor Services Pty Ltd

452 Johnston Street

Abbotsford Vic 3067

Tel: 1300 850 505 (within Australia) or

+613 9415 4000 (outside Australia)

STOCK EXCHANGE LISTING

Australian Securities Exchange

Home Exchange - Melbourne

ASX Code – AYM

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Letter from the Board

Dear Shareholders

The Year in Review

We are pleased to provide shareholders with the Annual Report for Australia United Mining Limited (**AUML** or the **Company**) and its controlled entities (the **Group**) for the financial year ended 30 June 2014.

During the financial year, the Company undertook various activities in relation to its Australian projects, which are summarised below and elaborated upon in this Annual Report.

The Forsayth Project in Queensland

During the year Australia United Mining engaged the Shandong Number 6 Geological Brigade to undertake an exploration program at Forsayth which included, but was not limited to, geological mapping, sampling, topographic surveying and guidance for an aggressive drilling program. The Company has intensified its regional exploration program in the Forsayth area with the view of increasing the current resource base and to develop a JORC compliant resource of a sufficient volume to commence scoping studies for the additional construction required to bring the Ropewalk plant into production.

The Sofala Project in NSW

During the financial year, AUML received the results of an induced polarization (IP) survey over its Sofala Project area, which demonstrated an area of high chargeability which is coincident with the known mineralisation. The results of the survey provided two high priority targets for drilling, and AUML continues to negotiate with land holders in the area to gain access for drilling. The Board remains cautiously optimistic that AUML will be in a position to commence drilling at these targets in the near future.

General

During the year, the Company welcomed Mr Jianbing Zhang as Non-Executive Director of the Company.

Despite the 2014 financial year proving to be a challenging climate for capital raising generally, AUML continued to be successful in securing the funding it required for working capital and to achieve its business objectives; during the year the Company raised more than \$1 million in equity capital, and a further \$453,165 after year end.

Outlook

The Board remains committed to generating value for its shareholders, and working to align the Company's market capitalisation with the value of the Company and its assets. I look forward to providing further updates to shareholders as and when developments occur.

Yours faithfully

On behalf of the Board of Australia United Mining Limited



John Zee

Director & Company Secretary

Melbourne, 30 September 2014

Directors' report

The Directors present their report together with the financial report of the consolidated entity consisting of Australia United Mining Limited and its controlled entities (the **Group**), for the financial year ended 30 June 2014 and independent auditor's report.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a Director of Australia United Mining Limited, together with details of the Company Secretary, during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

CURRENT DIRECTORS	
XIAO JING WANG Executive Chairman <i>Appointed 2 May 2012</i>	Mr Xiao Jing Wang has extensive commercial and corporate experience, including the management of the Oriental Foundation International Automobile City, one of the projects approved by the Beijing Chaoyang District government. Its total investment exceeds 2 billion RMB (353 million AUD), and includes 18 automobile stores. Mr Wang is also responsible for the management of Beijing Orient Outlets Factory Shop; with a building area of around 90,000 square metres, the outlet shop is a large sale shopping centre complex offering numerous domestic and foreign brands. Mr Wang also has extensive energy and resources experience, and holds interests in Zhouqu Chinese Electric Power Corporation, a hydroelectric power station producing 51,000 kilowatts of power and Gansu Zhongyuan Chinese Energy Source Investment Corporation, as well as interests in the Beisha Hongshan Mining Area and the Hougou Mining District.
EDWARD MCCORMACK Non-Executive Director <i>Appointed 14 May 2012</i>	Mr Edward McCormack holds a Bachelor of Commerce degree from the University of Queensland. Edward has over ten years' experience in financial markets and investment banking. He is the Managing Director of a company seeking to develop a major iron ore asset in NSW and manages an investment company focussed on resource assets in Australia.
JIA YU Non-Executive Director <i>Appointed 2 May 2012</i>	Ms Yu holds a Bachelor of Political Science and Law Degree and has passed the British Association of Chartered Certified Accountants exam in the People's Republic of China. She is currently an Executive Officer with the Oriental Foundation Investment Group, a large company based in Beijing with interests in real estate, the mineral industry, the energy sector and the finance sector.
JOHN ZEE Executive Director <i>Appointed 14 May 2012</i> Company Secretary <i>Appointed 31 May 2012</i>	Mr Zee has worked in the financial services industry in stockbroking, corporate advisory and capital raisings in Australia for over 30 years. His expertise in deal structuring and capital raisings for start-ups or enterprises in their various lifecycles is well-known. His current roles include serving as the Responsible Manager for Foxfire Capital Ltd (AFSL 390210) in the provision of financial services in securities dealing and corporate advisory. These roles have included an extensive amount of customer contact. He has a well-established extensive network of investors across Asia for the purpose of introducing investment opportunities and corporate transactions. He also serves as Director for Genesis Resources Limited (ASX: GES).

JIANBING ZHANG Non-Executive Director <i>Appointed 31 July 2013</i>	Mr. Zhang is based in Beijing and brings with him a wealth of experience in active management of companies. Mr. Zhang has an engineering background and previously held a position as Engineering Director of Beijing Urban Yatai Construction Engineering Co. Ltd. He is currently General Manager of Beijing Zhongran Construction Project Co. Ltd, a position to which he was appointed in 1997. In addition, Mr. Zhang founded Beijing Century Guang'an Real Estate Development Co. Ltd, in 2006, where he continues to serve as General Manager. Since 2008, he has held the position of Chairman of Beijing Century Hengda Advertising Co. Ltd.
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PRINCIPAL ACTIVITIES

The principal activity of the economic entity during the financial period was exploration and development activity on its tenements in New South Wales and Queensland.

REVIEW & RESULTS OF OPERATIONS

The Company's current key focus is to continue to explore the tenements using science to better understand the geological structures and to identify and locate drill targets with the aim of delineating an economic resource based on current input matrixes. In addition we also intend to comply with commitment costs required to maintain leases. The main performance indicator is to expend capital to deliver value accretive outcomes. This is especially important in the current difficult capital market environment where there are increased risks of not being able to raise sufficient additional working capital.

The loss for the Group after providing for income tax amounted to \$2,163,721 (2013: \$2,362,064).

Exploration Activities

During the course of 1 July 2013 – 30 June 2014, the Company undertook various activities in relation to its Australian projects. Actual expenditure on exploration and evaluation for the year amounted to \$1,394,832 (2013: \$2,379,561).

In particular, the Board reports the following key items in relation to the 2014 financial year:

- There have been a number of changes to the exploration licences and exploration permit for minerals over the reporting period. Exploration licenses EL7041, EL7045 and EL7332 have been reduced in size to 61 km², 17km² and 209 km² respectively. EL7423 is currently under the renewal process with the NSW Department of Trade and Investment.
- As at 30 June 2014, the Company held 9 Exploration and 2 Mining Licences in two states of Australia - New South Wales (NSW) and Queensland (QLD). In NSW, the Company holds 8 Exploration Licences with an area under exploration of 887 km². In QLD, the Company holds 1 Exploration and 2 Mining Licences with an area under exploration of 57.4 km². Subsequent to 30 June 2014, 4 exploration licences have been either fully relinquished or cancelled. This is further discussed in the Subsequent Events note.

Queensland	Licence	Equity (%)	Area (km ²)
Flying Cow & Flying Cow South	ML3418	100%	1.1
Ropewalk	ML3417	100%	1.3
New Gossan	ML3417	100%	
Lady Franklin	EPM14498	100%	55.0
Lightning & Lightning Flash	EPM14498	100%	
Havelock & Caravan Park	EPM14498	100%	
Queenslander	EPM14498	100%	
Nil Desperandum	EPM14498	100%	
Total Area			57.4
New South Wales	Licence	Equity (%)	Area (km ²)
Sofala	EL7423	100%	168
Karangi	EL7332	100%	209
Gowulna-Gunners	EL7036	100%	92
Wamboyne	EL7045	100%	17
Bullamalito	EL7195	100%	254
Puggoon	EL7155	100%	47
Honeybugle	EL7041	100%	61
Beehive East	EL7159	100%	39
Total Area			887

The Forsayth Project in Queensland

The Company has intensified its regional exploration program in the Forsayth area with the view of increasing the current resource base and to develop a JORC compliant resource of a sufficient volume to commence scoping studies for the additional construction required to bring the Ropewalk plant into production.

During the reporting period Australia United Mining engaged the Shandong Number 6 Geological Brigade to undertake an exploration program at Forsayth which included, but was not limited to, geological mapping, sampling, topographic surveying and guidance for an aggressive drilling program. The following tables and maps show the results of this program to date.

Project Area	Trench	From (m)	Sample Length	Au (ppm)	Ag (ppm)	Significant Intrecepts
West Canadian	C17TC1					No Significant Intersection
	C25TC1					No Significant Intersection
	C33TC1	7.6	1	1.93	2.6	1m @ 1.93 g/t Au and 2.6 g/t Ag
	C41TC1	14.2	0.8	1.18	3.5	0.8m @ 1.18 g/t Au and 3.5 g/t Ag
	C49TC1	11.3	1.3	5.23	8.5	1.3m @ 5.23 g/t Auand 8.5 g/t Ag
	C57TC1					No Significant Intersection

Table 1: Trench results for the West Canadian project area.

Project Area	Drill-Hole Number	From (m)	Sample Length	Au (ppm)	Ag (ppm)	Significant Intrecepts
West Canadian	C65ZK1	15.8	0.4	5.52	15.2	0.4m @ 5.52 g/t Au and 15.2 g/t Ag
	C73ZK1					No Significant Intersection
	C89ZK1					No Significant Intersection
	C9ZK1	75.5	1	2.87	3.7	3.6m @ 1.15 g/t Au and 1.47 g/t Ag
			0.8	0.04	0	
			1	0.29	1.6	
			0.8	1.17	0	
	C57ZK1	73.2	0.7	16.1	38.6	
			0.9	4.53	1.9	
			0.6	0.96	4.3	2.2m @ 7.24 g/t Au and 14.23 g/t Ag
	C41ZK1	84.2	0.6	2.41	51.8	0.6m @ 2.41 G/t Au and 51.80 g/t Ag

Table 2: Drilling results for the West Canadian project area.

Project Area	Drill-Hole Number	From (m)	Sample Length	Au (ppm)	Ag (ppm)	Significant Intrecepts
Lady Franklin	L51ZK1					No Significant Intersection
	L67ZK1					No Significant Intersection
	L19ZK1					No Significant Intersection
	L27ZK2	157.7	1	1.46	1.8	1m @ 1.46 g/t Au and 1.8 g/t Ag
	L35ZK1	71.6	1	0.82	13.3	
			0.9	6.25	15.2	1.9m @ 3.39 g/t Au and 14.20 g/t Ag
	L27ZK1	80	0.7	0.53	0.9	
			0.5	20	11.7	
			1	15.05	20.1	
			1	2.33	10.9	3.2m @ 8.67 g/t Au and 11.71 g/t Ag
	L35ZK2	128	1	0.73	0.8	
			0.7	0.54	1	
			0.8	2.09	6.3	2.5m @ 1.11 g/t Au and 2.62 g/t Ag
	L27ZK3	47.4	1	0.54	0	
			0.6	0.37	0	
			1	1.62	2.5	2.6m @ 0.92 g/t Au and 0.96 g/t Ag
	L43ZK1	95.4	0.9	2.43	5.4	0.9m @ 2.43 g/t Au and 5.4 g/t Ag
	L43ZK2	170.1	1.3	2.07	5	1.3m @ 2.07 g/t Au and 5.0 g/t Ag
	L43ZK2	176.4	1	1.18	0.7	1m @ 1.18 g/t Au and 0.7 g/t Ag

Table 3: Drilling results for the West Goldsmiths area.

Project Area	Drill-Hole Number	From (m)	Sample Length	Au (ppm)	Ag (ppm)	Significant Intrecepts
West Goldsmiths	G17ZK2	57.9	0.8	2.55	8.8	0.8m @ 2.55 g/t Au and 8.8 g/t Ag
	and	102.7	0.5	1	1	1.3m @ 0.91 g/t Au and 23.15 g/t Ag
			0.8	0.85	37	
	and	111.3	0.7	6.48	3	0.7m @ 6.48 g/t Au and 3.0 g/t Ag
	and	175.1	1.1	0.84	7.3	12.3m @ 5.74 g/t Au and 34.39 g/t Ag
			1	6.59	69	
			1	9.81	25.4	
			1	14.5	210	
			1	1.53	3.5	
			1	8.32	52	
			1	15.7	15.4	
			1	5.4	15.2	
			1	5.35	10.7	
			1	0.52	1.8	
			0.7	0.04	0	
			0.9	1.7	9.7	
			0.6	0.67	5.3	
	and	190	1	0.91	1.4	3m @ 1.02 g/t Au and 1.03 g/t Ag
			1	1.35	1.7	
			1	0.8	0	
	G17ZK3	197.8	1	2.51	3.2	1.5m @ 2.69 g/t Au and 10.47 g/t Ag
			0.5	3.04	25	
	G17ZK3	202.3	0.75	17.5	126	1.7m @ 11.37 g/t Au and 69.89 g/t Ag
			0.95	6.53	25.6	
	G25ZK1	119.4	1	1.68	3.8	1m @ 1.68 g/t Au and 3.80 g/t Ag
	G17ZK1	No Significant Intersection				

Table 4: Drilling results for the Lady Franklin area.

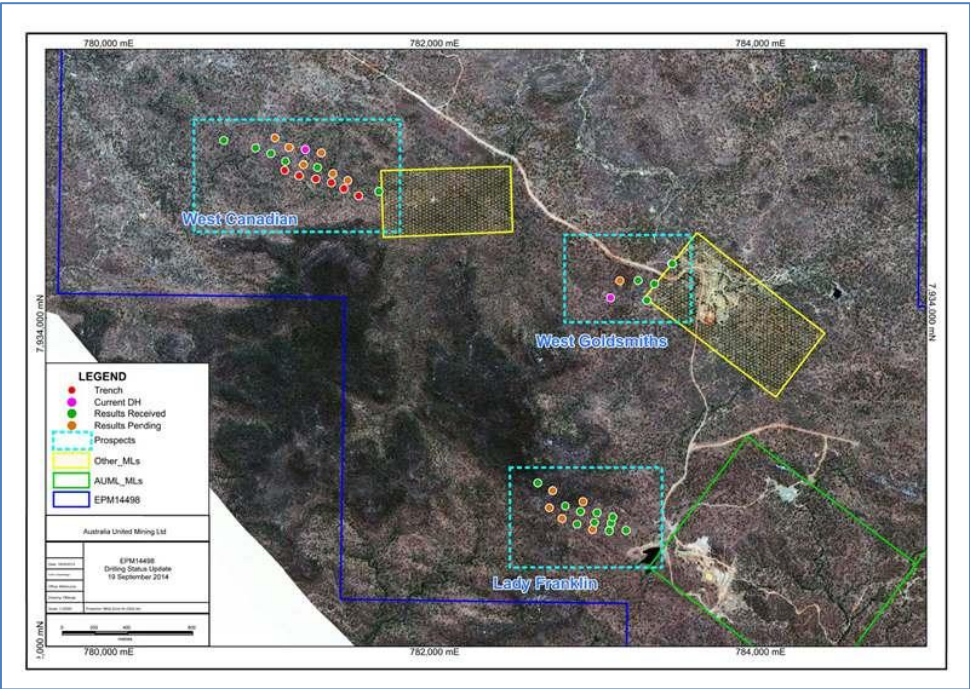


Figure 1: Overview of drilling program to date. Blue dotted lines outline the project areas corresponding to the detailed figures below.

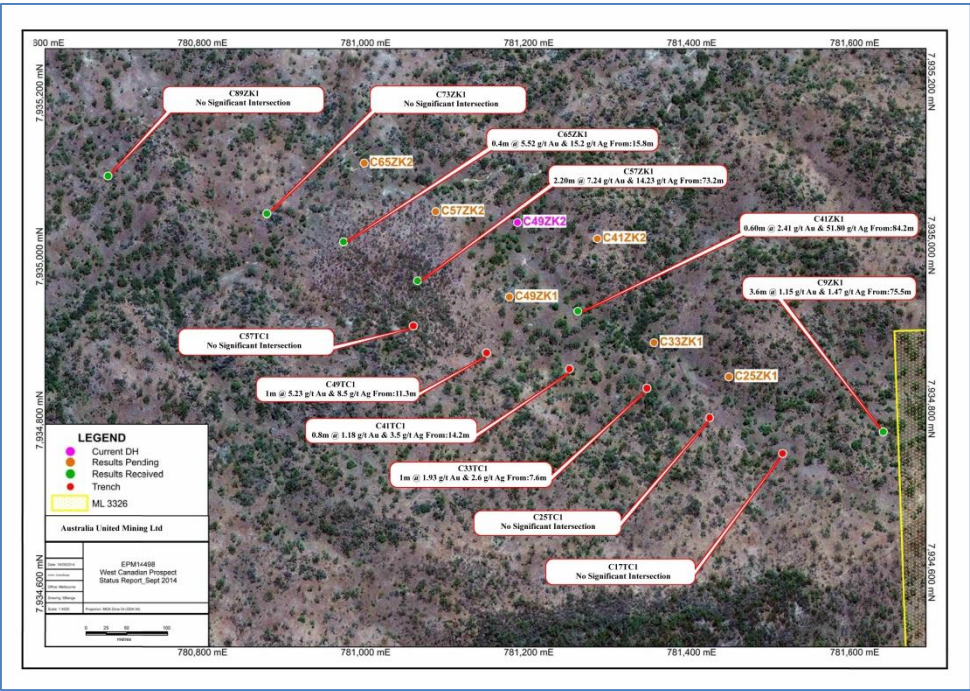


Figure 2: Drill holes in the West Canadian area.

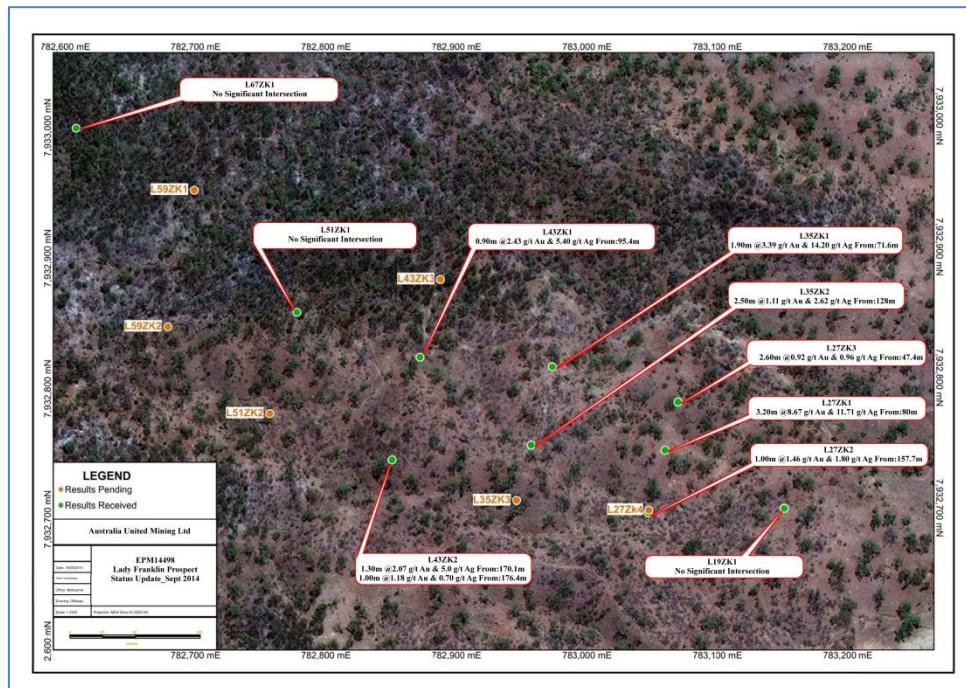


Figure 3: Drill holes in the Lady Franklin area.

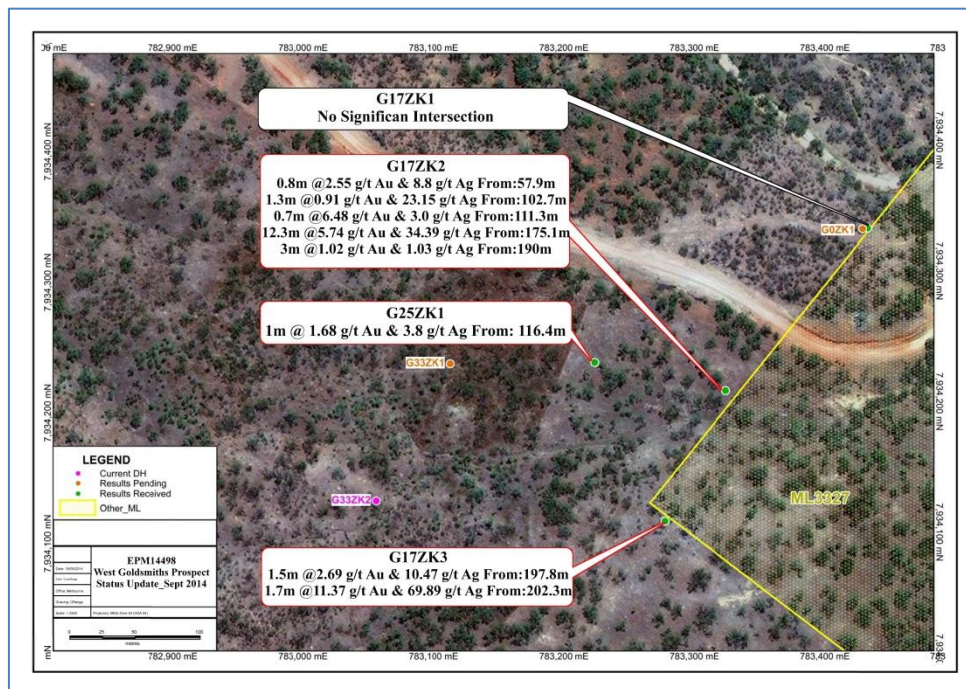


Figure 4: Drill holes in the West Goldsmiths area.

The Sofala Project in NSW

The Spring Gully prospect at Sofala is a high-sulphidation epithermal deposit, hosted in fine grained sandstones and siltstones which underlie a thrust sheet of andesitic volcanic rocks. The contact between the two rock types dips west at around 30 degrees and the gold grades can be seen to increase closer to the thrust contact, and towards the west where the mineralisation remains open.

Mineralisation in this area was the focus of an intensive exploration program during the 90's by Renison Gold Corporation, including a large soil geochemistry and drill program that ultimately focused in on the Spring Gully area where wide intercepts of low-grade mineralisation were encountered (Fig 5).

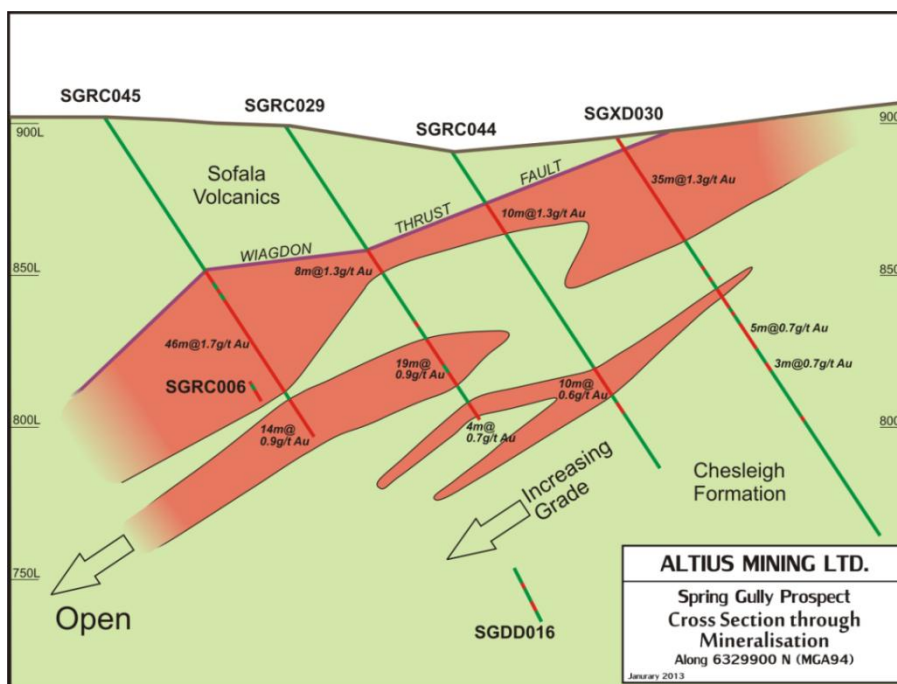


Figure 5: Cross section, with RGC drillholes, through the Spring Gully mineralisation (6329900 North) Note: AUML has no knowledge of the quality of the data used to produce this cross section.

Located immediately to the west of the Spring Gully deposit is a large magnetic anomaly known as the Wattle Flat Magnetic Zone WFMZ (Fig 6) which has been interpreted as a volcanic centre, which is thought to have a strong association with the gold mineralisation in the area, either directly, by supplying the mineralising fluids, indirectly by supplying the heat to circulate mineralising fluids or a combination of the two.

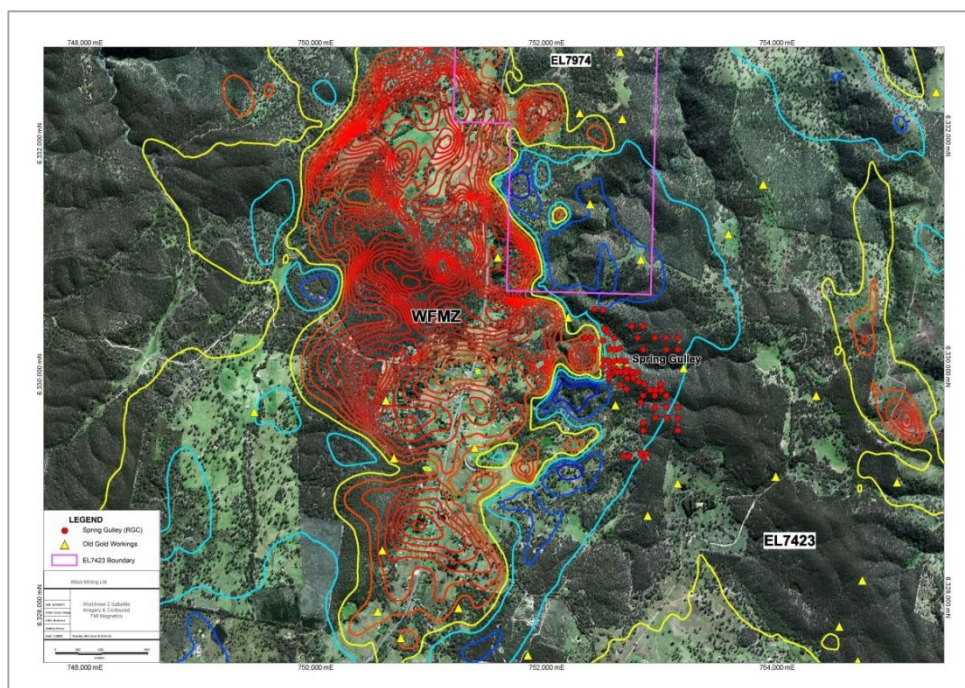


Figure 6: Magnetic contours over a satellite image of the Wattle Flat area.

In 2011 AUML commissioned an airborne geophysical survey to gain a more detailed understanding of the spatial relationship between the WFMZ and the mineralisation and found that a satellite magnetic high

occurs directly adjacent to the Spring Gully mineralisation and surrounding the magnetic high is a rim of anomalous potassium which is highly suggestive of alteration commonly associated with epithermal/porphyry deposits (Figure 7).

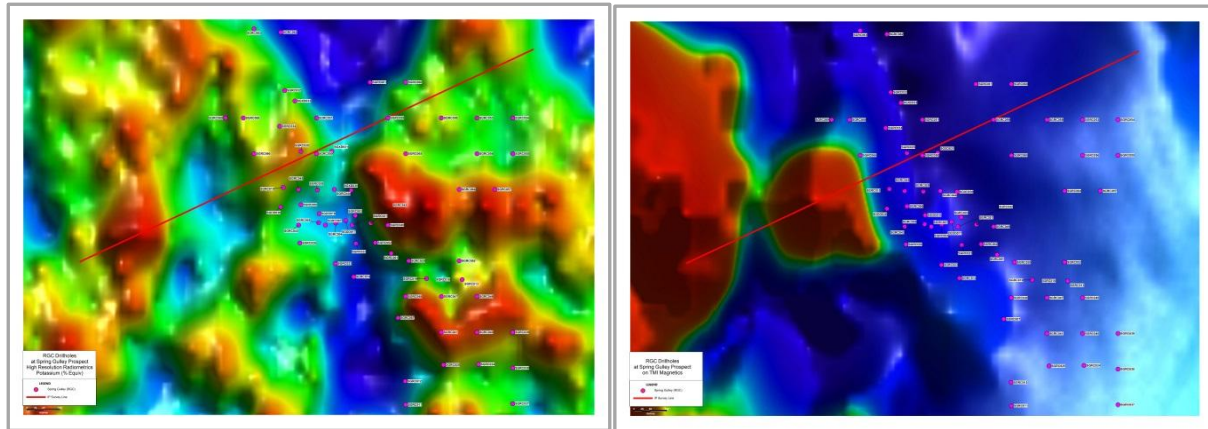


Figure 7: RGC drill hole locations in relation to potassium (left) and magnetism (right) the diagonal red line is the location of the IP survey conducted during the quarter.

During the previous reporting period AUML conducted an induced polarization (IP) survey over this area to gain a better understanding of what is occurring at depth. There were two main objectives whilst designing the IP line and they were 1) cover an area of known mineralisation to see how effective IP is as an exploration tool in the area, and 2) investigate the relationships between the magnetism, potassium and mineralisation.

The IP survey was a huge success, in that it clearly shows an area of high chargeability which is coincident with the known mineralization. Furthermore it has provided two high priority targets for drilling. The first target is in the centre of the section where a resistive high is coincident with the western edge of the known mineralization. The combination of these features is highly suggestive of a quartz rich feeder zone common to epithermal deposits with the potential for much higher grades than the mineralization that has been drilled to date.

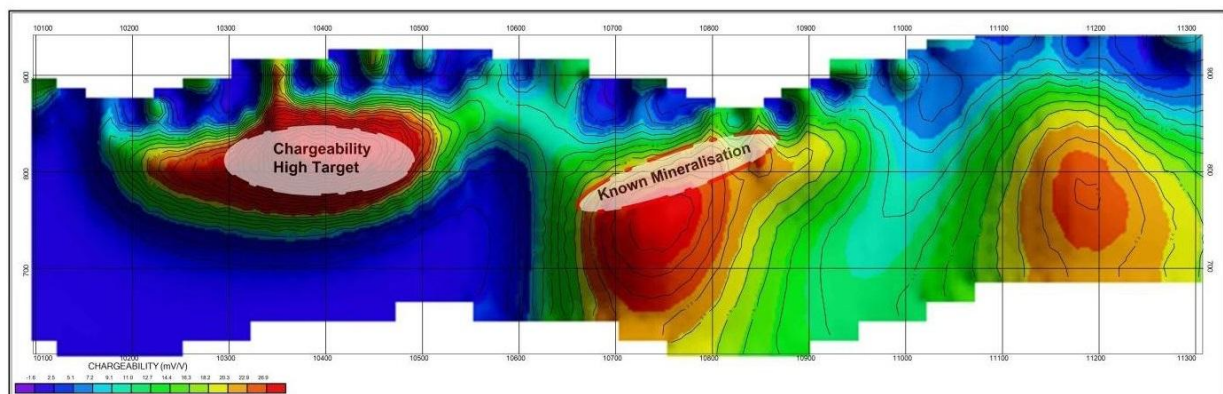


Figure 8: IP chargeability cross-section showing the location of the location of the known mineralisation.

The second target is a chargeability high at the left side of the section as shown in Figure 8. The geology exposed in this area gives no indication of what would cause such a high chargeability rendering this an unknown but interesting target.

AUML is currently negotiating with land holders in the area to gain access for drilling and we are confident we will be drilling these targets within the near future.

Renewal of EL 7423 is currently under review by the NSW Department of Trade and Investment.

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the group during the financial year.

USE OF FUNDS

The Company has used cash and assets in the form readily convertible to cash in a manner consistent with its business objectives.

SUBSEQUENT EVENTS

At the EGM held on the 15 August 2014, and in accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, shareholders ratified the issue of 84,339,700 shares to the First Placement Subscribers at an issue price per share of \$0.01 on the 18 June 2014. Shareholders also ratified the issue of 22,206,200 shares to the Second Placement Subscribers at an issue price of \$0.01 per share on the 25 June 2014.

At the same EGM, and for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders also approved the issue of 45,316,500 proposed placement shares to Mr. Jianbing Zhang at an issue price of \$0.01 per share.

The Company applied to renew five exploration licenses which fell due in January and June 2014. The NSW government notified the company of the intention to refuse the renewal on 23 September 2014. The refusal was for exploration licenses EL 7036, EL 7155 and EL 7159.

In addition, the Company applied to cancel one of the existing exploration licenses EL 7195 on 21 August 2014.

Management considers the above relinquishment and cancellation as adjusting events. Therefore the capitalised expenditures of the affected exploration licenses have been fully impaired.

FUTURE DEVELOPMENTS

The Directors are cautiously optimistic that, despite the challenges in the global economic environment, through focused and continued exploration, value will in due course be able to be extracted from the Company's leases and tenements which are geographically well positioned and in highly prospective geological environments.

ENVIRONMENTAL REGULATIONS

The Company's exploration and mining tenements are located in New South Wales and Queensland. The operation of these tenements is subject to compliance with the New South Wales, Queensland and Commonwealth mining and environmental regulations and legislation.

Licence requirements relating to ground disturbance, rehabilitation and waste disposal exist for all tenements held. The Directors are not aware of any significant breaches of mining and environmental regulations and legislation during the period covered by this report.

DIVIDENDS

No dividends in respect of the current financial period have been paid, declared or recommended for payment (2013: Nil).

SHARE OPTIONS

Share options granted to directors and consultants

No share options were issued to Directors and consultants during the year.

Shares under option or issued on exercise of options

At year end there were no options on unissued shares (2013: Nil). No further options were issued during the year and none were exercised (2013: Nil).

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company Secretary, the Chief Executive Officer, the Chief Financial Officer and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors' Meetings		
Directors	Eligible to Attend	Attended
Mr. Xiao Jing Wang	6	6
Mr. Edward McCormack	6	6
Ms. Jia Yu	6	6
Mr. Jianbing Zhang	6	5
Mr. John Zee	6	6

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's or associated entities' relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of share options
Mr. Xiao Jing Wang	102,837,476	-
Mr. Edward McCormack	1,490,000	-
Ms. Jia Yu	5,000,000	-
Mr. Jianbing Zhang	129,591,500	-
Mr. John Zee	-	-

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Graeme Fraser, a Competent Person who is a member of Australian Institute of Mining & Metallurgy. Mr Fraser is a full-time employee of Australia United Mining limited. Mr Fraser has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Graeme Fraser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REMUNERATION REPORT *(Audited)*

Remuneration Policy for Directors and Executives

Details of Key Management Personnel

The Directors and Key Management Personnel of Australia United Mining Limited during the 2013 financial year were:

XIAO JING WANG Executive Chairman Appointed 6 Jan 2012 Ceased 6 Feb 2012 Reappointed 2 May 2012	JIA YU Non-Executive Director Appointed 6 Jan 2012 Ceased 6 Feb 2012 Reappointed 2 May 2012
EDWARD MCCORMACK Non-Executive Director Appointed 14 May 2012 Ceased: 13 September 2012 as CEO but continues to serve as Non-Executive Director	JOHN ZEE Executive Director Appointed 14 May 2012 Company Secretary Appointed 31 May 2012

JIANBING ZHANG Non-Executive Director Appointed 31 July 2013	GRAEME FRASER Chief Executive Officer (CEO) Appointed 26 November 2012
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Remuneration policy

The Board is responsible for determining and reviewing the compensation of the directors, the Chief Executive Officer, the executive officers and senior managers of the Company. This process requires consideration of the levels and form of remuneration appropriate to securing, motivating and retaining executives with the skills to manage the Company's operations. The Board of Directors assesses market rates and seeks the advice of external advisers, where necessary, in connection with the structure of remuneration packages. The Board of Directors also recommends levels and form of remuneration for Non-Executive Directors with reference to performance, relevant comparative remuneration and independent expert advice. The total sum of remuneration payable to Non-Executive Directors shall not exceed the sum fixed by members of the Company in general meeting.

There is no direct relationship between the Company's Remuneration Policy and the Company's performance. That is, no portion of the remuneration of Directors, Secretary or Senior Managers is 'at risk'. However, in determining the remuneration to be paid in each subsequent financial year, the Board will have regard to the Company's performance. Therefore, the relationship between the Remuneration Policy and the Company's performance is indirect.

Director and executive remuneration

The Directors and the Company Secretaries during the year ended 30 June 2014 received the following amounts as compensation for their services to the Company:

Year ended 30 June 2014	Short Term Benefits	Post Employment Benefits	Share Based Payment	Short term non- monetary benefits	Termination Benefits	Total
	Salary and fees	Superannuation	Options			
	\$	\$	\$	\$	\$	\$
Directors						
Xiao Jing Wang	100,000	-	-	-	-	100,000
Edward McCormack	48,000	4,440	-	-	-	52,440
Jia Yu	48,000	-	-	-	-	48,000
John Zee	120,000	11,100	-	-	-	131,100
Graeme Fraser	191,100	17,677	-	-	-	208,777
	507,000	33,217	-	-	-	540,317

Year ended 30 June 2013	Short Term Benefits	Post Employment Benefits	Share Based Payment	Short term non- monetary benefits	Termination Benefits	Total
	Salary and fees	Superannuation	Options			
	\$	\$	\$	\$	\$	\$
Directors						
Xiao Jing Wang	100,000	-	-	-	-	100,000

Edward McCormack	68,494	3,052	-	-	-	71,546
Jia Yu	48,000	-	-	-	-	48,000
David Herszberg	44,400	3,996	-	-	-	48,396
John Zee	120,000	10,350	-	-	-	130,350
Graeme Fraser	111,475	10,033	-	-	-	121,508
	492,369	27,431	-	-	-	519,800

Elements of compensation of Directors and 5 named highest paid company executives consisting of securities

The Directors, CEO and Company Secretary's compensation may include the issuance of securities. These are at the discretion of the Board. Currently there are no elements of compensation that consist of securities for any of the Directors or the Company's management.

Executive options

There were no executive options as at 30 June 2014.

Value of options issued to directors and executives

There were no grants of share-based payment compensation to directors and senior management that relate to the 2014 financial year.

No options were exercised during the reporting period.

(End of audited remuneration report)

Non-Audit Services

During the year Hayes Knight, the Company's auditors, has performed no other services (2013: Nil) in addition to their statutory duties.

Proceedings on behalf of the Company

As at the date of this report, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 19 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors



John Zee
Director & Company Secretary
Melbourne, 30 September 2014



Hayes Knight Audit
chartered accountants · your partners in success

Hayes Knight Audit Pty Ltd
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Melbourne, VIC 3000

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www.hayesknight.com.au

Registered Audit Company 291969

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australia United Mining Limited (Formerly Altius Mining Limited)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard Cen
Director

Dated this 30 day of September 2014

CORPORATE GOVERNANCE STATEMENT

This statement sets out the corporate governance practices that were in operation throughout the financial year for Australia United Mining Limited. The Company's Directors and management are committed to conducting the Company's business in an ethical manner and in accordance with the highest standards of corporate governance.

The Company has adopted and substantially complies with the ASX Corporate Governance Council's Principles and Recommendations 2010 Amendments, 2nd Edition, to the extent appropriate to the size and nature of the Company's operations.

A summary of how the Company complies with the revised ASX Corporate Governance Principles and Recommendations is included below.

Principle 1: Lay Solid Foundations for Management and Oversight

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

Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

Complying

The Board has adopted a charter which establishes the role of the Board and its relationship with management. The primary role of the Board is the protection and enhancement of long term shareholder value. Its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The functions and responsibilities of the Board and management are consistent with ASX Principle 1.

Each Director is given a letter upon his or her appointment which outlines the Director's duties. Similarly senior executives including the chief executive officer, and the chief financial officer, have a formal job description and letter of appointment describing their term of office, duties, rights and responsibilities, and entitlements on termination.

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

Complying

The Company's Board of Directors reviews the Chief Executive Officer's performance at least annually. The Non-executive Directors review the performance of the Executive Directors annually. The Company's Board of Directors, together with the Chief Executive Officer, evaluate the performance of key contractors and service providers on a regular and on-going basis.

Recommendation 1.3: Companies should disclose in the corporate governance statement in the annual report:

- ***an explanation of any departure from Recommendation 1.1, 1.2 or 1.3.***
- ***whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.***
- ***A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.***

Complying

The Company has complied with Recommendations 1.1, 1.2, and 1.3.

A performance evaluation for the Group's executives and the Chief Executive Officer has taken place in the reporting period in accordance with the process outlined under the Company's comments on Recommendation 1.2.

A copy of the Board Charter is not currently available on the Company's website but is available on request from the Company Secretary.

Principle 2: Structure the Board to Add Value

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

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

Non-Complying

It is noted that the Company does not satisfy the ASX Recommendations on Board independence as the majority of Directors are not independent. The Board comprises five directors, two of whom are Executive Directors and one of whom is considered independent. The Director considered by the Board to be independent is Mr Edward McCormack. The test to determine independence which is used by the Company is whether a Director is independent of management and any business or other relationship with the Group that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

The Board believes that the interests of the shareholders are best served by directors who are not influenced by any factor other than the Company's best interests. In spite of the fact that a majority of the Board is not classified as independent, the Board believes that every director acts in good faith and in the best interests of all shareholders at all times. Enforcement of conflict of interest protocols whereby directors who have a material personal interest in a matter are not permitted to be present during discussions or to vote on that matter further ensure this. Additionally, those directors who are not classified as independent bring to the Board particular knowledge and expertise on the business which is considered valuable and constructive by the other directors.

Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of their responsibilities, provided the advice, together with a copy of the letter of instructions, is provided to the Board. Non-executive directors confer without management on a regular basis as and if required.

Recommendation 2.2: The chair should be an independent director.

Non-Complying

The Chairman, Xiao Jing Wang has been Chairman of the Company since May 2012 and holds a relevant interest in 15.34% of the Company's securities at the date of this Annual Report. This majority shareholder status renders Mr Wang non-independent under the ASX guidelines. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.

Recommendation 2.3: The roles of the chairman and the chief executive officer should not be exercised by the same individual.

Complying

The positions of Chairman and Chief Executive Officer are held by separate persons.

Recommendation 2.4: The board should establish a nomination committee.

Complying

The Board has not established a formal nomination committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal nomination committee, such a committee will operate under a nomination committee charter which will be approved by the Board. Presently, the Board, as a whole, serves as a nomination committee to the Company. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.

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

The Board conducts an informal annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate.

Senior executives supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

The appointment and removal of the company secretary is a matter for decision by the board as a whole and the company secretary is accountable to the Board, through the chair, on all governance matters.

Recommendation 2.6: Provide the information indicated in the Guide to reporting on Principle 2.

Complying

The following information is set out in the Company's annual report:

- the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;
- the directors considered by the Board to constitute independent directors and the Company's materiality threshold;
- the existence of any of the relationships listed in Box 2.1 and an explanation of why the board considers a director to be independent notwithstanding the existence of these relationships;
- a statement regarding directors' ability to take independent professional advice at the expense of the Company;
- a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the Board;
- the term of office held by each director in office at the date of the report;
- the names of members of the Company's committees and their attendance at committee meetings;
- whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed; and
- an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.

The following material is available upon request from the Company Secretary:

- a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors; and
- the Board's policy for the nomination and appointment of directors.

Principle 3: Promote ethical and responsible decision making

Companies should actively promote ethical and responsible decision making.

Recommendation 3.1: Establish a code of conduct and disclose the code as to:

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

Complying

The Company has formulated a corporate code of conduct which provides a framework for decisions and actions in relation to ethical conduct in employment. The corporate code of conduct is available on written request.

Recommendation 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.

Non-Complying

The Board has contemplated the necessity of implementing a diversity policy. Noting the relatively small size of the Company and the relatively few employees that the Company has, the Board has resolved to depart from the new recommendations by not implementing a gender diversity policy.

Recommendation 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.

Non-Complying

Whilst the Company has not set formal measurable objectives for achieving gender diversity, the Company is nonetheless committed to recruiting people from a diverse pool of qualified candidates.

Recommendation 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.

Complying

The Company currently has 8 employees, of which 2 are female. The Company does not employ any women in senior executive positions, and 1 of the Company's 5 Directors is female.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.

Complying

An explanation of any departures from the Recommendations under Principle 3 is included in this statement.

Principle 4: Safeguard Integrity in Financial Reporting

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

Recommendation 4.1: The board should establish an audit committee.

Non-Complying

Presently, the Board, as a whole, serves as an audit committee to the Company and accordingly operates under the Company's audit and risk committee charter, which has been approved by the Board.

Recommendation 4.2: The audit committee should be structured so that it:

- ***Consists only of non-executive directors.***
- ***Consists of a majority of independent directors.***
- ***Is chaired by an independent chair, who is not chair of the board.***
- ***Has at least three members.***

Non-Complying

See above. The Board has established an audit and risk committee charter which complies with recommendation 4.2.

Recommendation 4.3: The audit committee should have a formal charter.

Complying

When the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under the audit and risk committee charter.

Recommendation 4.4: Companies should provide the information indicated in the Guide.

Complying

The departures from Recommendations 4.1, 4.2, 4.3 and 4.4 have been explained above.

Principle 5: Make timely and balanced disclosure

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

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Complying

The Company has a documented policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors. The Chairman, the Chief Executive Officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the other Directors. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.

The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Recommendation 5.2: Companies should provide the information indicated in the Guide.

Complying

The Company's Market Disclosure & Shareholder Communication Policy is available upon written request from the Company Secretary.

Principle 6: Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Complying

The Board has established a shareholder communications strategy policy, which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The shareholder communications policy is available on written request.

In particular, the Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

1. The annual report is distributed to all shareholders who have elected to receive it, including relevant information about the operations of the Company during the year and changes in the state of affairs.
2. The half-yearly report to the Australian Securities Exchange contains summarised financial information and a review of the operations of the Company during the period.
3. All major announcements are lodged with the Australian Securities Exchange, and posted on the Company's website.
4. Proposed major changes in Company which may impact on share ownership rights are submitted to a vote of shareholders.
5. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals.
6. The Company's auditor attends the Annual General Meeting.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

Complying

The Company explains any departures from Principle 6 in its annual reports. The Company's Market Disclosure & Shareholder Communication Policy is available upon written request. The Company confirms that it communicates with its shareholders and key stakeholders by posting information on the Company's website in a clearly marked Investor section.

Principle 7: Recognise and manage risk

Companies should establish a sound system of risk oversight and management and internal control.

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Complying

The Board has established a risk management policy, under which the Board has the responsibility of determining the Company's "risk profile" and is charged with overseeing and approving risk management strategy and policies, internal compliance and internal control. The risk management policy is available on written request.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

Complying

The Board has completed a risk assessment review of the Company's major business units, organisational structure and accounting controls and processes.

The Board has considered the results of the risk assessment and is confident that the Company's instituted risk management and internal control systems are sufficiently adequate to effectively mitigate and control the material business risks faced by the Company.

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

Complying

The Chief Executive Officer and Chief Financial Officer are required to state to the Board in writing that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4: Companies should provide the information indicated in the Guide.

Complying

There are no departures from Recommendations 7.1, 7.2, or 7.3. The Board has received the report from management under Recommendation 7.2, and has received assurance from the Chief Executive Officer and the Chief Financial Officer under Recommendation 7.3.

A summary of the Company's policies on risk oversight and management of material business risks is available from the Company Secretary upon request.

Principle 8: Remunerate fairly and responsibly

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

Recommendation 8.1: The board should establish a remuneration committee.

Non-Complying

The Board has not established a formal remuneration committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under the remuneration committee charter which has been approved by the Board. The remuneration committee charter is available on written request.

Presently, the Board as a whole, excluding any relevant affected director, serves as a nomination committee to the Company and accordingly operates under the remuneration committee charter.

Recommendation 8.2: The remuneration committee should be structured so that it:

- *consists of a majority of independent directors;*
- *is chaired by an independent chair; and*
- *has at least three members.*

Non-Complying

The Company does not presently have a Remuneration Committee.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Complying

Details of the Directors and Key Senior Executives remuneration are set out in the Remuneration Report of the Annual Report. The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report of the Annual Report.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

Complying

The departures from Recommendations 8.1 and 8.2 have been explained above.

There are no schemes for retirement benefits, other than superannuation, for non-executive directors.

A copy of the Company's Remuneration Committee charter is available upon written request from the Company Secretary.

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

	Note	Consolidated 2014 \$	2013 \$
Revenue	3(a)	51,122	215,378
Other income	3(a)	931,840	33,710
Total revenue and other income		982,962	249,088
Consultants fees		-	(104,691)
Depreciation and amortisation expense	3(b)	(13,109)	(8,915)
Employee benefits expense	3(b)	(489,363)	(502,027)
Finance costs		(7,275)	(194,391)
Insurance		(53,885)	(61,624)
Legal fees		(104,999)	(242,909)
Impairment of exploration asset		(1,788,380)	(539,986)
Rent & Rates		(45,819)	(73,575)
Travel		(139,122)	(192,715)
Director fees		(360,129)	(343,247)
Other expenses		(144,602)	(347,072)
Total expenses		(3,146,683)	(2,611,152)
Loss before tax		(2,163,721)	(2,362,064)
Income tax credit	4	-	-
Loss for the year attributable to members of Australia United Mining Limited		(2,163,721)	(2,362,064)
Other comprehensive income / (loss)		-	-
Total comprehensive income attributable to members of Altius Mining Limited		(2,163,721)	(2,362,064)
Earnings per share			
Basic (cents per share)	5	(0.41)	(0.52)
Diluted (cents per share)	5	(0.41)	(0.52)

These Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2014

		Consolidated	
	Note	2014	2013
		\$	\$
Current assets			
Cash and cash equivalents	13(b)	1,757,581	3,625,944
Other receivables	6	40,840	132,525
Other assets	7	150	150
Total current assets		1,798,571	3,758,619
Non-current assets			
Property, plant and equipment	8	363,173	358,732
Exploration and evaluation assets	9	18,410,740	18,804,288
Other assets including cash-backed environmental bonds	7	340,461	344,999
Total non-current assets		19,114,374	19,508,019
Total assets		20,912,945	23,266,638
Current liabilities			
Trade and other payables	10	566,685	407,622
Provisions	14	66,260	24,555
Other current payables		-	150,000
Total current liabilities		632,945	582,177
Non-current liabilities			
Other non-current payables	10	-	1,305,617
Total non-current liabilities		-	1,305,617
Total liabilities		632,945	1,887,794
Net assets		20,280,000	21,378,844
Equity			
Issued capital	11(a)	36,576,567	35,511,690
Accumulated losses		(16,296,567)	(14,132,846)
Total equity		20,280,000	21,378,844

These Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2014

	Issued Capital \$	Other Reserve \$	Options Reserve \$	Accumulated Losses \$	Total \$
Consolidated					
Balance at 30 June 2012	30,636,612	-	323,550	(12,094,332)	18,865,830
Loss attributable to members of the consolidated entity	-	-	-	(2,362,064)	(2,362,064)
Total comprehensive income for the period	-	-	-	(2,362,064)	(2,362,064)
Rights Issue	5,186,254	-	-	-	5,186,254
Cost of Capital Raising	(311,176)	-	-	-	(311,176)
Net amount raised	4,875,078	-	-	-	4,875,078
Options Expired			(323,550)	323,550	-
Transactions with owners	4,875,078	-	(323,550)	323,550	4,875,078
Balance at 30 June 2013	35,511,690	-	-	(14,132,846)	21,378,844
Balance at 30 June 2013	35,511,690	-	-	(14,132,846)	21,378,844
Loss attributable to members of the consolidated entity	-	-	-	(2,163,721)	(2,163,721)
Total comprehensive income for the period	-	-	-	(2,163,721)	(2,163,721)
Rights Issue	1,064,877	-	-	-	1,064,877
Cost of Capital Raising	-	-	-	-	-
Net amount raised	1,064,877	-	-	-	1,064,877
Options Expired			-	-	-
Transactions with owners	-	-	-	-	-
Balance at 30 June 2014	36,576,567	-	-	(16,296,567)	20,280,000

These Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the financial year ended 30 June 2014

		Consolidated	
	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from sale of materials		-	-
Payments to suppliers and employees		(1,434,132)	(1,762,246)
Interest received		51,122	215,378
Sundry receipt		1,223	42,692
Finance costs		(7,275)	(194,391)
Income tax refund		-	-
Net cash used in operating activities	13(a)	(1,389,062)	(1,698,567)
Cash flows from investing activities			
Purchase of property, plant and equipment		(78,095)	(29,756)
Payments for cash-backed environmental bonds		-	-
Payments for other non-current assets – exploration & mining assets		(1,394,832)	(2,538,379)
Proceeds from sale of fixed assets		-	1,649,181
Net cash used in investing activities		(1,472,927)	(918,954)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(525,000)	(2,522,912)
Proceeds from issue of ordinary shares		1,064,877	5,186,254
Payment of share issue costs		-	(342,293)
Receipt from investors		453,749	
Net cash provided by financing activities		993,626	2,321,049
Net increase / (decrease) in cash and cash equivalents		(1,868,363)	(296,472)
Cash and cash equivalents at the beginning of the financial period		3,625,944	3,922,416
Cash and cash equivalents at the end of the financial period	13(b)	1,757,581	3,625,944

These Financial Statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Australia United Mining Limited (the company) is a listed public company, incorporated in Australia.

Registered office & principle place of business

Level 1, 61 Spring Street

Melbourne, VIC 3001

2. Significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements are for the consolidated entity consisting of Australia United Mining Limited and its subsidiaries, which are all for-profit entities.

Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with the International Financial Reporting Standards as adopted in Australia ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2. Significant accounting policies (Cont'd)

(c) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the end of the reporting period.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial assets

Financial assets are recognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Loans, receivables and environmental bonds

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Significant accounting policies (Cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(e) Exploration and evaluation assets

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measure of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with the development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance will then be reclassified to development.

2. Significant accounting policies (Cont'd)

(f) Impairment of tangible and intangible assets other than exploration and evaluation assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are

Independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be

2. Significant accounting policies (Cont'd)

available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(h) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Group as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. However, contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined.

Group as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

2. Significant accounting policies (Cont'd)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including leasehold improvements.

Depreciation is calculated on a diminishing value and straight line basis so as to write off the net cost amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant or equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

The following useful lives are used in the calculation of depreciation

Plant and equipment	3 - 7 years	Diminishing value method
Computer equipment	2.5 - 4 years	Diminishing value and straight line method
Motor vehicles	4 years	Diminishing value method

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Materials

Revenue from the sale of materials is measured at the fair value for the consideration received or receivable.

2. Significant accounting policies (Cont'd)

(k) Revenue (Cont'd)

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. However, contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined.

(l) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from a payable to the taxation authority are presented as operating cash flows.

2. Significant accounting policies (Cont'd)

(n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by the its sales; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. As the asset is not available for use it is not depreciated or amortised.

Key estimates

Tax losses

The company has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

Recovery of deferred tax assets

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

(o) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

(p) New accounting standards and interpretations

The following standards and interpretations have been issued by the AASB but are not yet effective for the year ended 30 June 2014. The company's assessment of the impact of these new standards and interpretations is set out below:

2. Significant accounting policies (Cont'd)

(p) New accounting standards and interpretations (Cont'd)

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after ...)	Likely impact on initial application
AASB 9 Financial Instruments (December 2010) [Also refer to AASB 2013-9 and AASB 2014-1 below]	AASB 139 <i>Financial Instruments: Recognition and Measurement</i> (in part)	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: (a) 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 flows. (b) 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. (c) 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. (d) 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. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • Classification and measurement of	1 January 2018	The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018.

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after ...)	Likely impact on initial application
		financial liabilities; and - Derecognition requirements for financial assets and liabilities. 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 <i>Amendments to Australian Accounting Standards</i> On 24 July 2014, the IASB issued IFRS 9 Financial Instruments (2014) which marked the completion of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 (2014): - added requirements dealing with expected credit losses (impairment) - amended the Standard's classification and measurement requirements by adding a new measurement category of fair value through other comprehensive income for particular simple debt instruments - introduced a new mandatory effective date of accounting periods beginning on or after 1 January 2018 The AASB has already amended the effective date of AASB 9 to '1 January 2018' through its Amending Standard AASB 2014-1 Amendments to Australian Accounting Standards. It is expected that the AASB will issue the remaining amendments arising from IFRS 9 (2014) in the near future. See TA Alert 2009-22, TA Alert 2010-49, TA Alert 2013-13 and TA Alert 2014-09 for further information.		
AASB 2012-3 Amendments to Australian Accounting	None	AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying	1 January 2014	When AASB 2012-3 is first adopted for the year ending 30 June 2015,

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after ...)	Likely impact on initial application
Standards – Offsetting Financial Assets and Financial Liabilities		the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.		there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.
AASB 2013-3 Recoverable Amount Disclosures for Non- Financial Assets	None	These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets.	1 January 2014	When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.
AASB 1031 Materiality (December 2013)	AASB 1031 Materiality (July 2004, as amended)	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn	1 January 2014	When the revised AASB 1031 is first adopted for the year ending 30 June 2015, it is unlikely to have any significant impact on the entity.
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part B: Materiality)	None	Part B of AASB 2013-9 deletes references to AASB 1031 in various Australian Accounting Standards (including Interpretations).	1 January 2014	When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the entity.
AASB 2013-9 Amendments to Australian	AASB 139 Financial Instruments: Recognition and Measurement (in	These amendments: • add a new chapter on hedge accounting to AASB 9 Financial	1 January 2015	The entity has not yet assessed the full impact of these amendments.

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after ...)	Likely impact on initial application
Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)	part)	Instruments, substantially overhauling previous accounting requirements in this area; - allow the changes to address the so-called 'own credit' issue that were already included in AASB 9 to be applied in isolation without the need to change any other accounting for financial instruments; and - defer the mandatory effective date of AASB 9 from '1 January 2015' to '1 January 2017'. Note that, subsequent to issuing these amendments, the AASB has issued AASB 2014-1 which defers the effective date of AASB 9 to '1 January 2018'. See TA Alert 2013-13 for further information.		
AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	None	Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle: (a) clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and (b) amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.	1 July 2014	When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the entity.
AASB 2014-1 Amendments to	None	Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their	1 July 2014	When these amendments are first adopted for the year ending 30 June

New/revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after ...)	Likely impact on initial application
Australian Accounting Standards (Part C: Materiality)		references to AASB 1031 Materiality, which historically has been referenced in each Australian Accounting Standard.		2015, there will be no material impact on the entity.
AASB 2014-1	None	Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.	1 January 2015	The entity has not yet assessed the full impact of these amendments.
AASB Interpretation 21 Levies	None	Interpretation 21 addresses how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements (in particular, when the entity should recognise a liability to pay a levy). Interpretation 21 is an interpretation of AASB 137 Provisions, Contingent Liabilities and Contingent Assets. AASB 137 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. For example, if the activity that triggers the payment of the levy is the generation of revenue in the current period and the calculation of that levy is based on the revenue that was generated in a previous period, the obligating event for that levy is the generation of revenue in the current period. The generation of revenue in the previous period is necessary, but not sufficient, to create a present obligation.	1 January 2014	When this interpretation is first adopted for the year ending 30 June 2015, there will be no material impact on the financial statements as the entity is not subject any levies addressed by this interpretation.

	Consolidated	
	2014	2013
	\$	\$
3. Revenue and expenses		
(a) Revenue and other income		
Revenue from continuing operations consisted of:		
Interest from Bank deposits	51,122	215,378
Other income*	931,840	33,710
Total Revenue	982,962	249,088

In November 2013, AUML reached an agreement with Ropewalk Mining Pty Ltd in relation to the termination of royalty payments in perpetuity by the company to Ropewalk Mining.

The financial liability was settled by a lump sum payment of \$525,000 to Ropewalk Mining, resulting in a financial gain of \$930,617 and a simultaneous impairment of the recorded exploration asset value.

(b) Loss before income tax

Loss before income tax has been arrived at after (crediting)/charging the following expenses from continuing operations:

Depreciation of plant and equipment	13,109	8,915
Bad and doubtful debts	-	-
Employee benefits	434,115	459,801
Share options	-	-
Defined contribution plans	55,248	42,226
Total Employee benefit expense	489,363	502,027

	Consolidated	
	2014	2013
	\$	\$
4. Income Taxes		
Income tax recognised in profit or loss	-	-
Tax expense comprises:		
Current tax benefit	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax benefit	-	-

The prima facie income tax expense on pre-tax accounting losses from operations reconciles to the income tax expense in the financial statements as follows:

Loss from operations	(2,163,721)	(2,362,064)
Income tax benefit calculated at 30% (2013 -30%)	(649,116)	(708,618)
Add/(less) tax effect of		
Tax effect of amounts which are not deductible/(taxable)	-	-

Add reversal of prior year adjustments

- Over provision for income tax in prior years	-	-
- R & D Tax Offset	-	-
- Unused tax losses not recognised as deferred tax assets	649,116	708,618
	-	-

(a) Deferred tax assets not brought to account, the benefits of which will only be realised if certain conditions for deductibility occur:

Unused tax losses	15,405,815	13,242,094
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Potential tax benefit at 30% (2013: 30%)	4,621,745	3,972,628
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The benefit of these losses has not been brought to account at 30 June 2014 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

- The company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- The company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and
- No changes in the tax legislation adversely affect the company and its subsidiaries in realising the benefit of the losses.

Consolidated	
2014	2013
\$	\$

5. Earnings per share

The following reflects the income and share data used in calculating basic and diluted earnings per share:

Net loss	(2,163,721)	(2,362,064)
Basic earnings per share (cents per share)	(0.41)	(0.52)
Diluted earnings per share (cents per share)	(0.41)	(0.52)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	522,128,249	457,527,038

As at 30 June 2014, the Company has no options (2013: Nil) over unissued capital on issue.

Consolidated	
2014	2013
\$	\$

6. Other Receivables

GST receivable (net)	20,062	17,927
Prepayments	2,074	15,634
Other receivables (i)	18,704	98,964
	40,840	132,525

(i) Other receivables are non-interest bearing and are miscellaneous receivables, as detailed below, that are not related to monies due from past tenants, past directors, employees or officers of Australia United Mining Limited.

Schedule of Other Receivables:

Trust Account	-	25,000
Payroll and other taxes	-	-
Advances on supply	-	1,845
Insurance claims clearing/sundry debtors	1,890	2,415
Accrued Income	-	54,545
ATO Clearing	16,814	15,159
	<u>18,704</u>	<u>98,964</u>

Consolidated	
2014	2013
\$	\$

7. Other Assets

Current Assets

Security deposits	<u>150</u>	<u>150</u>
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Non-Current Assets

Deposits – environmental bonds	<u>340,461</u>	<u>344,999</u>
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Consolidated	
2014	2013
\$	\$

8. Plant and Equipment

Plant and equipment – at cost	268,525	198,300
Less: Accumulated depreciation	<u>(125,728)</u>	<u>(91,487)</u>
	142,797	106,813

Office equipment – at cost	85,929	78,059
Less: Accumulated depreciation	<u>(41,583)</u>	<u>(28,474)</u>
	44,346	49,585

Motor vehicles – at cost	90,264	90,264
Less: Accumulated depreciation	<u>(57,987)</u>	<u>(48,879)</u>
	32,277	41,385

Leasehold improvements – at cost	27,023	27,023
Less: Accumulated depreciation	<u>(18,168)</u>	<u>(15,960)</u>
	8,855	11,063

Property – at cost	201,870	201,870
Less: Accumulated depreciation	<u>(66,972)</u>	<u>(51,984)</u>
	134,898	149,886
	<u>363,173</u>	<u>358,732</u>

	Plant and equipment	Office equipment	Motor vehicles	Leasehold improvements	Property	Total
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2012	725,087	56,811	75,766	13,833	166,541	1,038,038
Additions	15,950	8,135	5,671	-	-	29,756
Depreciation expense		(8,915)	-	-	-	(8,915)
Disposals	-	-	(24,142)	-	-	(24,142)
Asset reclassified	(634,224)	(6,446)	(15,910)	(2,770)	(16,655)	(676,005)
Balance at 1 July 2013	106,813	49,585	41,385	11,063	149,886	358,732
Additions	70,225	7,870	-	-	-	78,095
Depreciation expense	-	(13,109)	-	-	-	(13,109)
Disposals	-	-	-	-	-	-
Asset reclassified	(34,241)	-	(9,108)	(2,208)	(14,988)	(60,545)
Balance at 30 June 2014	142,797	44,346	32,277	8,855	134,898	363,173

The following useful lives are used in the calculation of depreciation

Plant and equipment	3 - 7 years	Diminishing value method
Computer equipment	2.5 - 4 years	Diminishing value and straight line method
Motor vehicles	4 years	Diminishing value method

	Consolidated	
	2014	2013
	\$	\$
9. Exploration and evaluation assets		
Balance at beginning of the year	18,804,288	16,288,708
Additions	1,394,832	2,379,561
Reclassification	-	676,005
Impairment	(1,788,380)	(539,986)
Balance at year end	18,410,740	18,804,288

During the financial year the group reassessed the recoverable value of all tenement areas of interest to which exploration costs had been capitalised. The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	Consolidated	
	2014	2013
	\$	\$
10. Trade and other payables		
<i>Current liabilities</i>		
Trade payables (i)	75,301	308,611
Other creditors/accrued expenses (ii)	491,384	99,011
	566,685	407,622

Non-current liabilities

Deferred consideration*	-	1,305,617
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*As noted in note 3(a), the company has settled the deferred financial liability to Ropewalk Mining Pty Ltd in November 2013.

Terms and conditions relating to the above financial instruments:

- (i) Trade payables are non-interest bearing and are generally settled on 30 day terms
- (ii) Other Creditors/Accrued Expenses are non-interest bearing and have an average term of 30 days

	Consolidated	
	2014 \$	2013 \$
11. Issued Capital		
(a) Issued and paid up capital		
Ordinary shares fully paid	36,576,567	35,511,690

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the same of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

- (b) Movements in shares on issue

	Year Ended 30 June 2014		Year ended 30 June 2013	
	Number of Shares Issued #	Issued Capital \$	Number of Shares Issued #	Issued Capital \$
Beginning of the financial year	518,625,370	35,511,690	259,312,685	30,636,612
Movements during the year				
- share placement	-	-	-	-
IPO listing				
- share placement through convertible note conversion		-		-
Rights Issue	106,545,900	1,064,877	259,312,685	5,186,254
Less: cost of placement	-	-	-	(311,176)
Closing balance	625,171,270	36,576,567	518,625,370	35,511,690

	Consolidated	
	2014	2013
	\$	\$
12. Reserves		
Options Reserve		
At the beginning of the financial period	-	323,550
Recognition of options issued to management	-	-
Expired options transferred to retained earnings	-	(323,550)
Options reserve at the end of the financial period	-	-

	Consolidated	
	2014	2013
	\$	\$
13. Notes to the Statement of Cash Flows		
(a) Reconciliation of the loss after tax to net cash flows from operations		
Net loss for the period	(2,163,721)	(2,362,064)
Gain on disposal of non-current asset	-	14,599
Depreciation of property, plant and equipment	13,109	8,915
Impairment of asset held for sale	1,788,380	539,986
Equity Settled share based payments	-	-
<i>Changes in assets and liabilities</i>	-	-
(Increase)/Decrease in receivables	91,685	(70,939)
Increase/(Decrease) in income tax payable	-	-
(Decrease)/Increase in creditors	(1,160,220)	170,384
Increase/(Decrease) in employee provisions	41,705	552
Net cash used in operating activities	(1,389,062)	(1,698,567)
(b) Reconciliation of cash		
Cash and cash equivalents comprise:	1,757,581	3,625,944
Cash on hand and at call	1,757,581	3,625,944

	Consolidated	
	2014	2013
	\$	\$
14. Provisions		
Current provisions include accrued leave as a part of employee benefits.		
Opening balance at the beginning of the year	24,555	22,004
Additions	72,284	59,969
Amounts used	(30,579)	(57,418)
Balance at the end of the year	66,260	24,555

	2014 \$	2013 \$
15. Commitments for expenditure		
(a) Exploration expenditure commitments		
The commitments detailed below are the required expenditure to maintain ownership of the tenements or as required by service contracts entered into by the company.		
Not longer than 1 year	583,858	388,833
Longer than 1 year and not longer than 5 years	48,917	186,333
Longer than 5 years	-	-
	632,775	575,166

(b) Lease commitments

Operating lease commitments are disclosed in note (c) below. There are no finance lease liabilities.

(c) Other expenditure commitments

Property Lease

Not longer than 1 year	47,422	-
Longer than 1 year and not longer than 5 years	13,942	-
Longer than 5 years	-	-
	61,364	-

16. Financial instruments

The Board of Directors is responsible for monitoring and managing the financial risk exposures of the group, to which end it monitors the financial risk management policies and exposures and approves financial transactions and reviews related internal controls within the scope of its authority. The Board has determined that the only significant financial risk exposure of the group is liquidity. Other financial risks are not significant to the group due to the following:

- It has no foreign exchange risk as all of its account balances and transactions are in Australian Dollars;
- It has no significant outstanding unimpaired receivable balances that have a credit risk;
- Its mining operations are in the exploration phase and therefore have no direct exposure to movements in commodity prices;
- All of its interest bearing liabilities are held at amortised cost which have fair values that approximate their carrying values as all cash, payables and borrowings have maturity dates within one financial year and term deposits on environmental bonds have interest rate yields consistent with current market rates;
- The majority of the group's financing is from equity instruments and
- The group has no externally imposed capital requirements.

	Consolidated	
	2014 \$	2013 \$
(a) Categories of financial instruments		
Financial assets		
Loans and receivables	40,840	132,525
Cash and cash equivalents	1,757,581	3,625,944
Financial liabilities		
Trade and other payables	566,684	407,622
Borrowings	-	-

Other current payables	-	150,000
Other non-current payables	-	1,305,617

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining sufficient cash balances to meet obligations as and when they fall due.

The following tables detail the company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Consolidated Liabilities

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years
	%	\$	\$	\$	\$
2014					
Finance lease liability	-	-	-	-	-
Trade and other payables	-	75,301	-	-	-
Secured borrowings	-	-	-	-	-
Other long term payables	-	-	-	-	-
		75,301	-	-	-
2013					
Finance lease liability	-	-	-	-	-
Trade and other payables	-	119,925	188,686	-	-
Secured borrowings	-	-	-	-	-
Other long term payables	-	-	-	150,000	1,305,617
		119,925	186,686	150,000	1,305,617

* Based on secured borrowings with an interest rate of 7.14 fixed for a term of one year

17. Share-based payments

There were no share-based payments during the year ended 30 June 2014.

	Consolidated	
	2014 \$	2013 \$
18. Key management personnel compensation		
Short-term employee benefits	507,100	492,369
Post-employment benefits	33,217	27,431
Short-term non-monetary benefits	-	-
Termination benefits	-	-

Share-based payment

-	-
540,317	519,800

Year ended 30 June 2014	Short Term Benefits	Post Employment Benefits	Share Based Payment	Short term non- monetary benefits	Termin- ation Benefits	Total
	Salary and fees	Super- annuation	Options			
	\$	\$	\$	\$	\$	\$
Directors						
Xiao Jing Wang	100,000	-	-	-	-	100,000
Edward McCormack	48,000	4,440	-	-	-	52,440
Jia Yu	48,000	-	-	-	-	48,000
John Zee	120,000	11,100	-	-	-	131,100
Graeme Fraser	191,100	17,677	-	-	-	208,777
	507,100	33,217	-	-	-	540,317

Year ended 30 June 2013	Short Term Benefits	Post Employment Benefits	Share Based Payment	Short term non- monetary benefits	Termin- ation Benefits	Total
	Salary and fees	Super- annuation	Options			
	\$	\$	\$	\$	\$	\$
Directors						
Xiao Jing Wang	100,000	-	-	-	-	100,000
Edward McCormack	68,494	3,052	-	-	-	71,546
Jia Yu	48,000	-	-	-	-	48,000
David Herszberg	44,400	3,996	-	-	-	48,396
John Zee	120,000	10,350	-	-	-	130,350
Graeme Fraser	111,475	10,033	-	-	-	121,508
	492,369	27,431	-	-	-	519,800

(a) Remuneration options: granted and vested during the period

There were nil options issued during the reporting period (2013: Nil) relating to key management personnel as per Note 20 (2013: Nil)

(b) Shares issued on exercise of remuneration options

No shares were issued in the exercise of remuneration options during the reporting relating to key management personnel (2013: Nil)

(c) Shareholdings of key management personnel

	Year ended 30 June 2014	Balance 1 July 2013	Granted as Remuneration	On Exercise of Options	Purchases /(Sales)	Balance 30 June 2014
	Ordinary Shares	No.	No.	No.	No.	No.
Xiao Jing Wang		102,837,476	-	-	-	102,837,476
Edward McCormack		1,490,000	-	-	-	1,490,000
Jia Yu		5,000,000	-	-	-	5,000,000
Jianbing Zhang		84,275,000	-	-	45,316,500	129,591,500
John Zee		-	-	-	-	-
Total		193,602,476	-	-	45,316,500	238,918,976

	Year ended 30 June 2013	Balance 1 July 2012 No.	Granted as Remuneration No.	On Exercise of Options No.	Purchases /(Sales) No.	Balance 30 June 2013 No.
Ordinary Shares						
Xiao Jing Wang		48,918,738	-	-	53,918,738	102,837,476
Edward McCormack		220,000	-	-	1,270,000	1,490,000
Jia Yu		2,500,000	-	-	2,500,000	5,000,000
Jianbing Zhang		-	-	-	84,275,000	84,275,000
John Zee		-	-	-	-	-
Total		51,638,738	-	-	141,963,738	193,602,476

19. Related party transactions

(a) Transactions with key management personnel and related parties

The Company paid directors' fees of \$120,000 to Citro Tech Pty Ltd, a company controlled by John Zee. The Company paid directors' fees of \$148,000 to WY International Pty Ltd, a company controlled by Xiao Jing Wang and Jia Yu.

20. Segment information

The Group operates in two geographical areas – in New South Wales and Queensland, Australia. The Group carries out exploration for, and development of gold associated minerals in these areas.

Segment information is presented using a "management approach", being segment information provided for internal reporting purposes used by the executive management committee.

Description of Segments

Management has determined the operating segments based on reports reviewed by the executive management committee for making strategic decisions. The executive management committee comprises the chief executive officer, chief financial officer and divisional managers. The committee monitors the business based on the stage of exploration and development and geographic location of tenements. This has resulted in the identification of the following 2 reportable segments:

Forsayth Project (Queensland)

Forsayth is the company's flagship project and it has already established a base at the town with a mine geologist, miners and equipment and is well advanced on setting up its water supply, metallurgical circuit and mining operation schedule. The company's two Mining Leases and one Exploration Permit Minerals cover a number of small but high grade gold reefs.

NSW Exploration Licences

In NSW, the company has eight exploration licences ("EL"s) in the Lachlan Fold Belt, a region that has a gold endowment of over 50 million oz. (Moz), and a copper endowment of over 10 Mt. Five of the ten tenement areas are in central NSW, Wamboyne, Burraway, Bullamalito, Puggoon and Gowulma-Gunners, and contain geophysical similarities with known features over these world class porphyry-style ore bodies; these include coincident circular gravity and magnetic lows, associated radio metrics, and in some cases caldera structures related to known mineralised porphyry systems.

The Beehive East and Honeybugle ELs cover epithermal gold, skarn copper and nickel/PGE targets. AUML also holds ELs at Sofala and at Karangi.

Other operations

Other operations consist of the Group's Head Office expenses, and corporate expenses that cannot be directly attributed to the operation of the Consolidated Entity's operating segment.

	QLD Forsyth \$	NSW Exploration \$	Other Operations \$	Total \$
Year ended 30 June 2014				
Total segment revenue	-	-	982,962	982,962
Segment result	(930,617)	(857,763)	(375,341)	(2,163,721)
Segment assets	15,034,290	3,376,450	2,502,205	20,912,945
Segment liabilities	-	-	632,945	632,945
Year ended 30 June 2013				
Total segment revenue	-	-	249,088	249,088
Segment result	-	(539,986)	(1,822,078)	(2,362,064)
Segment assets	13,973,125	4,831,163	4,462,350	23,266,638
Segment liabilities	-	-	1,887,794	1,887,794
			Consolidated	
			2014	2013
			\$	\$

21. Remuneration of auditors

Audit and review of financial statements

Hayes Knight Audit Pty Ltd	43,125	46,125
	43,125	46,125

The auditor of Australia United Mining Limited is Hayes Knight Audit Pty Ltd (2013: Hayes Knight Audit Pty Ltd).

22. Contingent Liabilities

Licenses

The following license is currently awaiting renewal:

- EL 7423: Awaiting renewal from 29 November 2013 Lodged & Pending

23. Subsequent events

At the EGM held on the 15 August 2014, and in accordance with Listing Rule 3.13.2 and section 251AA of the Corporations Act, shareholders ratified the issue of 84,339,700 shares to the First Placement Subscribers at an issue price per share of \$0.01 on the 18 June 2014. Shareholders also ratified the issue

of 22,206,200 shares to the Second Placement Subscribers at an issue price of \$0.01 per share on the 25 June 2014.

At the same EGM, and for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders also approved the issue of 45,316,500 proposed placement shares to Mr. Jianbing Zhang at an issue price of \$0.01 per share.

The Company applied to renew five exploration licenses which fell due in January and June 2014. The NSW government notified the company of the intention to refuse the renewal on 23 September 2014. The refusal was for exploration licenses EL 7036, EL 7155 and EL 7159.

In addition, the Company applied to cancel one of the existing exploration licenses EL 7195 on 21 August 2014.

Management consider the above relinquishment and cancellation as adjusting events. Therefore the capitalised expenditures of the affected exploration licenses have been fully impaired.

24. Parent entity disclosures

The following information are the disclosures pertaining to the parent entity:

	Parent	
	2014	2013
	\$	\$
Current Assets	<u>1,798,571</u>	3,914,983
Total Assets	<u>21,768,979</u>	23,234,515
Current Liabilities	<u>632,945</u>	582,177
Total Liabilities	<u>632,945</u>	1,857,086
Issued Capital	<u>36,576,567</u>	35,511,690
Options reserve	<u>-</u>	-
Accumulated losses	<u>(16,296,567)</u>	(14,132,846)
Loss	<u>(2,163,721)</u>	(2,362,064)
Total comprehensive income	<u>(2,163,721)</u>	(2,362,064)

Australia United Mining Limited owns 100% of Icarus Mines Pty Ltd and Fortius Mines Pty Ltd as at 30 June 2014.

25. Contingent liabilities for Parent Entity

Australia United Mining Limited has no contingent liabilities.

26. Commitments for expenditure for Parent Entity

(a) Exploration expenditure commitments

The commitments detailed below are the required expenditure to maintain ownership of the tenements or as required by service contracts entered into by the company.

Not longer than 1 year	583,858	388,833
Longer than 1 year and not longer than 5 years	48,917	186,333
	632,775	575,166

(b) Lease commitments

Operating lease commitments are disclosed in note (c) below. There are no finance lease liabilities.

(c) Other expenditure commitments

Property Lease

Not longer than 1 year	47,422	-
Longer than 1 year and not longer than 5 years	13,942	
Longer than 5 years	-	
	61,364	

Directors' declaration

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, remuneration report and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give 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.
2. The group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

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

On behalf of the directors



John Zee
Director and Company Secretary
Melbourne, 30 September 2014



Hayes Knight Audit
chartered accountants · your partners in success

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Registered Audit Company 291969

Independent Auditor's Report to the Members of Australia United Mining Limited (Formerly Altius Mining Limited)

Report on the Financial Report

We have audited the accompanying financial report of Australia United Mining Limited and Controlled Entities ('the consolidated entity'), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report to the Members of Australia United Mining Limited (Formerly Altius Mining Limited)

Opinion

In our opinion:

- (a) the financial report of Australia United Mining 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 consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

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.

Opinion

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

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne



Richard Cen
Director

Dated this 30 day of September 2014

Additional ASX Information (Unaudited)

Additional information required by the ASX and not shown elsewhere in this report is as follows.

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 30 September 2014 (**Reporting Date**).

Substantial holders

As at the Reporting Date, the names of the substantial holders of Australia United Mining Limited and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to Australia United Mining Limited, are as follows:

Holder of Equity Securities	Class of Equity Securities	Number of Equity Securities held	% of total Issued securities capital
Jianbing Zhang	Ordinary shares	129,591,500	19.33
Xiao Jing Wang	Ordinary shares	102,837,476	15.34
Shandong Gold Pty Ltd	Ordinary shares	94,406,009	14.08
Chao Ma	Ordinary shares	66,666,600	9.94

Number of holders

As at the Reporting Date, the number of holders of ordinary shares (being the only class of equity securities on issue in AUML) is as follows:

Class of Equity Securities	Number of holders
Ordinary Shares	354

Voting rights of equity securities

The only class of equity securities on issue in the Company is ordinary shares.

At a general meeting of Australia United Mining Limited, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

Distribution of holders of equity securities

The distribution of holders of equity securities on issue in the Company as at the Reporting Date is as follows:

Distribution of ordinary shareholders

Holdings Ranges	Holders	Total Units	%
1 - 1,000	4	247	0.00
1,001 - 5,000	2	9,550	0.00
5,001 - 10,000	41	397,944	0.06
10,001 - 100,000	155	6,865,954	1.02
100,001 - 9,999,999,999	152	663,214,075	98.92
Rounding			0.00
Total	354	670,487,770	100.00

Less than marketable parcels of ordinary shares

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0080 per unit	62,500	168	4,236,741

Twenty largest shareholders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Holder Name	Balance as at Reporting Date	%
MR JIANBING ZHANG	127,091,500	18.96
CHAO MA	66,666,600	9.94
SHANDONG GOLD PTY LTD	61,072,709	9.11
WY AUSTRALIA INVESTMENT PTY LTD <WY FAMILY A/C>	60,000,000	8.95
XINHUA GENG	33,333,300	4.97
KENG CHUEN THAM	22,500,000	3.36
MR ALEXANDER KING <LAIMA A/C>	21,337,083	3.18
RYL NOMINEES PTY LTD <THE RYL FAMILY A/C>	21,298,092	3.18
EVER RESOURCES PTY LTD <EVER RESOURCES FAMILY A/C>	20,000,000	2.98
MIGHTY INVESTMENT PTY LTD <MIGHTY INVEST FAMILY A/C>	14,872,973	2.22
ROBERT MCLENNAN <NATIONWIDE MINERALS S/F A/C>	13,500,000	2.01
STREAMFO INTERNATIONAL COMPANY LTD	12,500,000	1.86
W ASSETS GROUP LIMITED	12,500,000	1.86
BEST EXPAND INVESTMENTS LIMITED	10,500,000	1.57
MR XIAOJING WANG	10,000,000	1.49
ABUNDANT WISDOM LTD	9,375,000	1.40
MR XIAOJING WANG	7,837,476	1.17
YUWEI CHEN	6,546,000	0.98
EMINENT SUCCESS TRADING LTD	6,250,000	0.93
LINDA LAU	6,250,000	0.93
Total number of shares of Top 20 Holders	543,430,733	81.05
Total Remaining Holders Balance	127,057,037	127,057,037

Company Secretary

The Company's secretary is Mr John Zee.

Registered Office

The address and telephone number of the Company's registered office are:

Level 1, 61 Spring Street
Melbourne VIC 3000

Telephone: +61 3 9286 7500

Share Registry

The address and telephone number of the Company's share registry, Computershare Registry Services, are:

Street Address:
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Postal Address:
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Melbourne Victoria 3001

Telephone: 1300 137 328

Stock Exchange Listing

Australia United Mining Limited's ordinary shares are quoted on the Australian Securities Exchange (ASX issuer code: AYM).

Voluntary escrow

There are no securities on issue in Australia United Mining Limited that are subject to voluntary escrow.

On-market buyback

The Company is not currently conducting an on-market buy-back.

Item 7 issues of securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

On-market purchase of securities under employee incentive scheme

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme; or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.