

UXA Resources Limited

(Administrator Appointed)

ABN 65 112 714 397

Half Year Financial Report

31 December 2013

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UXA RESOURCES LIMITED

Directors' Report

Directors' Report

The Directors of UXA Resources Limited ("UXA") and of the Group, being the company and its subsidiaries present their report together with the consolidated financial report for the six months ended 31 December 2013 and the review report thereon.

1. DIRECTORS

The Directors of UXA at any time during or since the end of the interim period are:

- Neill Arthur (Non-Executive Chairman) resigned 26 August 2014
- Scott McKay (Non-Executive Director) resigned 26 August 2014
- David Sutich (Non-Executive Director) resigned 26 August 2014
- David Walker (Managing Director) appointed 26 August 2014
- Peter Hunt (Non-Executive Director) appointed 26 August 2014
- John Santich (Non-Executive Director) appointed 26 August 2014

The change in directors occurred as a condition of the Deed of Company Arrangement (DOCA) entered into by the proponent with the Administrator on 22 November 2013.

2. PRINCIPAL ACTIVITIES

UXA is a diversified exploration company searching for uranium, gold and precious metals, The Company is committed to further exploration and development of its flagship asset, the Nabarlek Uranium Project in the Northern Territory of Australia. No exploration activities were undertaken during the period under review.

3. REVIEW OF OPERATIONS

During the period under review, UXA continued to hold its mineral exploration properties, but did not carry out any exploration activities. During the half year period UXA exited its Mundi Plains – Junction Dam base metal joint venture project in South Australia and New South Wales. UXA also relinquished EL4928 Playford SE during the reporting period.

During the previous reporting period UXA sold its Australian and USA wireline logging business, including the Prompt Fission Neutron technology. Those sales were completed during the current half year.

Following completion of these asset sales and exit from the non-core exploration, UXA held two granted Exploration Licences and nine licence applications in the Northern Territory and two granted Exploration Licences in South Australia.

At 30 June 2013 the Company noted that the securities of UXA had remained in suspension from trading on ASX (ASX: UXA) from 1 October 2012 whilst negotiations continued to recapitalise the Company. The recapitalisation did not occur. As a consequence, UXA reported that its directors had placed its wholly-owned subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation on 8 July 2013 and then proceeded to appoint administrators to the parent company, UXA Limited, on 26 July 2013.

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Directors' Report

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

Deed of Company Arrangement

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

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

- Confirmation by the ASX that the Company is able to satisfy the ASX Listing Rules so as to not have to re-comply with Chapters 1 and 2 of the Listing rules;
- Shareholder approval being obtained in relation to the recapitalisation of the Company which was obtained at a shareholder meeting held on 14 November 2014;
- The Company receiving written conditional approval from ASX to the Company being reinstated to the official list of ASX.

All approvals by ASX, Shareholders and ASIC for the transactions contemplated by the DOCA and the Reconstruction Deed must occur on or before the end of February 2015 (or as extended).

In accordance with the DOCA, following a distribution being made to Creditors under the Creditors' Trust in respect of admitted claims, all claims of creditors shall be released and extinguished. The proposals contained within the DOCA for creditors distributions are at differing values than those recorded in this historical financial report.

Nabarlek North EL24868 -100%

The Nabarlek North tenement is located to the north of and adjoining the Nabarlek Uranium mining operations, which closed in 1988. The property is being explored for unconformity style uranium mineralisation similar to the orebody mined at Nabarlek.

Exploration is well advanced at Nabarlek North and has included completing a 1,927 line kilometre fixed wing airborne GEOTEM electromagnetic survey covering the whole tenement area, a tenement wide hyperspectral remote sensing survey with 0.5m pixel resolution, a 548 sample point at 200m spacing Alphatrack radon cup survey and coincident 559 sample point geochemical sampling survey covering an area approximately 19km² within the southern region of the tenement which has highlighted 3 initial target areas (Figure 2).

Area 1 prospect comprises sub-cropping Proterozoic amphibolite and psammo-pelitic schists partly unconformably covered by Kombolgie Formation sandstone and in fault contact with the adjacent Oenpelli Dolerite. Tertiary and Quaternary cover thickness is variable from a thin veneer atop the schist and amphibolite to several metres above the dolerite. A saprolitic weathering profile is developed to 20m depth in areas. A zone of uranium enrichment is interpreted to occur between drill holes 11RC4a and 11RC6 and may be the product of faulting and metamorphism associated with the intrusive Oenpelli dolerite (Figure 3).

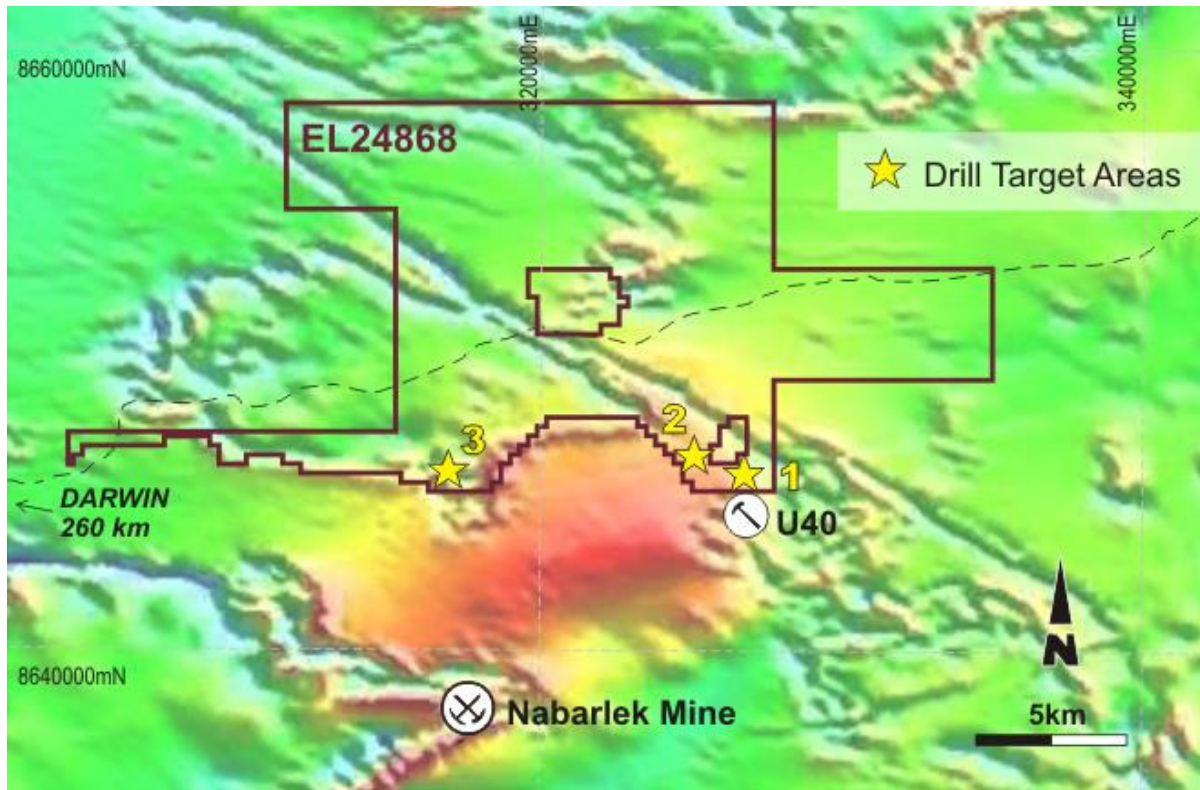


Figure 2: Nabarlek North Drill Targets.

At Area 2, drilling intersected thick clay above schist containing abundant milky white quartz and trace amounts of sulphides. No samples were submitted for assay from drill holes in this region due to poor scintillometer values being returned from drill cuttings.

Drilling at Area 3 confirmed the presence of Oenpelli Dolerite adjacent to elevated K and Th radioactivity and anomalous soil geochemistry. Anomalous gold (0.02g/t) hosted in quartz hematite breccia was returned from 18m to 19m in drill hole 12NN02.

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Directors' Report

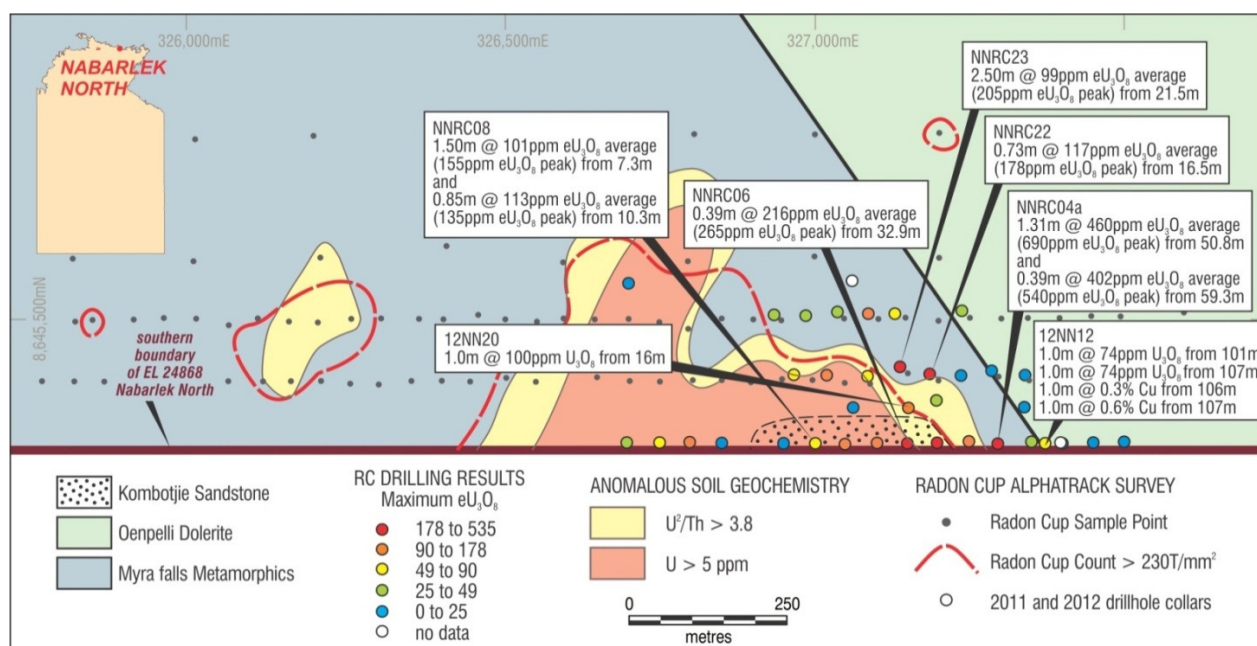


Figure 3: Area 1 Prospect EL24868, Nabarlek North.

Inclined drillholes, drill intercepts do not necessarily represent true thicknesses. Analytical results from 2012 drilling. 1 metre split chip samples prepared in accordance with Amdel's PREP2,3 sample preparation procedure, prior to assay using metallurgical grade digest with ICPOES finish in accordance with Amdel's MET1 process. Gamma logging by GAA Wireline, tool SSG02 calibrated on 29th August 2011 at API pits Adelaide and corrected for borehole diameter and steel drill rods. Radon Alphasurvey cup survey results analysed by Alphasurvey (Canada) based on detector cups buried at 30cm depth and results normalised to 30 days exposure reported as tracks per square millimetre (T/mm²). Soil geochemical samples collected from radon cup sites at 30cm depth and analysed at AMDEL using ICPMS and ICPOES schemes IC4M and IC3E.GDA94 (Zone 54).

The Area 1 prospect contains many attributes and strong indicators to suggest the region is part of a fertile mineralising system capable of hosting economic uranium mineralisation. These include close proximity to the unconformable contact between Myra Falls Metamorphics and Komboljie Formation, elevated uranium content in basement lithologies, close proximity to Oenpelli Dolerite and elevated gold and copper values returned from 12NN12. However the prospect may have limited strike length to the north and possibly represents the northern limit of the U40 prospect.

Historically, uranium mineralisation has been found by airborne radiometric surveys flown in the 70's. However, not all deposits were found this way, Jabiluka 2 has no radiometric expression due to being located under cover and was discovered by drilling along strike from Jabiluka. Jabiluka 2 contains approximately 150,000t U₃O₈.

EL24868 has no obvious radiometric standouts within the tenement for the simple reason it is covered by a thin veneer of Komboljie sandstone as well as Mesozoic sandstone and Tertiary and Quaternary sequences with only minor basement rocks being exposed. However, the tenement remains highly prospective for uranium mineralisation where future exploration will focus along the north and north-westerly striking regional dolerite dyke, particularly in regions with Mesozoic to Quaternary cover where no detailed ground based exploration activities have been undertaken previously.

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Directors' Report

Although the mineralisation identified by the Company to date within Area 1 appears to be thin and discontinuous, it is considered to be evidence that this region of the tenement contains many of the right criteria required to potentially host economic mineralisation. The Company's exploration strategy for its next phase of works is to focus on the northerly trending mineralised contact between Myra Falls Metamorphics amphibolite, schist and psammite units (showing as red and yellow in the magnetic image) and Oenpelli dolerite (blue) (figure 4) which extends from Area 1.

Since this region of the tenement has no obvious radiometric standouts and is covered by a thin veneer of Mesozoic sandstone and Tertiary and Quaternary sequences, there has been no known on-ground exploration completed previously by other explorers. The Company proposes on re-listing to complete a detailed geochemical and biochemical survey designed to detect concealed economic mineralisation leading to defined drill targets.

Pandanus West (EL 24565) – 100%

The Pandanus West area is situated in the Murphy uranium province in the Northern Territory and is prospective for world class Westmoreland or unconformity style uranium deposits. The Westmoreland uranium deposit in Queensland contains a NI 43-101 indicated and inferred resource totalling 51.9 million pounds of U₃O₈.

Exploration was initiated at Pandanus West in the Westmoreland uranium province close to the Queensland border.

The Pandanus West exploration licence (EL 24565) was also part of UXA's joint venture with RIL Australia Pty Ltd. As part of the first phase exploration program, a 5,900 line km airborne radiometric and aeromagnetic survey has been completed. A number of uranium channel anomalies were detected. Reconnaissance field mapping indicated weak U²/Th anomalies identified by the airborne radiometric survey to be uranium associated with Tertiary and Cretaceous cover units (Figure 5). The occurrence of Westmoreland Conglomerate has been positively identified in the field and can be shown to span the length of the exploration licence at its southern boundary.

Further field work is planned to establish the detailed stratigraphy of the licence area, and to further characterise the airborne radiometric results obtained.

Katherine North (ELA 24577)

These application areas are currently in moratorium following previous attempts to engage with traditional owners and locals. The Company expects to re-enter negotiations once the 5 year moratorium periods have expired.

Commonwealth Hill (EL4971) – 100%

The Commonwealth Hill tenement (EL4971) lies in the Green Zone of the Woomera Prohibited Area (WPA) and is prospective for Archaean lode gold deposits, similar to the Challenger gold mine 10km to the south, and for sandstone-hosted uranium in the Garford palaeochannel which transects the northern part of the tenement.

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

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Directors' Report

Nemesis Gold Prospect

Previous regional exploration on the Commonwealth Hill property led to the identification of the Nemesis gold prospect, a gold in calcrete anomaly which has been tested by shallow widely spaced reconnaissance RAB drilling (Figure 6).

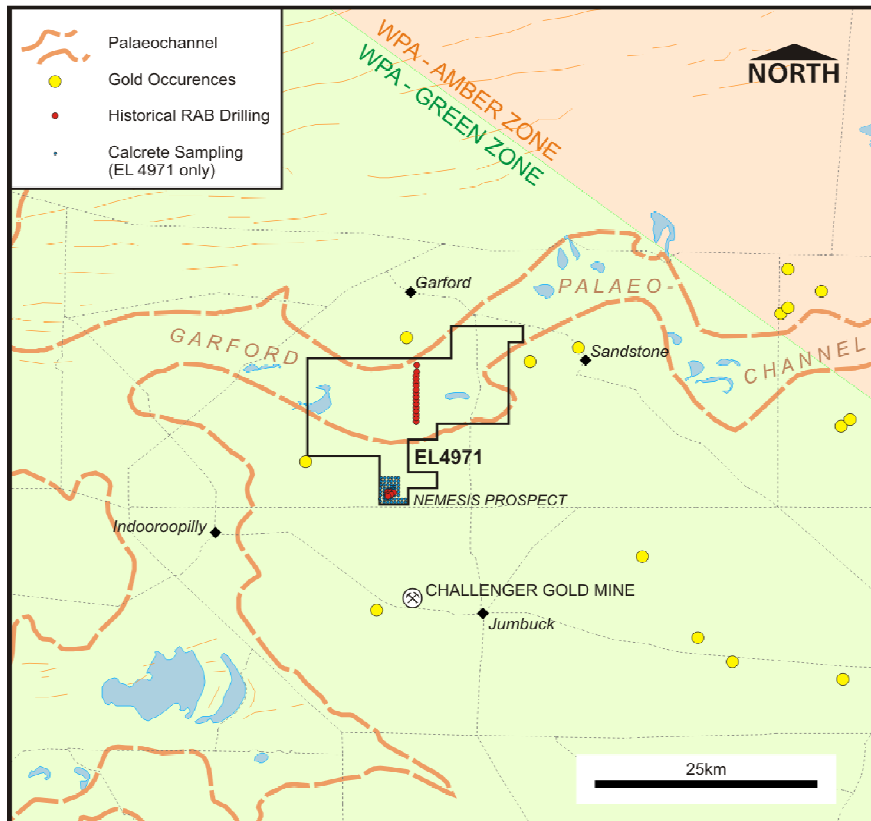


Figure 6: Commonwealth Hill tenement EL4971

Based on available data, Nemesis is considered to be located within similar geological and structural setting as the Challenger gold deposit.

Nemesis is a drill ready one kilometre long gold target delineated by anomalous gold in calcrete and gold and associated base metals in shallow saprolitic and basement drill samples (Figure 7).

Similar to Challenger's discovery as a gold in calcrete anomaly returning a maximum value of 180ppb Au, the Nemesis Prospect is identified as a 2 point gold in calcrete anomaly returning a maximum value of 42ppb Au. Subsequent shallow hole RAB drilling has delineated anomalous gold in saprolite and basement which strikes over a distance of 1 kilometre.

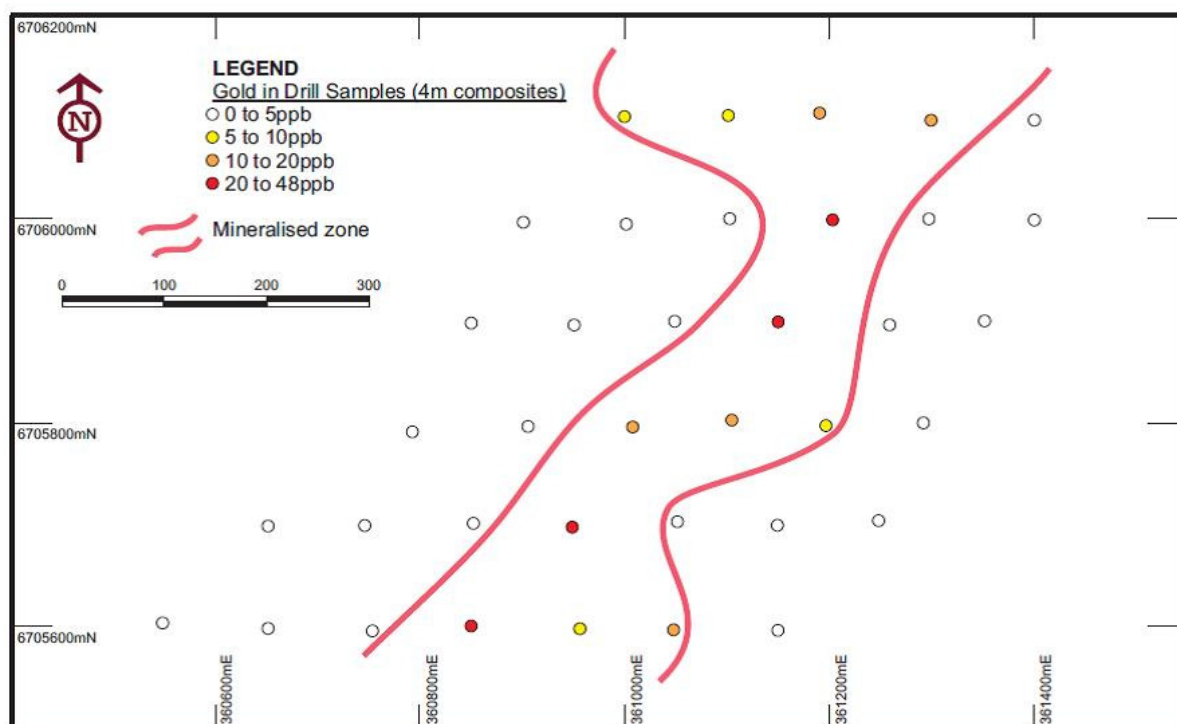


Figure 7: Nemesis - Early stage shallow hole drilling – gold in drill samples (4m composites)
RAB Drillholes – vertical, sampling interval 4m composite, sampling method and assay method unknown

The Company is seeking to identify an Archaean lode gold system similar in style to Challenger gold deposit capable of yielding >150,000oz of gold and considers the Nemesis target to be well delineated and drill ready.

Stuart Shelf – Playford (EL4927) – 100%

The Stuart Shelf in South Australia is one of the world’s most prospective provinces for giant copper gold (uranium) deposits and includes two major mining operations, Olympic Dam and Prominent Hill; with a third deposit Carrapateena currently being evaluated. The Stuart Shelf offers its own unique challenges to explorers with much of the prospective area for iron oxide copper-gold breccia-hosted deposits (IOCG) lying beneath thick sequences of un-mineralised cover rocks.

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

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Directors' Report



Figure 1. UXA Project Location Map

Competent Person Statement

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

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

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Details of all Tenements held or which UXA has rights to at 31 December 2013:

<i>Number</i>	<i>State</i>	<i>Exploration Licence Name</i>	<i>Status</i>	<i>Application</i>	<i>Date Granted</i>	<i>Expiry</i>	<i>Area km²</i>
EL 4971	South Australia	Commonwealth Hill	Granted	17/03/2011	08/08/2012	07/08/2015	265
EL 4927	South Australia	Playford	Granted	18/08/2010	19/06/2012	17/06/2015	285
Sub-Total							550
EL 24565	Northern Territory	Pandanus West	Granted	02/02/2005	18/05/2011	17/05/2017	960
ELA 28690	Northern Territory	Pandanus West "A"	Application	02/02/2005	-	-	7
ELA 28691	Northern Territory	Pandanus West "B"	Application	02/02/2005	-	-	7
ELA 28692	Northern Territory	Pandanus West "C"	Application	02/02/2005	-	-	14
ELA 24577	Northern Territory	Katherine North	Application	02/02/2005	-	-	223
EL 24868	Northern Territory	Nabarlek North	Granted	02/02/2005	27/09/2010	26/09/2016	191
ELA 28241	Northern Territory	Nabarlek North "A"	Application	19/08/2005	-	-	13
ELA 28242	Northern Territory	Nabarlek North "B"	Application	19/08/2005	-	-	12
ELA 28243	Northern Territory	Nabarlek West "A"	Application	02/02/2005	-	-	47
ELA 28244	Northern Territory	Nabarlek West "B"	Application	02/02/2005	-	-	8
ELA 24586	Northern Territory	Rum Jungle NE	Application	02/02/2005	-	-	35
Sub-Total							1,517
Grand Total							2,067

4. EVENTS SUBSEQUENT TO BALANCE DATE

The following significant events occurred subsequent to 31 December 2013:

- (a) The current directors Peter Hunt, David Walker and John Santich were appointed as directors on 26 August 2014 and re-affirmed as continuing directors at a shareholders meeting held on 14 November 2014. The retiring directors Neill Arthur, Scott McKay and David Sutich retired on 26 August 2014.
- (b) On 11 September 2014 the Company placed 130,000,000 shares at \$0.00001 per share to sophisticated and professional investors which raised funds of \$1,330.
- (c) The following resolutions were approved by shareholders at a shareholders meeting held on 14 November 2014:

- i. Resolution 5 – Consolidation of Capital

That pursuant to section 254H of the Corporations Act and Article 47 of the Company's constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every 200 Shares be consolidated to 1 and where this consolidation results in a fraction of a Share the Directors are authorised to round that fraction up to the nearest whole Share. The consolidation has occurred and been announced to the ASX.

- ii. Resolution 6 - Approval for Issue of Shares and Options to Lind-ASOF

The issue of 2,300,000 Shares and 5,000,000 Options (on a post-consolidation basis) on the terms and conditions set out in the Explanatory Statement to The Lind Partners, LLC as General Partner of Australian Special Opportunity Fund LP (ASOF) by way of conversion of convertible notes under, and for the mutual termination of, the Security Purchase Agreement dated 12 April 2012 between the Company and ASOF.

UXA RESOURCES LIMITED

Directors' Report

iii. Resolution 7 - Approval for Issue of Shares and Options to La Jolla Cove

The issue of 1,000,000 Shares and 5,000,000 Options (on a post-consolidation basis) on the terms and conditions set out in the Explanatory Statement to La Jolla Cove Investors Inc (La Jolla) for the mutual termination of the UXA Resources Funding Agreement dated 26 September 2011 between the Company and La Jolla effective immediately.

iv. Resolution 8 - Issue of Shares - Initial Placement

The issue of 6,000,000 Shares (on a post-consolidation basis) pursuant to a placement under the Reconstruction Deed.

v. Resolution 9 - Issue of Shares in lieu of loan repayment

The issue of 3,000,000 Shares (on a post-consolidation basis), in lieu of loan repayment within one month of this Meeting and otherwise on the terms and conditions detailed in the Explanatory Statement.

vi. Resolution 10 - Further Placement

The issue of up to 9,000,000 Shares (on a post-consolidation basis) in the Company, to sophisticated investors, in lieu of loan repayments within three months of this Meeting at such price and otherwise on the terms and conditions detailed in the Explanatory Statement.

vii. Resolution 11 - Issue of Shares in lieu of fees and expense reimbursement

The issue of up to 33,500,000 Shares (on a post-consolidation basis) to John Santich and David Walker (and his controlled entity), in lieu of fees and expenses reimbursement within one month of this Meeting and otherwise on the terms and conditions detailed in the Explanatory Statement.

viii. Resolution 12 - Approval of Issue of Shares and Options to Directors

The issue the following Shares and Options (on a post-consolidation basis) to:

Director*	No. of Shares	No. of 3 year Options	No. of 5 year Options
David Walker	3,000,000	1,000,000	2,000,000
Peter Hunt	3,000,000	1,000,000	2,000,000
John Santich	3,000,000	1,000,000	2,000,000

* Or their nominee

on the terms and conditions set out in the Explanatory Statement.

ix. Resolution 13 - Issue of Shares to strategic investors

The issue of 5,240,000 Shares (on a post-consolidation basis) in the Company, by way of private placement to strategic investors at such price and otherwise on the terms and conditions detailed in the Explanatory Statement.

x. Resolution 14 - Issue of Shares under the Prospectus

Approval received for the Company to raise up to \$3,200,000 under the Prospectus through the issue of Shares (on a post-consolidation basis) at an issue price and otherwise on the terms and conditions set out in the Explanatory Statement.

UXA RESOURCES LIMITED

Directors' Report

xi. Resolution 17 - Capital Reduction – Cancellation of Lost Capital

Pursuant to section 258F of the Corporations Act, the share capital of the Company will be reduced by \$30,855,715 and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available assets.

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

At 31 December 2013 the company noted that the securities of UXA had remained in suspension from trading on ASX (ASX : UXA) as from 1 October 2012 whilst negotiations continued to recapitalise the Company. The recapitalisation did not occur. As a consequence, UXA reported that its directors had placed its wholly-owned subsidiary company, Geoscience Associates Australia Pty Ltd into liquidation on 8 July 2013 and then proceeded to appoint administrators to the parent company, UXA Limited, on 26 July 2013.

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

On 22 November 2013 the Company's Administrator entered into a Deed of Company Arrangement (DOCA) with Palgrave Resources Limited. The implementation of the DOCA was approved at a meeting of shareholders held on 14 November 2014 and upon payment of the final \$200,000 to the Administrator which is to be applied to the Creditors Trust the administration ceases.

Limitation of Scope as a result of loss of control of subsidiaries

On 8 July 2013 Geoscience Associates Australia Pty Ltd was placed into liquidation and the Company lost control of that subsidiary. On 26 July 2013 the directors of UXA Resources Limited appointed Administrators to the parent company, UXA Limited. From that date, directors lost control of the parent company. As a result of this, the Company has lost access to the financial information of these subsidiary companies and consequently, the Company has not consolidated the statement of comprehensive income of the subsidiaries up to the date of the loss of control. The financial position as at 30 June 2013 has been used as the basis for the deconsolidation of the subsidiaries as this is the most recent financial information available.

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

Cash and Cash Equivalents	(24)
Trade and Other Receivables	-
Inventories	-
Other Current Assets	-
Plant and Equipment	(855)
Deferred Tax Assets	-
Trade and Other Payables	(553)
Employee Benefits	271
Financial Liabilities	(852)
Deferred Tax Liabilities	-
Gain / (Loss) on Loss of Control of Subsidiaries	797

UXA RESOURCES LIMITED

Directors' Report

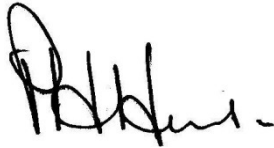
6. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the six months ended 31 December 2013.

7. ROUNDING

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

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Peter Hunt', with a horizontal line extending from the end of the signature.

Peter Hunt

Chairman

Dated at Adelaide this 27th day of January 2015

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67 Greenhill Rd
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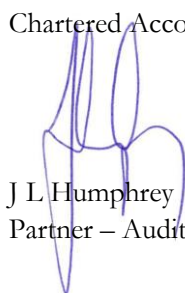
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF UXA RESOURCES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of UXA Resources Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 January 2015

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UXA RESOURCES LIMITED

Condensed Statement of Profit or Loss and Other Comprehensive Income

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2013

<i>In thousands of AUD</i>	Note	2013	2012
Revenue			
Logging revenue		-	2,445
Total revenue		-	2,445
Other income		797	997
Operating Costs			
Professional fees		(46)	(232)
ASX/ registry expenses		-	(13)
Depreciation expense		-	(352)
Impairment expense		(5)	(1,582)
Printing & communications		-	(46)
Insurance		-	(116)
Employee related expenses		-	(2,103)
Advertising/ promotions expenses		-	(5)
Travel		(5)	(211)
Office expenses		-	(157)
Exploration expenditure written off		(76)	(173)
Conversion option expense		-	304
Facilitation Fees		-	(100)
Other expenses from ordinary activities		(318)	(359)
Total expenses		(450)	(5,145)
Profit / (Loss) from operating activities		347	(1,703)
Interest income		23	7
Bank & finance costs		(3)	(23)
Net finance costs		20	(16)
Profit / (Loss) before income tax		367	(1,719)
Income tax expense		-	-
Profit / (loss) for the period		367	(1,719)
Other comprehensive income for the period, net of tax			
Foreign currency transaction differences – foreign operations		-	(172)
Total comprehensive profit / loss for the period		367	(1,891)
		Cents	Cents
Basic profit / (loss) per share		0.0004	(0.002)
Diluted profit / (loss) per share		0.0004	(0.002)

UXA RESOURCES LIMITED

Condensed Statement of Financial Position as at 31 December 2013

Condensed Statement of Financial Position as at 31 December 2013

<i>In thousands of AUD</i>	Note	31 Dec 2013	30 Jun 2013
Assets			
Cash and cash equivalents		119	101
Trade and other receivables		7	-
Inventories		-	-
Other current assets		-	-
Property, plant and equipment		-	855
Exploration and evaluation assets	6	1,132	1,208
TOTAL ASSETS		1,258	2,164
Liabilities			
Trade and other payables		1,224	1,436
Employee Entitlements		43	366
Loans and borrowings - Secured		-	852
Loans and borrowings – Convertible Notes	8	1,152	1,302
Related party loans	8	262	-
TOTAL LIABILITIES		2,681	3,956
NET ASSETS		(1,423)	(1,792)
Equity			
Share capital	7	30,855	30,855
Reserves		1,268	1,268
Accumulated losses		(33,546)	(33,915)
TOTAL EQUITY		(1,423)	(1,792)

UXA RESOURCES LIMITED
Condensed Statement of Cash Flows

Condensed Statement of Cash Flows
For the half year ended 31 December 2013

<i>In thousands of dollars</i>	Note	31 Dec 2013	31 Dec 2012
Cash flows from operating activities			
Receipts from customers		-	3,612
Cash payments to suppliers and employees		(117)	(3,430)
Interest received		23	7
Interest paid		(3)	(23)
Net cash used in operating activities		(97)	166
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		-	(434)
Payments for property, plant & equipment		-	(224)
Proceeds from sale of fixed assets		855	86
Refund / (payment) of bonds/ term deposits		-	-
Net cash used in investing activities		855	572
Cash flows from financing activities			
Proceeds from issue of share capital		-	67
Proceeds from borrowings		262	445
Facilitation Fees		-	75
Proceeds from convertible notes		(150)	-
Repayment of borrowings		(852)	466
Net cash from financing activities		(740)	29
Net increase in cash and cash equivalents		18	(435)
Effect of exchange rate fluctuation on cash rate		-	3
Cash and cash equivalents at 1 July		101	932
Cash and cash equivalents at 31 December 2013		119	500

UXA RESOURCES LIMITED

Condensed Statement of Changes in Equity

Condensed Statement of Changes in Equity

For the half year ended 31 December 2013

<i>in thousands of dollars</i>	Issued Capital	Accumulated Losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	30,855	(33,914)	1,268	(1,790)
Total profit / (loss) for the period				
Profit for the period	-	367	-	367
Other comprehensive income				
Total other comprehensive income	-	-	-	-
Total comprehensive profit or loss for the period	-	367	-	367
Transaction with owners, recorded directly in equity				
Contributions by and distributions to owners				
Shares issued	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance as at 31 December 2013	30,855	(33,546)	1,268	(1,423)
Balance at 1 July 2012	30,424	(29,332)	1,452	2,544
Total comprehensive loss for the period				
Loss	-	(1,719)	-	(1,719)
Other comprehensive income				
Total other comprehensive income	-	-	(172)	(172)
Total comprehensive loss for the period	-	(1,719)	(172)	(1,891)
Transaction with owners, recorded directly in equity				
Contributions by and distributions to owners				
Fair value of equity issued – Rights Issue	79	-	-	79
Fair value of equity issued – Convertible Note	359	-	-	359
Share issue expenses	(12)	-	-	(12)
Total contributions by and distributions to owners	426	-	-	426
Balance as at 31 December 2012	30,850	(31,051)	1,280	1,079

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

1. REPORTING ENTITY

UXA Resources Limited (UXA) is a company domiciled in Australia. The condensed interim financial report as at and for the six months ended 31 December 2013.

The annual financial report of the Group as at and for the year ended 30 June 2013 is available upon request from the Company Secretary, Graham Seppelt (see Company Directory, page 27).

2. STATEMENT OF COMPLIANCE

The condensed interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The condensed interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the entity as at and for the year ended 30 June 2013.

This condensed interim financial report was approved by the Board of Directors on 27 January 2015.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2013.

(a) Alternate basis of preparation

The company reported a profit after tax of \$0.347 million (2012: loss of \$1.72 million) for the half year ended 31 December 2013 after recognition of a one off gain relating to the loss of control of its subsidiaries. At reporting date, the company had accumulated losses of \$33.546 million and net liabilities of \$1.4 million. During the period under review, the company was unable to refinance its debts or raise capital. The company ceased to trade and was placed in administration on 26 July 2013. The company was suspended from listing on the Australian Securities Exchange on 23 August 2013.

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

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

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

Refer to note 9 for further details in connection with the Group's financial position and the DOCA.

(i) Realisation of basis of accounting

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

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

Given the uncertainties in valuing assets and liabilities, it is likely that the valuation of assets and liabilities included in these financial statements may differ from actual results.

(b) Estimates

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

In preparing this interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2013.

4. OPERATING SEGMENTS

During the six months to 31 December 2013 the Company ceased operations on the appointment of an Administrator but it was the intention of the proponents of the Deed of Company Arrangement (DOCA) to revert to a sole purpose exploration Company.

5. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent assets or liabilities.

6. EXPLORATION AND EVALUATION EXPENDITURE

In thousands of dollars

	31 Dec 2013	30 Jun 2013
Balance at beginning of period	1,208	2,777
Expenditure capitalised in the period	-	434
Amounts written off / adjusted in the period	(76)	(2,003)
Balance at end of period	<u>1,132</u>	<u>1,208</u>

The recoverability of the carrying amount of \$1,132,000 is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

7. ISSUED CAPITAL

Issuances, repurchases and repayments

Issuance of ordinary shares

2013	No. Shares	\$'000	No. Options
Balance at 1 July 2013	886,744,784	30,850	6,500,000
Issue of ordinary shares	-	-	-
Balance at 31 December 2013	886,744,784	30,850	6,500,000

2012	No. Shares	\$'000	No. Options
Balance at 1 July 2012	671,803,271	30,424	20,995,000
Issue of ordinary shares	214,941,513	426	-
Share options expired	-	-	(14,495,000)
Balance at 31 December 2013	886,744,784	30,850	6,500,000

All issued shares are fully paid.

No options were issued and no options expired during the reporting period.

8. LOANS AND BORROWINGS

(a) Loans and borrowings summary

<i>Current</i>	31 Dec 13 \$'000	30 June 13 \$'000
Convertible note – La Jolla	702	802
Convertible note - ASOF	450	500
	1,152	1,302

(b) Related party loans

<i>Current</i>	31 Dec 13 \$'000	30 June 13 \$'000
Palgrave Resources Ltd	100	-
Dalkeith Resources Pty Ltd	162	-
	262	-

Subsequent to period end the Company has negotiated to settle the convertible notes, with La Jolla Cove Investors and ASOF, as part of the DOCA. Refer to note 9 for further details in connection to the DOCA.

Palgrave Resources is a director related entity of John Santich, David Walker and Peter Hunt. Dalkeith Resources is a director related entity of David Walker.

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

9. EVENTS SUBSEQUENT TO BALANCE DATE

The following significant events occurred subsequent to 31 December 2013:

- (a) The current directors Peter Hunt, David Walker and John Santich were appointed as directors on 26 August 2014 and re-affirmed as continuing directors at a shareholders meeting held on 14 November 2014. The retiring directors Neill Arthur, Scott McKay and David Sutich retired on 26 August 2014.
- (b) On 11 September 2014 the Company placed 130,000,000 shares at \$0.00001 per share to sophisticated and professional investors which raised funds of \$1,330.
- (c) The following resolutions were approved by shareholders at a shareholders meeting held on 14 November 2014:

- i. Resolution 5 – Consolidation of Capital

That pursuant to section 254H of the Corporations Act and Article 47 of the Company's constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every 200 Shares be consolidated to 1 and where this consolidation results in a fraction of a Share the Directors are authorised to round that fraction up to the nearest whole Share, with consolidation to occur on a date announced to the ASX.

- ii. Resolution 6 - Approval for Issue of Shares and Options to Lind-ASOF

The issue of 2,300,000 Shares and 5,000,000 Options (on a post-consolidation basis) on the terms and conditions set out in the Explanatory Statement to The Lind Partners, LLC as General Partner of Australian Special Opportunity Fund LP (ASOF) by way of conversion of convertible notes under, and for the mutual termination of, the Security Purchase Agreement dated 12 April 2012 between the Company and ASOF.

- iii. Resolution 7 - Approval for Issue of Shares and Options to La Jolla Cove

The issue of 1,000,000 Shares and 5,000,000 Options (on a post-consolidation basis) on the terms and conditions set out in the Explanatory Statement to La Jolla Cove Investors Inc (La Jolla) for the mutual termination of the UXA Resources Funding Agreement dated 26 September 2011 between the Company and La Jolla effective immediately.

- iv. Resolution 8 - Issue of Shares - Initial Placement

The issue of 6,000,000 Shares (on a post-consolidation basis) pursuant to a placement under the Reconstruction Deed.

- v. Resolution 9 - Issue of Shares in lieu of loan repayment

The issue of 3,000,000 Shares (on a post-consolidation basis), in lieu of loan repayment within one month of this Meeting and otherwise on the terms and conditions detailed in the Explanatory Statement.

- vi. Resolution 10 - Further Placement

The issue of up to 9,000,000 Shares (on a post-consolidation basis) in the Company, to sophisticated investors, in lieu of loan repayments within three months of this Meeting at such price and otherwise on the terms and conditions detailed in the Explanatory Statement.

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

- vii. Resolution 11 - Issue of Shares in lieu of fees and expense reimbursement

The issue of up to 33,500,000 Shares (on a post-consolidation basis) to John Santich and David Walker (and his controlled entity), in lieu of fees and expenses reimbursement within one month of this Meeting and otherwise on the terms and conditions detailed in the Explanatory Statement.

- viii. Resolution 12 - Approval of Issue of Shares and Options to Directors

The issue the following Shares and Options (on a post-consolidation basis) to:

Director*	No. of Shares	No. of 3 year Options	No. of 5 year Options
David Walker	3,000,000	1,000,000	2,000,000
Peter Hunt	3,000,000	1,000,000	2,000,000
John Santich	3,000,000	1,000,000	2,000,000

* Or their nominee

on the terms and conditions set out in the Explanatory Statement.

- ix. Resolution 13 - Issue of Shares to strategic investors

The issue of 5,240,000 Shares (on a post-consolidation basis) in the Company, by way of private placement to strategic investors at such price and otherwise on the terms and conditions detailed in the Explanatory Statement.

- x. Resolution 14 - Issue of Shares under the Prospectus

Approval received for the Company to raise up to \$3,200,000 under the Prospectus through the issue of Shares (on a post-consolidation basis) at an issue price and otherwise on the terms and conditions set out in the Explanatory Statement.

- xi. Resolution 17 - Capital Reduction – Cancellation of Lost Capital

Pursuant to section 258F of the Corporations Act, the share capital of the Company will be reduced by \$30,855,715 and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available assets.

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

Arrangement with UXA

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

UXA Resources Limited

Notes to the Condensed Interim Financial Statement for the Half Year Ended 31 December 2013

Terms of DOCA Proposal

Under the agreements between Palgrave and UXA, the Administrator will continue in his role until UXA shareholders approve the Palgrave proposal (subsequently approved on 14 November 2014). The DOCA provides for a moratorium period in which claims against UXA cannot be enforced while the capital restructure and relisting of the company's shares is being undertaken.

All approvals by ASX, Shareholders and ASIC for the transactions contemplated by the DOCA and the Reconstruction Deed were approved by shareholders on 14 November 2014. Upon a distribution being made to Creditors under the Creditors' Trust in respect of admitted claims, all claims of creditors shall be released and extinguished. The DOCA will terminate following achievement of the proposed capital restructure as contemplated by the Reconstruction Deed and establishment of the Creditors' Trust.

The Restructure Proposal

A capital restructure of UXA consisting of consolidation of the existing UXA shares, cancellation of lost capital, conversion of the convertible notes to equity together with the raising of capital by way of placement and public prospectus offer was approved by shareholders on 14 November 2014.

Shareholders approved a UXA public offer to raise up to \$3.2 million at a price not less than 5 cents per post consolidation share. A minimum of \$1 million is to be raised under the public offer.

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

Shareholders at a general meeting approved all resolutions including the issue of shares and options to the convertible noteholders ASOF and La Jolla, the appointment of Palgrave's directors to the Board of UXA, the consolidation of share capital, cancellation of lost capital, the issue of share placements and the proposed capital raising.

DOCA

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

Other than the matters discussed above there has not arisen in the interval between the end of the half year and of the date of this report any item, transaction or event of material and unusual nature requiring adjustment to, or disclosure in, the half year financial statements ended 31 December 2013.

10. CONTINGENT ASSETS AND LIABILITIES

The Company does not have any contingent assets or liabilities.

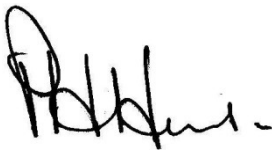
UXA Resources Limited
Directors' Declaration

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors of UXA Resources Limited ("UXA"):
 - (a) the interim financial statements and notes set out on pages 19 to 25, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance, for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) Due to the uncertainty outlined in note 3(a), the directors are unable to conclude that UXA will remain a going concern and will be able to pay its debts as and when they fall due for the next 12 months.
2. As a consequence of subsequent events, the Directors have not been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the period ended 31 December 2013.

Dated at Adelaide this 27th day of January 2015.



Peter Hunt
Chairman

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67 Greenhill Rd
Wayville SA 5034

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Adelaide SA 5001

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Independent Auditor's Review Report To the Members of UXA Resources Limited

We have reviewed the accompanying half-year financial report of UXA Resources Limited ("Entity"), which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the UXA Resources Limited financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of UXA Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of UXA Resources Limited is not in accordance with the Corporations Act 2001, including:

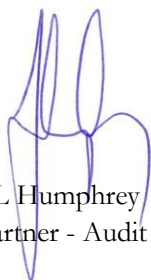
- a giving a true and fair view of the Entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter – Realisation basis of accounting

Without modifying our conclusion, we draw attention to note 3(a) Alternate basis of preparation (realisation basis) in the notes to the interim report, which indicates the company's determination that they are no longer a going concern.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner - Audit & Assurance

Adelaide, 27 January 2015

UXA RESOURCES LIMITED

Company Directory

Company Directory

Directors	Peter Hunt (Chairman and Non-Executive Director)) David Walker (Managing Director) John Santich (Non-Executive Director)
Secretary	Graham Seppelt
Australian Business No.	65 112 714 397
Registered Office	Level 7, 420 King William St Adelaide South Australia 5000 AUSTRALIA Email: seppelt@bold.net.au
Website	Web: www.uxaresources.com.au
Auditor	Grant Thornton Audit Pty Ltd 67 Greenhill Road Parkside SA 5067
Tax Advisors	PricewaterhouseCoopers 91 King William Street Adelaide SA 5000
Company's Solicitors	Minter Ellison Lawyers Level 21 25 Grenfell Street Adelaide SA 5000
Share Registry	Computershare Investor Services Pty Ltd Level 3 60 Carrington Street Sydney NSW 2000