URANIUM
EQUITIES

2016 ANNUAL REPORT

CORPORATE DIRECTORY

Directors
Tim R B Goyder – Chairman
Bryn L Jones – Non-executive Director
Richard K Hacker - Non-executive Director

Company Secretary
Kym A Verheyen

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ASX Code
Share Code: UEQ

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CHAIRMAN'S LETTER

Dear Shareholder,

Along with our peers, we continue to operate in a challenging macro-environment with uranium prices remaining at multi-year lows. However, I am pleased to report that against that backdrop your Company has continued to explore and generate exciting early-stage results from our flagship Nabarlek uranium project in the Alligator Rivers Uranium Province in the Northern Territory.

During the year the Company undertook drilling on two new targets identified from a novel approach to exploration targeting, building on the Company's developed understanding of pathfinder geochemistry and mineral alteration signatures of uranium systems. Drilling at the GC-11 target intersected blind uranium mineralisation at depth (NAR7537; 5m @ 1005ppm U_3O_8, NAR7537: 2m @ 2334ppm U_3O_8) and strong alteration in the adjacent sandstone sequence. In addition, a new alteration and geology model developed for the Nabarlek uranium mine was used to test for a depth extension to the deposit below the lower levels of drill testing. Whilst no significant intercepts of uranium mineralisation were encountered, the Company's exploration team is excited by the intersection of discrete fault zones showing strong alteration and silica brecciation/veining. This suggests the Nabarlek-host structure extends at depth and is essentially untested along a 2.5km strike length beneath the Oenpelli Dolerite. These positive results demonstrate that the Company's approach to exploration targeting is unlocking unrealised value on the broader Nabarlek uranium project.

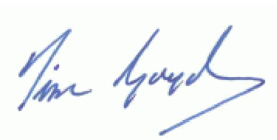
With encouragement from the above drilling programs, the Company has undertaken a detailed review of exploration targets throughout the project and continues to identify new targets prospective for uranium mineralisation both at existing prospects and within new areas with little to no previous exploration focus. These new targets will form the basis of future exploration and the Company is firmly of the view that the Nabarlek Uranium project has the potential to host a significant and high-grade uranium deposit.

The Company is also re-evaluating the Rudall River project after Cameco withdrew from a JV in December 2015 without undertaking any significant exploration programs. This project is located only 4km from the Kintyre uranium deposit and has obvious potential for uranium and other commodities.

I would like to make special mention of the hard work and diligence of our technical team which, with limited funds, continues to utilise and develop new and innovative ways to vector into potential uranium deposits. An improvement in the price of uranium will see the Company very well positioned to capitalise on future exploration success. Whilst markets can be unpredictable, there is little doubt that the supply demand picture for uranium remains positive and that recent spot and contract prices at current levels are likely to be unsustainable over the longer term.

Overall I remain very positive about the Company's future in the longer term despite the subdued uranium market and I am convinced of the significant prospectivity of the Company's extensive landholding (approximately 4,680km^2) in the Alligator Rivers Uranium Province.

In conclusion, on behalf of the Board I would like to thank my fellow directors, employees and consultants for their hard work during the year and to express my sincere appreciation to our shareholders for their ongoing support.



TIM GOYDER
Chairman

1. Business Strategy

The Company will principally continue to explore in Australia's premier uranium district, the Alligator Rivers Uranium Province (ARUP) in the Northern Territory, in the coming year. In addition the Company continues to hold the Rudall River Project in Western Australia.

The ARUP is a world-class uranium province, comparable to the Athabasca Uranium Province in Canada in terms of its uranium endowment and geological setting. The focus of Uranium Equities' (UEQ, the Company) exploration activities in the ARUP is on the discovery of high-grade Alligator Rivers-style, unconformity and structurally controlled uranium deposits within its ~5,000km2 ground position (granted and in application) (Figure 1). The Company has been actively exploring the ARUP region both exclusively and in joint venture with Cameco Australia since 2007, and believes that its consolidated ground position has exceptional potential for discovery. Movements in commodity prices and funding availability may adversely impact the achievement of these objectives.

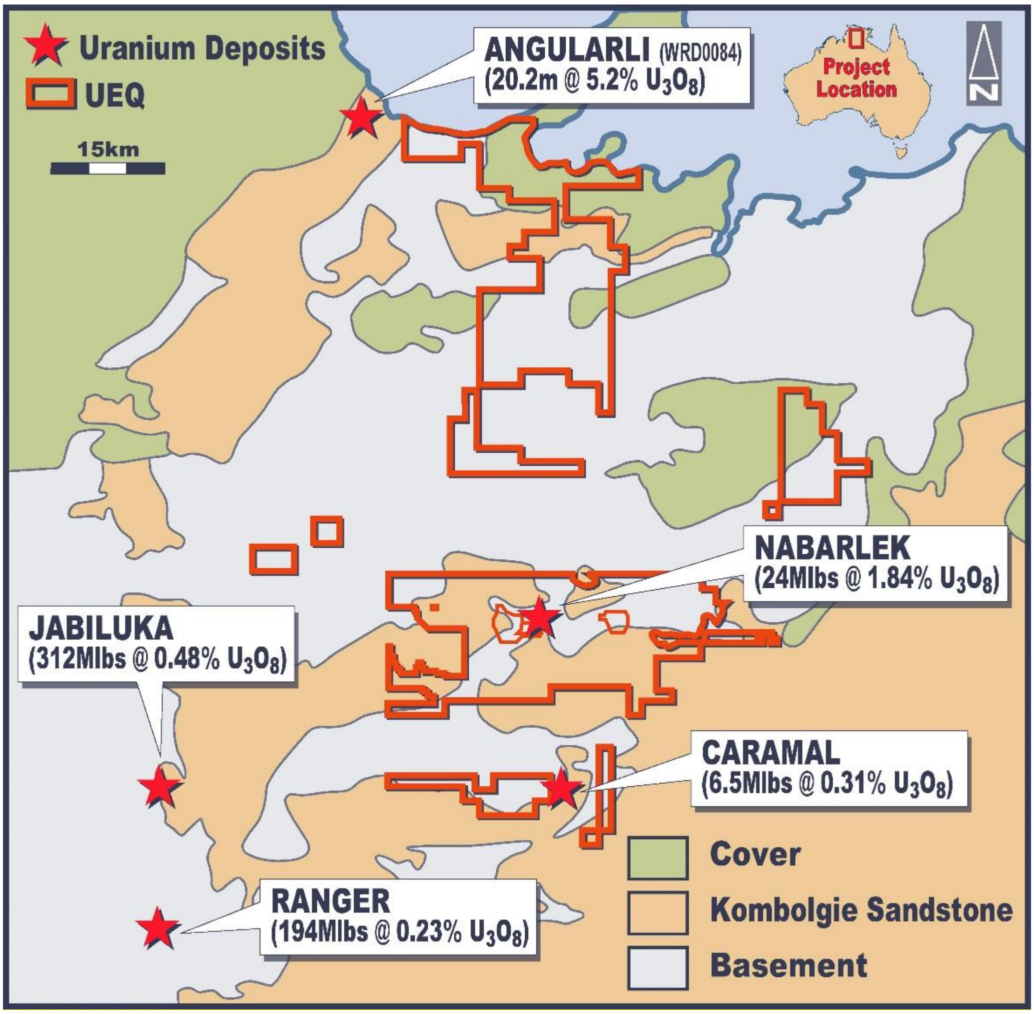


***Figure 1** – UEQ tenure (granted and in application)*

2. Review of Operations

2.1 Overview

During the year, with limited funds, the Company continued to progress its Nabarlek Project in the ARUP. The Nabarlek Project covers the historical Nabarlek Mining Lease where the Company is targeting structural and geological extensions and repetitions of the high grade Nabarlek orebody. Outside the Nabarlek ML, the Company has identified a number of prospects where drilling has intersected high grade uranium.

With encouragement from these exciting results, a detailed planning and exploration targeting exercise has been completed across the project. An improvement in the price of uranium will see the Company well positioned to capitalise on future exploration success.

2.2 Nabarlek Project

The West Arnhem Joint Venture with Cameco Australia (Uranium Equities right to earn 100%) and the 100%-owned Nabarlek Mineral Lease, located in the ARUP, represent a rare near-mine uranium exploration opportunity surrounding the historic Nabarlek Uranium Mine (previous production: 24Mlb @ 1.84% U3O8) – the Nabarlek Project.

During the year, the Company completed a combined 12 hole, 3,452 metre diamond and RC drilling program testing the Nabarlek offset and other high-priority targets associated with known mineralised systems or fertile structures identified through UEQ's research and development programs into the alteration signature of Nabarlek style "Unconformity Type" uranium deposits.

Prospect GC-11

A total of four RC drillholes were completed at GC-11 to test for host rocks favourable to uranium mineralisation beneath historic shallow aircore drilling with multi-element geochemical alteration and pathfinder signatures.

GC-11 is located within the Oenpelli Dolerite; some 1.5km south west along strike from uranium mineralisation previously intersected at the N147 Prospect, and has not been tested by deeper drilling.

Significant uranium mineralisation was intersected at the northern end of the drill line (Figure 2), including intersections (using 200ppm U3O8 cut-off) of:

NAR7535

- 5m @ 1,065ppm U3O8 from 169m including:
    - 1m @ 2,143 U3O8 from 172m
    - 1m @ 699ppm U3O8 from 177m
    - 1m @ 322ppm U3O8 from 182m

NAR7537

- 2m @ 875ppm U3O8 from 130m
- 2m @ 2,354ppm U3O8 from 135m
- 3m @ 325ppm U3O8 from 141m
- 3m @ 653ppm U3O8 from 147m
- 1m @ 802ppm U3O8 from 154m
- 1m @ 232ppm U3O8 from 157m

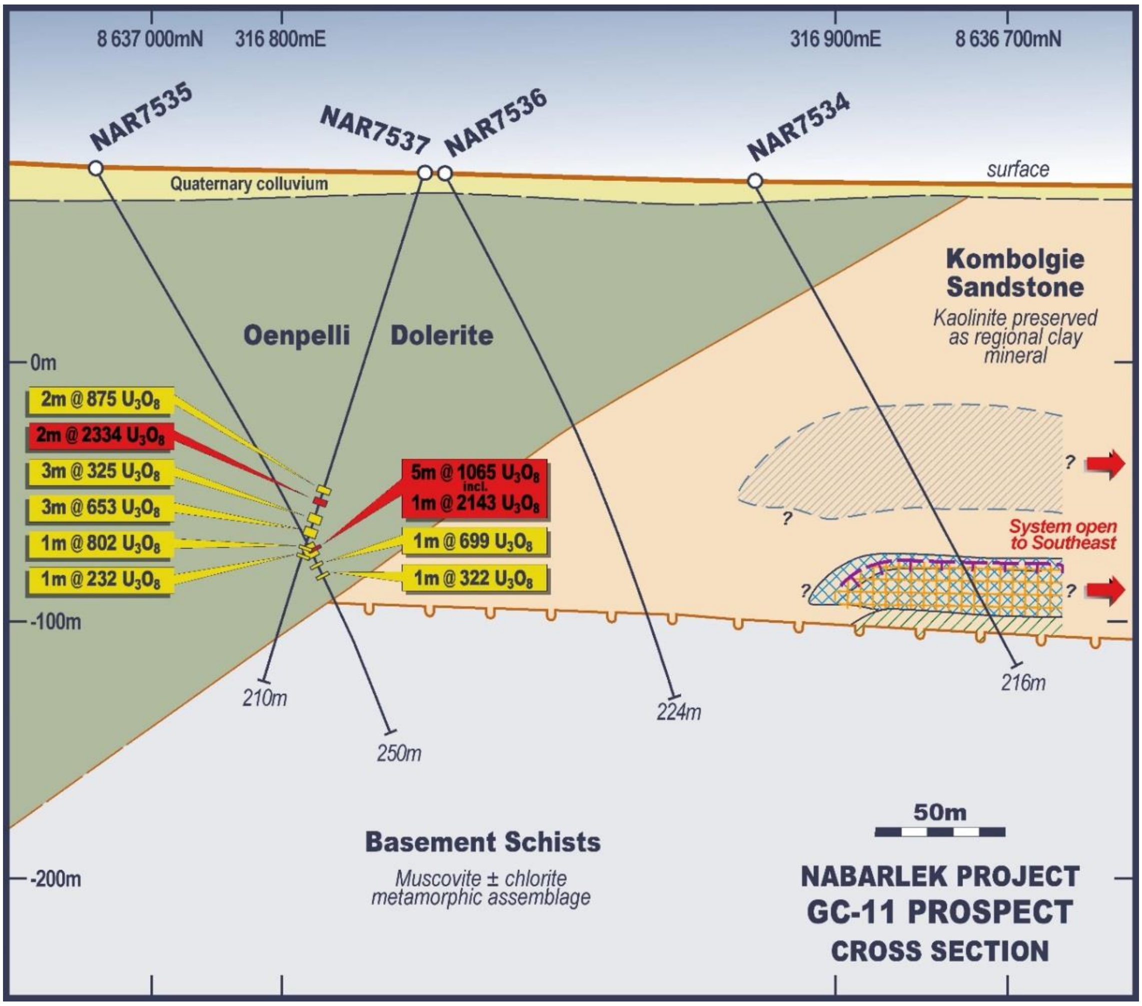


Figure 2:- GC-11 prospect cross section. Note the Unconformity- style alteration system identified in drill hole NAR7534.

Uranium mineralisation at GC-11 is associated with extensive chlorite and haematite altered dolerite, and shows strong lithium (Li) and vanadium (V) anomalism consistent with the original geochemical targeting criteria. The two drillholes (NAR7535 and NAR7537) show a relative 15-20m vertical displacement of the Kombolgie sandstone unconformity which is also suggestive of a fault displacement across this area of drill testing. In addition to opening up over 2.5km of strike of potentially mineralised dolerite west of N147, the significant intersections confirm the combined geological and geochemical targeting approach, and the results of the research and development program undertaken during the previous 12 months.

Hole NAR7534 intersected a distinctive alteration package hosted within the Kombolgie Sandstone, comprising (from the top), illitic clay alteration (replacing background kaolinite within the sandstone), silicification, and - across a redox front - into illite-chlorite and finally sudoittic chlorite alteration on the unconformity.

The alteration assemblages are consistent with those mapped over “classical” Athabasca style unconformity hosted uranium deposits and suggests NAR7534 has drilled into the outer margin of a uranium related alteration halo.

<u>Nabarlek Offset Prospect, Mining Lease MLN962 (100% UEQ)</u>

On the Nabarlek ML six holes totalling 2,160m were drilled to test the interpreted offset extensions of the historic Nabarlek mine beneath the Oenpelli Dolerite which truncates the deposit at depth. Drilling was undertaken on two sections 150m apart with a nominal 75m hole spacing, commencing around 100m north of the historical open pit.
Drilling intersected Oenpelli Dolerite from surface to depths of between 225m and 320m down hole overlying a sequence of highly altered metasediments and amphibolites (Cahill Formation equivalents), shown in Figure 3.

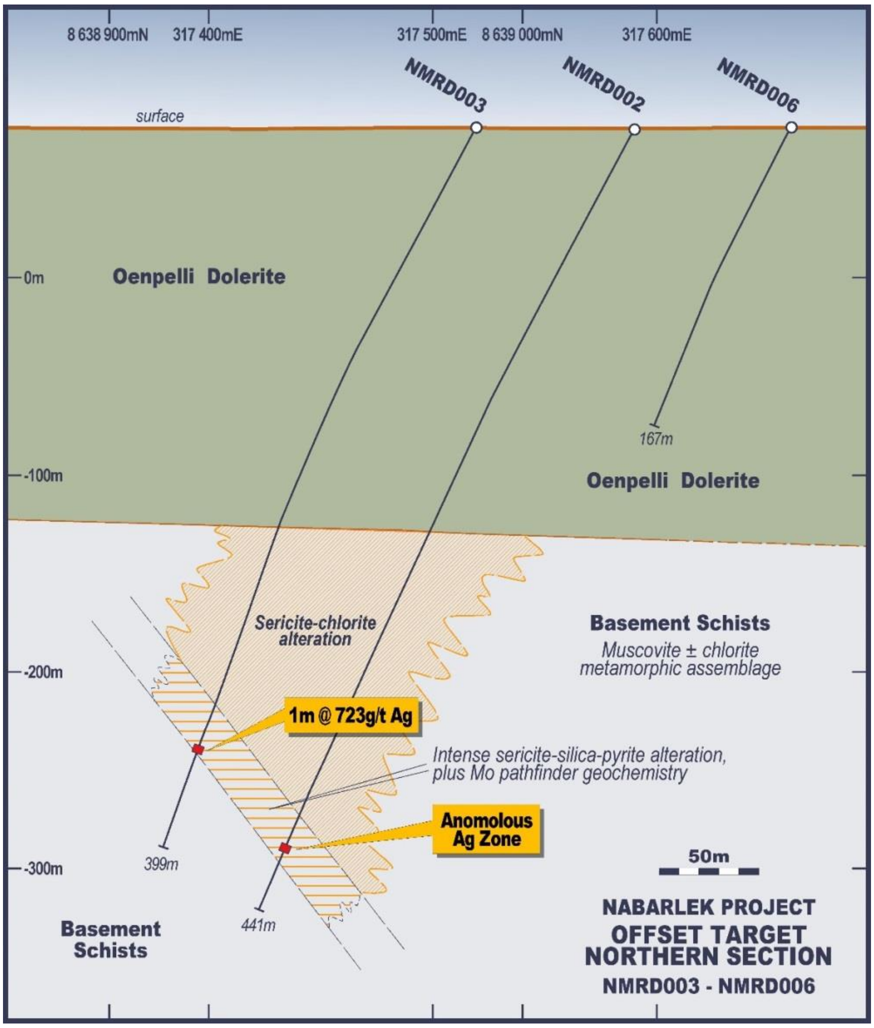


Figure 3:- Nabarlek Offset Prospect, showing alteration along the interpreted trace of the Nabarlek Shear

No significant intercepts of uranium mineralisation were encountered; however alteration mineral assemblages similar to those observed below the Nabarlek open pit have been identified from geological logging. These mineral assemblages include intense sericite-silica-pyrite zones, with anomalous silver (Ag) and molybdenum (Mo) pathfinder signatures, located at the base of a broader zone of sericite- chlorite alteration overprinting the regional metamorphic muscovite-chlorite assemblages.

The intense alteration and Mo anomalism are consistent with footwall alteration to the Nabarlek deposit, and suggest the Nabarlek structure extends at depth and north along strike below the Oenpelli Dolerite.

The intersection of the Nabarlek shear below the Oenpelli dolerite has increased the likelihood that other zones of uranium mineralisation may be located along this prospective structure.

Modelling of the basement geology beneath the Oenpelli Dolerite from available diamond and RC drilling has been undertaken to determine the base of dolerite contact, and the attitude of structural zones located within the Cahill Formation metamorphic basement sequence which are interpreted as down-dip extensions of the structure hosting the Nabarlek uranium deposit.

Projected structural trends show that the structural zone is untested beneath the Oenpelli Dolerite up to 1.1km to the NNW and 1.0km SSE of diamond drilling completed in 2015 which first defined the interpreted offset structural zone at depth beneath the Oenpelli Dolerite (see Figure 4).

The Nabarlek Offset structural trend continues to be a high priority target.

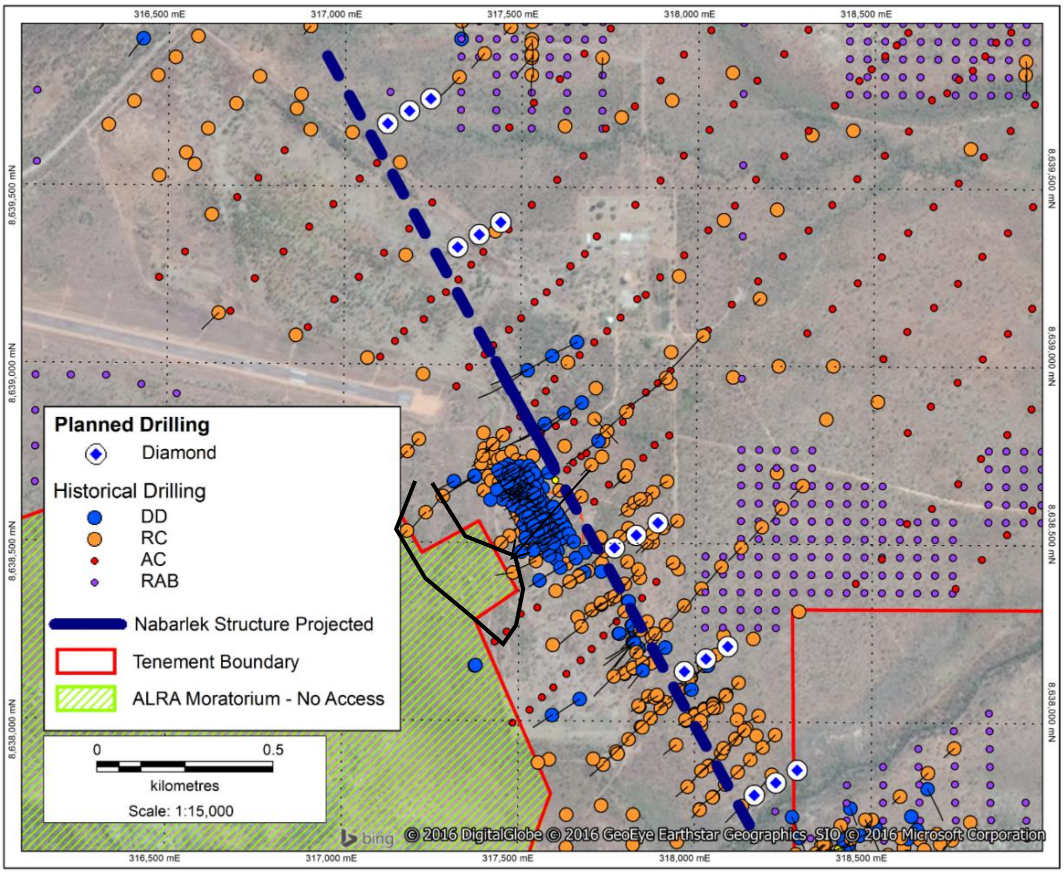


Figure 4. Location map showing the historic Nabarlek pit in MLN962 and location of the Nabarlek structure as projected along strike beneath the Oenpelli Dolerite.

N147 Prospect, WAJV

Two RC drillholes were completed on one drill section (holes 100m apart) located 170m west of the N147 Prospect, aiming to test for extensions of the altered dolerite package hosting the N147 system. While chlorite altered dolerites were intersected, no significant U results were recorded. These results suggest that N147 and GC-11 represent separate cells developed along the southern margin of the Oenpelli Dolerite.

Exploration Targeting

Following encouraging drilling results earlier in the year, the Company has completed a comprehensive program of target generation on its Nabarlek Project which has utilised a project-wide geophysical approach for identifying prospective areas for structurally-hosted uranium and unconformity-related uranium mineralisation (Figure 5). Geophysical datasets for gravity, aeromagnetics and electromagnetics (VTEM) have been utilised on regional and/or prospect scales to define areas of pronounced structural overprint, similar to that used in uranium exploration in the Athabasca Basin, Saskatchewan.

The main targeting approach is to identify areas of anomalously low gravity response which are interpreted to show localised alteration within prospective geological settings. These areas are further refined through identification of structural trends in VTEM, aeromagnetic and ground gravity surveys to define localised structural breaks within essentially the shallow-dipping geological succession, as uranium mineralisation is preferentially sited in basement faults and/or offsets in the Kombolgie Sandstone unconformity.

The Company has developed an integrated structural framework for the project which forms the basis for assessing geochemical anomalies either near-surface (soil) or at depth and/or surface radiometric anomalies. The geochemical datasets are mostly derived from historic surveys including soil sampling (includes radon-in-soil), reconnaissance-style shallow RAB/aircore drilling, and deeper RC/diamond drill testing.

In addition, the Company has developed an innovative targeting approach using multi-element pathfinder geochemical vectoring which was directly responsible for identifying a new bedrock uranium discovery at GC-11 prospect drilled in 2015. Lead isotope ratios (207Pb/206Pb) also assist with identifying geochemical signatures to uranium-bearing mineral alteration systems. Multi-spectral logging has been undertaken on selected drill samples to assist with the identification of uranium-bearing alteration minerals (chlorite, phengite etc). Together these approaches have identified new targets either adjacent to existing uranium deposits (Nabarlek) or within areas with previously recorded uranium mineralisation. In addition, the targeting program has highlighted areas requiring focused ground surveys (ground gravity, radon soils, aircore drilling) to further define first-pass targets.

The exploration target areas are shown in Figure 5 and described below.

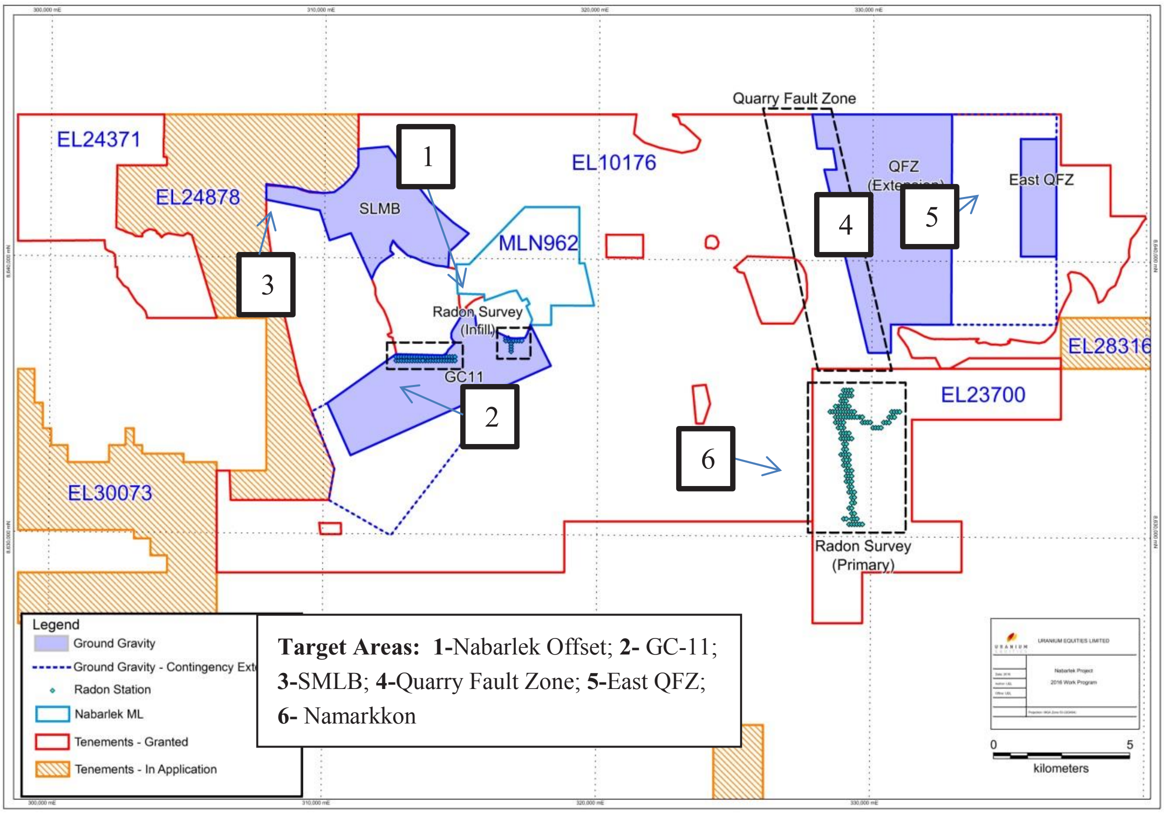


Figure 5: Exploration targets areas within the Nabarlek Project

GC-11 prospect (Target Area 2; Figure 5)

Initial RC drill testing in 2015 of a multi-element geochemical anomaly intersected blind uranium mineralisation in the lower section of the Oenpelli Dolerite and associated proximal alteration in the adjacent Kombolgie Sandstone. Previous exploration in this area is restricted to shallow RAB and aircore drilling which has defined a zone of anomalous Li and V values extending over 1.5km along strike from the GC-11 uranium intersections in drill holes NAR7535 and NAR7537. A ground gravity survey (Figure 2) has commenced in the September 2016 quarter.

SLMB prospect (Target Area 3; Figure 5)

Previous exploration in the north western area of EL10176 at SMLB prospect has identified anomalous uranium at the Kombolgie unconformity contact along a prominent structure transecting the Kombolgie Sandstone and underlying basement Cahill Formation schists. The trend of this structure is 315° which is slightly oblique to the Nabarlek structure and the prospective unconformity contact occurs under about 200m of Kombolgie Sandstone. It is believed that a ground gravity survey may better define the trend of this structure and/or parallel structures located to the west under thin colluvial cover. A ground gravity survey commenced in the September 2016 quarter (Figure 5).

Quarry Fault Zone (QFZ) prospect (Target Area 4; Figure 5)

The targeting program has identified strong gravity lows both in regional airborne gravity and ground gravity surveys, although the ground gravity provides better delineation of the resultant anomalies. It is proposed to extend coverage of ground gravity up to 2.5- 4km east of the previous ground gravity survey (100m x 100m station spacing) to extend coverage to the east to better define identified gravity trends (see Figure 5). A ground gravity survey commenced in the September 2016 quarter (Figure 5).

East QFZ prospect (Target Area 5; Figure 5)

A program of 100m x 50m RAB drilling located about 8km east of U42 prospect intersected near-surface elevated uranium values associated with oxidised dolerite and basement schist. The geochemical anomaly occurs within an overlapping uranium and radon-in-soil anomaly localised along a NW-trending VTEM conductivity anomaly. This high priority target is proposed to be surveyed initially by ground gravity to potentially define a controlling structure that may have enhanced prospectivity.

The East QFZ prospect lies within an area of interpreted residual soils and/or thin colluvium cover and it is proposed to undertake a program of geological mapping and prospecting to ascertain the effectiveness of previous exploration.
A ground gravity survey commenced in the September 2016 quarter (Figure 5).

Namarkkon prospect (EL23700) (Target Area 6; Figure 5)

A program of radon-in-soils (140 samples at 200m x 100m spacing) was undertaken in the September 2016 quarter to extend sampling south along two prominent river valleys that may be the surface manifestation of faulting in the Kombolgie Sandstone (refer Figure 5). Results are anticipated in the December 2016 quarter. Previous exploration along the northern extension of this area intersected anomalous uranium mineralisation (100-380ppm U) in Kombolgie Sandstone and dolerite. Modelling of the Kombolgie Sandstone basal unconformity contact indicates apparent fault offset across this surface in an area associated with dolerite intrusives. The sampling will extend radon-in-soil coverage over two 3-4km long river valleys.

2.3 Other Projects

Arnhem Minerals (NT)

During the reporting period the Company has continued to expedite tenements through to grant with the Department of Mines and Energy.

Rudall River (WA)

The Rudall River Project (Uranium Equities 100%) consists of three Exploration Licences covering a total area of 172km^2. The western-most Exploration Licence adjoins the Cameco/Mitsubishi Kintyre Project (current published NI43-101 compliant measured and indicated resource estimate of 55Mlbs @ 0.58% U_3O_8).

During the year the Company has continued to work on identifying potential partners to progress the Rudall River Project further as the high priority targets remain untested in the field.

3. SUSTAINABLE DEVELOPMENT

Uranium Equities' activities are directed towards establishing reliable, economic mineral resources through its exploration and business development units. In undertaking these activities, the Company seeks to meet the principles of sustainable development.

The Company recognises that sustainable development requires social, environmental and economic impacts to be balanced in all its operations and it maintains a strong internal emphasis on monitoring social and environmental performance. This is reflected in the Company's Sustainable Development Policy which can be found on the Company's website.

During the year the Company continued its ongoing program of weed management and water monitoring at the Nabarlek Mineral Lease.

4. INVESTMENTS

PhosEnergy Limited

During last financial year, PhosEnergy Limited announced positive results of a Pre-Feasibility Study on its PhosEnergy Process. The PhosEnergy Process is a technology for the extraction of uranium from phosphate streams produced in the production of phosphate-based fertilizers.

The uranium price has continued to decline over the past year which has limited PhosEnergy's ability to carry out work on the PhosEnergy Process until an improvement in the price of uranium.

The Company currently holds approximately 9.9% (3,455,371 shares) in PhosEnergy Limited, which offers strong leverage to the potential commercial development of a low-cost uranium production opportunity. For further information in relation to PhosEnergy, refer to www.phosenergy.com.

Alto Metals Ltd (ASX: AME) (formerly Enterprise Uranium Limited - ASX: ENU)

The Company sold its holding of 8,004,393 shares in Alto Metals Ltd (formerly Enterprise Uranium Limited) for the net sum of $493,791.

5. FINANCIAL REVIEW

5.1 Financial Performance

The group reported a net profit of $445,554 for the year (2015: net loss of $899,732). The current year net profit predominantly relates to the sale of the Alto Metals Ltd shares and the partial reversal of the 2015 provision for Income tax for the Research and Development Tax incentive certificate of finding.

Corporate and administration expenses have decreased by 74% to $171,812 (2015: $669,833). The continued decrease in corporate and administration expenses from 2015 is the result of relocating the head office from Adelaide to Perth which was finalised by December 2014.

During the year the directors resolved to satisfy accrued directors' fees from 1 October 2014 to 30 September 2015 of $90,540 by the issue of 11,317,500 shares. Net directors' fees payable have continued to be accrued from 1 October 2015 until the Company and directors agree otherwise.

5.2 Statement of Cash Flows

Cash and cash equivalents at 30 June 2016 was $511,106 (2015: $284,783).

In August 2015, the Company completed a fully underwritten entitlement issue and raised $1,214,369 before costs. The raising was undertaken through a 1-for-3 pro-rata non-renounceable rights issue to existing shareholders at 0.8 cents per share.

Exploration expenditure increased by 33% during the year to $1,189,815 (2015: $893,366) funded by the share issue in August 2015.

5.3 Financial Position

At balance date the Group had net assets of $21,432,841 (2015: $20,177,206), and an excess of current assets over current liabilities of $268,349 (2015: excess of current liabilities over current assets of $369,706).

Notwithstanding the positive working capital position at balance date, a 12 month cash flow forecast suggests that the Company will need to raise additional funds in the coming year to meet its operating expenditure and exploration commitments. Due to difficulties being faced by smaller exploration companies seeking to raise additional capital in the current market, if the Company is unable to raise capital, there is a material uncertainty that may cause significant doubt as to whether the Company will be able to continue as a going concern. As a result, the Company's auditors have included in their audit report for the 2016 financial year an "emphasis of matter" paragraph, in relation to going concern.

Current assets increased by 61% to $633,169 (2015: $393,909). Non-current assets increased by 3% due to expenditure on exploration and evaluation. The Company sold all 8,004,393 shares in Alto Metals Ltd (ASX: AME) (formerly Enterprise Uranium Limited) for a net consideration of $493,791 in June 2016.

Current liabilities decreased by 52% to $364,820 in 2016 from $763,615 in the 2015 financial year. This was mainly attributable to the decrease in the current tax provision in relation to the recently notified partially overturned Certificate of Finding by Innovation Australia under s27J of the Industry Research & Development at 1986 (see section 5.4 below).

5.4 Research and Development Incentive

In July 2016 the Company received notification from AusIndustry that a previously issued Certificate for Finding from Innovation Australia under Section 27J of the Industry Research and Development Act 1986 ("IR&D Act") regarding its R&D tax incentive claim for the 2011/12, 2012/13 and 2013/2014 financial years has been partially overturned.

At 30 June 2015, the Company recorded a liability of $438,750 based on the Certificate for Finding. Following an appeal by the Company to have the decision reviewed by another AusIndustry Office, the Company has been advised that claims in relation to the Frome Project and the West Arnhem Project are acceptable, however the Marla Project claims do not meet the requirements of the IR&D Act.

Given the costs to appeal the decision, the Company will accept the finding on this basis. The previously recorded liability has been reduced from $438,750 to $168,375 with a corresponding credit of $270,375 to the statement of profit and loss and other comprehensive income.

Tim Goyder
Chairman

Competent Person Statement

This information in relation to the Nabarlek Project is extracted from the ASX Announcement entitled 'RC and Diamond Drilling Results – Nabarlek Project' created on 7th October 2016 and available to view at www.uel.com.au.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement

This report contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

TENEMENT SCHEDULE

State	Project	Tenement	Status	Current Equity
NT	Nabarlek	EL10176	Granted	40%
		EL24371	Granted	40%
		EL23700	Granted	40%
		ELA24878	Application	40%
		MLN962	Granted	100%
	Arnhem Minerals	ELA25384	Application	100%
		ELA25385	Application	100%
		ELA25386	Application	100%
		ELA25387	Application	100%
		ELA25389	Application	100%
		ELA25391	Application	100%
		ELA25393	Application	100%
	Headwaters	ELA27153	Application	100%
		ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
	Woodside	ELA29947	Application	100%
	Browse	ELA29945	Application	100%
	Cadel North	ELA28316	Application	100%
	Aurari Bay	ELA29897	Application	100%
	Pluto	ELA30073	Application	100%
WA	Rudall River	E45/3118	Granted	100%
		E45/3119	Granted	100%
		E45/3126	Granted	100%

The directors present their report together with the financial statements of the Group consisting of Uranium Equities Limited ('Uranium Equities' or 'the Company') and its controlled entities ("the Group") for the financial year ended 30 June 2016 and the independent auditor's report thereon.

1. Directors

The names and details of the Company's directors in office 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.

Name, qualifications and independence status	Experience, special responsibilities and other directorships
T R B Goyder Chairman	Tim has over 30 years' experience in the resource industry. He has been involved in the formation and management of a number of publicly-listed companies and is currently Managing Director of Chalice Gold Mines Limited, Chairman of Liontown Resources Limited and a Director of PhosEnergy Limited. He has been a Director since 2002, Chairman since November 2013, and is a member of the Company's Audit Committee. Tim was also previously a Director of Strike Energy Ltd from 2010 until June 2014.
B L Jones BAppSc, MMinEng, FAusIMM Non-executive Director	Bryn is an Industrial Chemist with extensive experience in the uranium industry, particularly in the development of the PhosEnergy Process and operation of In-Situ Recovery (ISR) mines gained during his time at Heathgate Resources, the operator of the Beverley Uranium Mine. Bryn has also worked for Worley Parsons on the Olympic Dam Expansion Project and consulted on various ISR operations around the world. Bryn is Managing Director of PhosEnergy Limited and Chief Operating Officer of Laramide Resources Ltd. He has been a Director of the Company since 2009 and is a member of the Company's Audit Committee.
R K Hacker B.Com, ACA, ACIS Independent Non-executive Director	Richard has significant professional and corporate experience in the energy and resources sector in Australia and the United Kingdom. Richard has previously worked in senior finance roles with global energy companies including Woodside Petroleum Limited and Centrica Plc. He is a Chartered Accountant and Chartered Secretary. Richard has been a Director since 2013 and is the Chairman of the Company's Audit Committee.

2. Company secretary

K A Verheyen B.Com, ACA	Kym is a Chartered Accountant with over 25 years' experience gained in both public practice and commerce. Kym commenced her career with Deloitte and has since held finance positions in a diverse range of industries.

3. Directors' meetings

The number of directors' meetings (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Director	Directors' Meetings	Audit	Remuneration**	Nomination**
Number of meetings held:	1	2	-	-
Number of meetings attended:				
T R B Goyder	1	2	-	-
B L Jones	1	2	-	-
R K Hacker	1	2	-	-

**The full Board did not officially convene as a nomination or remuneration committee during the reporting period, however, nomination and remuneration discussions occurred at Board meetings as required.

In addition, during the year, certain matters were attended to by circular resolutions.

Given the current size and composition of the Board, the Company has not established a separate remuneration or nomination committee.

4. Principal activities

The principal activities of the Group during the course of the financial year were mineral exploration and evaluation and there have been no significant changes in the nature of those activities during the year.

5. Operating and Financial Review

The directors of Uranium Equities Limited present the Operating and Financial Review of the Group, prepared in accordance with section 299A of the Corporations Act 2001 for the year ended 30 June 2016. The information provided in this review forms part of the Directors' Report and provides information to assist users in assessing the operations, financial position and business strategies of the Company. Please refer to page 2 for further details.

6. Significant changes in the state of affairs

Other than the progress documented above, the state of affairs of the Company was not affected by any other significant changes during the year.

7. Remuneration report – audited

7.1 Introduction

This remuneration report for the year ended 30 June 2016 outlines remuneration arrangements in place for directors and other members of the key management personnel ("KMP") of Uranium Equities in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, or any controlled entity. KMPs during or since year end were:

(i) Directors
T R B Goyder (Chairman)
B L Jones (Non-executive Director)
R K Hacker (Non-executive Director)

(ii) Executives
K Frost (General Manager - Exploration) (appointed 1 September 2015)

There were no other changes to KMP after the reporting date and before the date the financial report was authorised for issue.

7.1.1 Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Company are also taken into account when setting remuneration levels so as to ensure that the operations of the Company remain sustainable.

7.1.2 Remuneration committee

The Board performs the role of the Remuneration Committee and is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director (or equivalent) and any executives.

7.1.3 Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive and executive remuneration is separate and distinct.

a) Non-executive director remuneration

The Board recognises the importance of attracting and retaining talented non-executive directors and aims to remunerate these directors in line with fees paid to directors of companies of a similar size and complexity in the mining and exploration industry. The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's Constitution and the ASX Listing Rules specify that the aggregate fees to be paid to non-executive directors for their role as a director are to be approved by shareholders at a general meeting. The latest determination was at the 2006 AGM, whereby Shareholders approved an aggregate amount of up to $200,000 per year (including superannuation).

The amount of total compensation apportioned amongst directors is reviewed annually and the Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. The Board will not seek any increase for the non-executive pool at the 2016 AGM.

The remuneration of non-executive directors consists of directors' fees. Each director receives a fee for being a director of the Company. No additional fees are paid for each Board committee which a director sits due to the size of the Company. The non-executive directors are not entitled to receive retirement benefits and, at the discretion of the Board, may participate in the Employee Share Option Plan, subject to the usual approvals required by shareholders.

The Board considers it may be appropriate to issue options to non-executive directors given the current nature and size of the Company as, until profits are generated, conservation of cash reserves remains a high priority. Any options issued to directors will require separate shareholder approval.

Apart from their duties as directors, some non-executive directors may undertake work for the Company on a consultancy basis pursuant to the terms of consultancy services agreement. The nature of the consultancy work varies depending on the expertise of the relevant non-executive director. Under the terms of these consultancy agreements non-executive directors would receive a daily rate or a monthly retainer for the work performed at a rate comparable to market rates that they would otherwise receive for their consultancy services.

Non-executive directors are not eligible to participate in the Company's LTIP.

As a cash conservation measure the Board has resolved to accrue rather than pay the majority of non-executive director fees until further notice. At 30 June 2016 the balance of non-executive directors' fees owing was $9,098 (2015: $51,426).

The remuneration of non-executive directors for the year ended 30 June 2016 is detailed in page 17 of this report.

b) Executive remuneration
The Company's executive remuneration strategy is designed to attract, motivate and retain high performance individuals and align the interests of executives and shareholders. Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed remuneration
Fixed remuneration is reviewed as required by the Board by a process which consists of a review of relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Variable remuneration - Employee Long Term Incentive Plan (LTIP)
The Employee Long Term Incentive Plan ("LTIP"), allows the Board to grant performance-based rights linked to measurable achievements to employees of the Company, including executive directors ("Performance Rights"). Performance Rights convert into fully paid ordinary shares in the Company when the particular vesting conditions are met. The LTIP was approved by shareholders on 24 May 2013.

Whilst the LTIP is currently not being utilised, the Company believes that in the future, grants of Performance Rights made to eligible participants under the LTIP provides a powerful tool to underpin the Company's employment and growth strategy. In particular the LTIP will:

(a) enable the Company to recruit and retain the people needed to achieve the Company's business objectives;
(b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
(c) align the financial interest of participants of the LTIP with those of shareholders; and
(d) provide incentives to participants of the LTIP to focus on superior performance that creates shareholder value.

A summary of the LTIP is as follows:

Feature	Details
Eligibility	All full-time employees and permanent part-time employees (including executive directors and the managing director) of the Company are eligible participants. Shareholder approval is required before any director or related party of the Company can participate in the LTIP.
Award quantum	The award quantum will be determined in consideration of total remuneration of the individual, market relativities and business affordability. The LTIP does not set out a maximum number of shares that may be issuable to any one person, other than a 5% limit of the total number of issued shares.
Performance & Service conditions	The performance conditions that must be satisfied in order for the performance rights to vest are determined by the Board. The performance conditions may include one or more of the following: • Employment of a minimum period of time following the issue of unlisted Performance Rights; • Achievement of specific objectives by the participant and/or the Company. This may include the achievement of share price targets and other major long term milestone targets; or • Such other performance objectives as the Board may determine.
Vesting	Vesting will occur at the end of a defined period and upon the achievement of the performance and service conditions.
Term and lapse	The term of the performance rights is determined by the Board in its absolute discretion, but will ordinarily have a three year term up to a maximum of five years. Performance Rights are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated for cause or in circumstances as described below.
Price Payable by Participant	No consideration.
Cessation of Employment	If an employee leaves the Company prior to the expiration of the relevant vesting period for a particular award of performance rights, generally such performance rights would lapse except in certain limited situations such as disability, redundancy or death.

Variable remuneration - Employee and Consultants Option Plan
Options may be issued under the Employee and Consultants Option Plan to directors (subject to shareholder approval), employees and consultants of the Company and, subject to discretion of the directors, vested options must be exercised within 3 months of termination. Typically, other than continuing to provide services to the Company, there is no performance hurdle required to be achieved by the Company to enable the options to be exercised.

The Company believes that the issue of share options in the Company aligns the interests of directors, employees and shareholders alike. As no formal performance hurdles are set on options issued to executives, the Company believes that as options are issued at a price in excess of the Company's current share price at the date of issue of those options, there is an inherent performance hurdle as the share price of the Company's shares has to increase before any reward can accrue to the executive.

The Company's Securities Trading Policy prohibits options being exercised or the use of derivatives to limit risk in a closed period or whilst an option holder has price sensitive inside information.

Short term incentive schemes
The Company currently has no formal performance related remuneration policy which governs the payment of annual cash bonuses upon meeting pre-determined performance targets. However, the board may consider performance related remuneration in the form of cash or share options when they consider these to be warranted.

Link between performance and executive remuneration
In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:.

	2016 $	2015 $	2014 $	2013 $	2012 $
Profit/(loss) attributable to owners of the company	445,554	(899,732)	(1,480,981)	(2,612,310)	(2,047,865)
Share price	(0.004)	(0.01)	(0.01)	(0.01)	(0.02)

Employment contracts
There are no current employment contracts with KMP at the date of this report.

7.2 Directors' and executive officers' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel are:

		Short-term payments			Post-employment payments	Termination benefits	Share-based payments	Total	
Consolidated and the Company Key Management Personnel		**Salary & fees (B)**	**Non-monetary benefits**	**Total**	**Superannuation benefits**		**Options & Performance Rights (A)**		**Value of options as proportion of remuneration %**
		$	$	$	$	$	$	$	
Directors									
T R B Goyder (C)	2016	-	3,174	3,174	-	-	-	3,174	-
	2015	43,379	3,325	46,704	4,121	-	-	50,825	-
B L Jones	2016	30,525	3,174	33,699	2,972	-	-	36,671	-
	2015	23,414	3,325	26,739	2,224	-	-	28,963	-
R K Hacker	2016	22,125	3,174	25,299	2,174	-	-	27,473	-
	2015	23,149	3,325	26,474	2,892	-	-	29,366	-
Executives									
K Frost	2016	112,958	-	112,958	10,468	-	-	123,425	-
(appointed 1 September 2015)	2015	-	-	-	-	-	-	-	-
R A Heinrich	2016	-	-	-	-	-	-	-	-
(resigned 24 September 2014)	2015	50,000	831	50,831	4,750	70,898	-	126,479	-
Total Compensation	**2016**	**165,608**	**9,522**	**175,130**	**15,614**	**-**	**-**	**190,774**	**-**
	2015	**139,942**	**10,806**	**150,748**	**13,987**	**70,898**	**-**	**235,633**	**-**

Notes in relation to the table of directors' and executive officers' remuneration

A. The fair value of the options are calculated at the date of grant using a Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. In valuing the options, market conditions have been taken into account. (Refer to note 19).

B. Due to the market conditions and with an emphasis on conserving cash reserves, directors agreed to continue to accrue all or part of director fees. Of the total $165,608 reported as salary and fees for the year ended 30 June 2016, the amount of $9,097 (2015: $42,280) remained outstanding. All taxation liabilities have been paid during the year.

C. Mr Goyder suspended his director's fee from 1 January 2015 to assist in conserving the Company's cash reserves.

7.3 Equity instruments

7.3.1 Options and rights over equity instruments granted as compensation

There were no options or performance rights over ordinary shares in the Company granted as compensation during the reporting period

7.3.2 Exercise of options or performance rights granted as compensation

During the reporting period there were no shares issued on the exercise of options or performance rights previously granted as compensation.

7.3.3 Analysis of options and performance rights vested during the year

During the reporting period there was no vesting of options or performance rights previously granted as compensation.

7.3.4 Analysis of movements in options and performance rights

Movement in Options

There were no movements during the reporting period of options over ordinary shares.

Movement in Performance Rights

There were no movements during the reporting period of performance rights over ordinary shares.

7.3.5 Movement in equity holdings of key management personnel

Movement in ordinary shares

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

	Held at 1 July 2015	Purchases	Shares issued in lieu of directors' fees	Rights issue – acquisition of shares	Sales	Held at 30 June 2016
Directors						
T R B Goyder	113,551,710	9,372,073	9,801,000	37,850,571	-	170,575,354
B L Jones	3,102,333	385,000	758,250	-	-	4,245,583
R K Hacker	1,879,795	500,000	758,250	187,500	-	3,325,545
Executives						
K Frost	-	-	-	-	-	-

7.3.6 Other transactions with key management personnel

Shares issues to directors in lieu of salaries and fees

Commencing on 1 October 2014 and to preserve cash within the Company, each director agreed to accrue part or all of their respective directors' fees until further notice. Following shareholder approval, each director listed below agreed to be issued shares in full satisfaction of their respective outstanding fees as at 30 September 2015:

	Directors' Fees Outstanding $	Shares Issued No.
Director		
Timothy Goyder	78,408	9,801,000
Bryn Jones	6,066	758,250
Richard Hacker	6,066	758,250
Total	90,540	11,317,500

At the date the directors resolved to issue shares in lieu of the directors fees, the basis for determining the numbers of shares was calculated using a deemed issue price of 0.8 cents per share, which was benchmarked to the capital raising price in August 2015. Shareholder approval was obtained in November 2015 for the issue of the shares. At the date the shares were issued (after shareholder approval), the share prices was 0.4 cents per share. The total value of shares issued was $45,270.

It was also agreed to continue to accrue part or all of directors' fees from 1 October 2015 until further notice. At 30 June 2016 the balance of directors' fees owing was $9,097.

Individual directors' and executives' compensation disclosures

Information regarding individual directors' and executives' compensation is provided in Section 7.2.

Loans to key management personnel and their related parties

Loans made to key management personnel and their related parties is as follows:

	Balance at beginning of year	Loans made during the year	Interest charged	Interest not charged	Write-off or allowance for doubtful debt	Balance at end of period	Number of KMP in group
2016	56,579	-	4,261	-	-	60,840	2
2015	52,239	-	4,340	-	-	56,579	2

A loan of $50,000 to PhosEnergy Limited was made in the 2014 financial year as part of the demerger of the Company's PhosEnergy Process assets. The loan expiry date has been extended to 31 December 2016. The loan has an interest rate of 8.5% per annum.

Other key management personnel transactions with the Company or its controlled entities

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

Key management persons	Transaction	Note	2016	2015
B L Jones	Process engineering consultancy fees	(i)	-	(144,300)
T Goyder	Underwriting fees	(ii)	-	(11,500)
T Goyder R Hacker	Corporate Service Charge	(iii)	(66,000)	(49,500)

(i) The Company used the process engineering consultancy services of Inception Consulting Engineers Pty Ltd (in relation to PhosEnergy, from February 2012 onwards), in which Messrs Jones and Heinrich have a 25% and 16.67% beneficial interest respectively.

(ii) Lotaka Pty Ltd, a company associated with Mr Tim Goyder, partially underwrote the 1-for-3 non-renounceable rights issue in July 2014. Lotaka Pty Ltd was paid a fee of 3.5% of the underwritten amount, and the underwriting was on customary terms. The total amount paid during the year was $11,500.

(iii) The Group receives corporate services including office rent and facilities, management and accounting services under a Corporate Services Agreement with Chalice Gold Mines Limited. Mr Goyder is the Managing Director of Chalice Gold Mines Limited and prior to this was the Executive Chairman. Mr Hacker is the CFO of Chalice Gold Mines Limited. Amounts billed are based on a proportionate share of the cost to Chalice Gold Mines Limited of providing the services and have normal payment terms.

Amounts payable to key management personnel at reporting date arising from these transactions were as follows:

	2016	2015
Assets and liabilities arising from the above transactions		
Accrued expenses	5,500	40,500
Trade payables	-	-
	5,500	40,500

8. Dividends

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

9. Events subsequent to reporting date

There were no other events subsequent to reporting date requiring disclosure in this report other than what has been disclosed at note 18.

10. Likely developments

The Company will continue activities in the exploration and evaluation of uranium projects with the objective of establishing a significant uranium production business. The Company may also consider the acquisition of other resource projects and commodities if opportunities arise.

11. Directors' interests

Securities

The relevant interest of each director in the shares, rights or options over such instruments issued by the Company and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares
T R B Goyder	170,575,354
B L Jones	5,245,583
R K Hacker	3,325,545

12. Options & Performance Rights

Options granted to directors and officers of the Company

During or since the end of the financial year, the Company did not grant any options over unissued ordinary shares in the Company to directors and officers of the Company as part of their remuneration.

Unissued shares under options and Performance rights

At the date of this report, no unissued ordinary shares of the Company are under option or unlisted Performance Rights.

Performance Rights

At the date of this report there were no Performance Rights issued.

Shares issued on exercise of options and Performance Rights

During or since the end of the financial year, the Company has not issued ordinary shares as a result of the exercise of options or vesting of Performance Rights.

13. Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the directors and officers of the Company or its controlled entities during this financial year, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the financial year the Company has paid insurance premiums of $12,695 in respect of Directors' and Officers' liability contracts, for current and former directors and officers, including executive officers of the Company and directors and executive officers and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The amount of insurance paid is included in directors' and executives' remuneration.

14. Proceedings on behalf of the Company

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 part of those proceedings.

15. Non-audit services

During the year HLB Mann Judd, the Company's auditor has performed no other services in addition to their statutory audit duties.

16. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for financial year ended 30 June 2016.

17. Corporate Governance

The directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement dated 29th September 2016 released to ASX and posted on the Company website at www.uel.com.au/governance.

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

Tim Goyder
Chairman

Dated at Perth this the 29th day of September 2016.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Uranium Equities Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**L Di Giallonardo**
29 September 2016	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

	Note	2016 $	2015 $
Revenue			
Other income	3(a)	-	196,710
Profit on sale of available-for-sale assets	3(b)	325,699	-
Exploration rent reimbursed		-	58,525
Total revenue		**325,699**	**255,235**
Exploration and evaluation expenditure written off		(19,921)	(3,134)
Corporate and administration expenses	4(a)	(171,812)	(669,833)
Impairment loss on available-for-sale assets	4(b)	-	(152,084)
Loss on disposal of fixed assets		-	(5,185)
Results from operating activities		**133,966**	**(575,001)**
Finance income	7	56,298	65,234
Finance costs	7	(59,074)	(140,980)
Net finance income		**(2,776)**	**(75,746)**
Profit/(Loss) before income tax		**131,190**	(650,747)
Income tax benefit/(expense)	8	314,364	(248,985)
Profit/(Loss) for the period attributable to owners of the Company		**445,554**	**(899,732)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of available for sale financial assets		(345,537)	(72,039)
Total other comprehensive income		**(345,537)**	**(72,039)**
Total comprehensive income/(loss) for the period attributable to owners of the Company		**100,017**	**(971,771)**
Earnings per share			
Basic loss per share attributable to ordinary equity holders (cents per share)	9	0.07	(0.21)
Diluted loss per share attributable to ordinary equity holders (cents per share)	9	0.07	(0.21)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Attributable to equity holders of the Group

	Note	Share capital $	Share-based payments reserve $	Fair value reserve $	Accumulated losses $	Total $
Balance at 1 July 2015		**48,669,456**	**-**	**501,305**	**(28,993,555)**	**20,177,206**
Total comprehensive income for the period						
Profit/(Loss) for the period		-	-	-	445,554	445,554
Other comprehensive income/(loss)						
Net change in fair value of available-for-sale financial assets		-	-	(345,537)	-	(345,537)
Total other comprehensive income/(loss)		-	-	(345,537)	-	(345,537)
Total comprehensive income/(loss) for the period		**-**	**-**	**(345,537)**	**445,554**	**100,017**
Transactions with owners, recorded directly to equity						
Rights issue and placement		1,214,370	-	-	-	1,214,370
Issue of shares in lieu of directors' fees	27	45,270	-	-	-	45,270
Less share issue costs		(104,022)	-	-	-	(104,022)
Total contributions by and distributions to owners		**1,155,618**	**-**	**-**	**-**	**1,155,618**
Balance at 30 June 2016		**49,825,074**	**-**	**155,768**	**(28,548,001)**	**21,432,841**

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

Attributable to equity holders of the Group

	Note	Share capital $	Share-based payments reserve $	Fair value reserve $	Accumulated losses $	Total $
Balance at 1 July 2014		**47,242,083**	**5,299,871**	**573,344**	**(33,385,118)**	**19,730,180**
Total comprehensive (loss) for the period						
Loss for the period		-	-	-	(899,732)	(899,732)
Other comprehensive (loss)						
Net change in fair value of available-for-sale financial assets		-	-	(72,039)	-	(72,039)
Total other comprehensive (loss)		-	-	(72,039)	-	(72,039)
Total comprehensive (loss) for the period		**-**	**-**	**(72,039)**	**(899,732)**	**(971,771)**
Transactions with owners, recorded directly to equity						
Rights issue and placement		1,463,129	-	-	-	1,463,129
Issue of shares in lieu of directors' fees	27	60,839	-	-	-	60,839
Less share issue costs		(96,595)	-	-	-	(96,595)
Other share-based payment transactions	19	-	(8,576)	-	-	(8,576)
Transfer from reserve		-	(5,291,295)	-	5,291,295	-
Total contributions by and distributions to owners		**1,427,373**	**(5,299,871)**	**-**	**5,291,295**	**1,418,797**
Balance at 30 June 2015		**48,669,456**	**-**	**501,305**	**(28,993,555)**	**20,177,206**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
Current assets			
Cash and cash equivalents	10	511,106	284,783
Trade and other receivables	11	122,063	109,126
Total current assets		**633,169**	**393,909**
Non-current assets			
Restricted cash	12	1,602,099	1,614,273
Available-for-sale investments	13	345,537	859,166
Exploration and evaluation expenditure	14	20,401,257	19,231,361
Property, plant and equipment	15	72,523	85,810
Other	16	325,465	325,000
Total non-current assets		**22,746,881**	**22,115,610**
Total assets		**23,380,050**	**22,509,519**
Current liabilities			
Trade and other payables	17	107,744	239,600
Provisions	18	256,696	523,750
Employee benefits	19	380	265
Total current liabilities		**364,820**	**763,615**
Non-current liabilities			
Provisions	18	1,582,389	1,568,698
Total non-current liabilities		**1,582,389**	**1,568,698**
Total liabilities		**1,947,209**	**2,332,313**
Net assets		**21,432,841**	**20,177,206**
Equity			
Share capital	20	49,825,074	48,669,456
Reserves		155,768	501,305
Accumulated losses		(28,548,001)	(28,993,555)
Total equity		**21,432,841**	**20,177,206**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Cash receipts from operations		-	260,000
Cash paid to suppliers and employees		(258,477)	(840,979)
Interest paid		-	(463)
Interest received		64,336	45,232
Income tax received		-	189,765
Net cash used in operating activities	26	**(194,141)**	**(346,445)**
Cash flows from investing activities			
Payments for investments		-	(90,931)
Proceeds from sale of investments		493,791	-
Proceeds from sale of property, plant and equipment		592	24,699
Payments for mining exploration and evaluation and rehabilitation		(1,190,005)	(979,100)
Net cash used in investing activities		**(695,622)**	**(1,045,332)**
Cash flows from financing activities			
Net proceeds from issue of shares		1,103,912	1,374,021
Movement in restricted cash		12,174	(10,000)
Net cash from financing activities		**1,116,086**	**1,364,021**
Net increase/(decrease) in cash and cash equivalents		226,323	(27,756)
Cash and cash equivalents at 1 July		284,783	312,539
Cash and cash equivalents at 30 June	10	**511,106**	**284,783**

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

1. Significant accounting policies

Uranium Equities Limited is an ASX listed public company domiciled in Australia at Level 2, 1292 Hay Street, West Perth, Western Australia. The consolidated financial report comprises the financial statements of Uranium Equities Limited (‘Company’) and its subsidiaries (‘the Group’) for the year ended 30 June 2016.

The financial report was authorised for issue by the directors on 29th September 2016.

(a) Statement of compliance
The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (‘AIFRS’). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (‘IFRS’).

(b) Basis of Preparation
The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available for sale. The financial report is presented in Australian dollars. For the purposes of preparing the consolidated financial report the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The Company is a listed public company, incorporated in Australia and operating in Australia. The principal activity is mineral exploration and evaluation.

New and amended standards adopted by the Group
In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group’s operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group. The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2015:

- AASB 1057 Application of Australian Accounting Standards
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
- AASB 2015-5 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions in Joint Venture Operations

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. The following standards and interpretations have been recently issued or amended and have not been adopted by the Group for the annual reporting period ended 30 June 2016:

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 9 Financial Instruments
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9
- Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- AASB 15 Revenue from Contracts with Customers
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 - Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2014-10 – Amendments to Australian Accounting Standards- Sale or Contribution of Assets between an Investor and its Associate of Joint Venture
- AASB 2015-10 – Amendments to Australian Accounting Standards- Effective Date of Amendments to AASB 10 and AASB 12

- AASB 16 Leases

  As a result of this review the directors have determined that there will be no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change will be necessary to the Group's accounting policies.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding for voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries held by Uranium Equities Limited are accounted for at cost in the accounts of the parent entity less any impairment charges.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in ownership interest of a subsidiary that does not result in a loss of control is accounted as an equity transaction.

(d) Significant accounting judgements, estimates and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Group.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Recoverability of exploration expenditure

The carrying amount of exploration and evaluation expenditure is dependent on the future successful outcome from exploration activity or alternatively the sale of the respective areas of interest.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

(iii) Rehabilitation Provision

Estimates and assumptions of the appropriate discount rate at which to discount the liability, the timing of cash flows, the application of relevant environmental legislation and the future expected costs of rehabilitation are all used in determining the carrying value of the rehabilitation provision. The carrying amount of the provision is set out in note 18.

(e) Going concern

At balance date the Group had net assets of $21,432,841 (2015: $20,177,206), and an excess of current assets over current liabilities of $268,349 (2015: current liabilities over current assets of $369,706).

Notwithstanding this; a 12 month cash flow forecast suggests that the company will need to raise additional funds in the coming year to meet its operating expenditure and exploration commitments. Due to difficulties being faced by smaller exploration companies seeking to raise additional capital in the current market, if the Company is unable to raise capital, there is a material uncertainty that may cast significant doubt as to whether the Company will be able to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. As a result, the Company's auditors have included in their audit report for the 2016 financial year an "emphasis of matter" paragraph, in relation to going concern.

(f) Foreign currency translations

The functional currency of the Company is Australian dollars. The presentation currency of the Group is Australian dollars.

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that are recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(g) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing the performance of the operating segments.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Sale of assets and interests in exploration assets

Revenue is recognised when the significant risks and rewards of ownership of the goods/exploration assets have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be reliably measured. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods/exploration assets to the buyer.

(ii) Services rendered

Revenue from services rendered is recognised in the statement of profit or loss and other comprehensive income in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably.

(iii) Management fees

Management fees are recognised in the statement of profit or loss and other comprehensive income in proportion to the stage of completion of the services at the reporting date.

(i) Expenses

(i) Operating lease payments

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

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, the discount unwind on rehabilitation provisions and interest receivable on funds invested.

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

(j) Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation rates used in the current and comparative periods are as follows:

- plant and equipment 10%-50%
- fixtures and fittings 7.5%-33%
- IT equipment and software 25%-67%

The depreciation rates, useful lives and residual values, if not insignificant, are reassessed annually.

(k) Income tax

Deferred income tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australia Taxation Office ('ATO') is included as a current asset or liability in the statement of financial position.

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

(m) Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cashflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised in the statement of comprehensive income unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of comprehensive income. Receivables with a short duration are not discounted.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits which are readily convertible to cash. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost less impairment losses (see accounting policy (m)).

(p) Restricted cash

Funds placed on deposit with financial institutions to secure bank guarantees are classified as restricted cash.

(q) Exploration, evaluation and tenement acquisition costs

Exploration, evaluation and tenement acquisition costs in relation to separate areas of interest for which rights of tenure are current, are capitalised in the period in which they are incurred and are carried at cost less accumulated impairment losses. The costs of acquisition of an area of interest and exploration expenditure relating to that area of interest are carried forward as an asset in the statement of financial position so long as the following conditions are satisfied:

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

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure is assessed for impairment when facts and circumstances suggest that their carrying amount exceeds their recoverable amount. Where this is the case an impairment loss is recognised. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Accumulated expenditure will be amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(r) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(s) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value, through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(t) Derecognition of financial assets and financial liabilities

(i) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset, or
(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(u) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(v) Investments

Financial instruments held by the consolidated entity are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised in equity through other comprehensive income, except for impairment losses which are recognised in profit or loss. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is their quoted bid price at the reporting date.

Financial instruments classified as available-for-sale investments are recognised or derecognised by the consolidated entity on the date it commits to purchase or sell the investments.

When a decline in the fair value of an available-for-sale financial asset has been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(w) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

(x) Leases

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments.

Other leases are operating leases and are not recognised in the consolidated statement of financial position.

(y) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities and restoration of affected areas.

When the rehabilitation provision is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation assets.

At each reporting date the rehabilitation provision is re-measured to reflect any changes in discount rates and timing and amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and are added to, or deducted from, the related exploration and evaluation asset.

The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in exploration and evaluation assets is capitalised in accordance with accounting policy (q).

(z) Employee benefits

(i) Superannuation

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred

(ii) Share-based payment transactions

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under an Employee and Consultants Share Option Plan and Employee Long Term Incentive Plan.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

(iii) Wages, salaries, annual leave and non-monetary benefits
Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

The Group's obligation in respect of long-term employee benefits such as long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value using corresponding government bond yields as a discount rate.

(aa) Share capital

(i) Ordinary share capital
Ordinary shares and partly paid shares are classified as equity.

(ii) Transaction costs
Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(ab) Earnings per share
Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

(ac) Parent entity financial information
The financial information for the parent entity, Uranium Equities Limited, disclosed in note 25, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments

(ii) Share-based payments
The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. Segment reporting

Business segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the allocation of costs; whether they are corporate related costs or exploration costs. Results of both segments are reported to the Board of Directors at each board meeting.

	Exploration and Evaluation		Corporate		Total	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Other income	-	-	-	196,710	-	196,710
Profit on sale of available for sale assets	-	-	325,699	-	325,699	-
Exploration rent reimbursed	-	58,525	-	-	-	58,525
Exploration & evaluation costs written off	(19,921)	(3,134)	-	-	(19,921)	(3,134)
Corporate administrative expenses	-	-	(171,812)	(669,833)	(171,812)	(669,833)
Impairment of available-for-sale assets	-	-	-	(152,084)	-	(152,084)
Loss on disposal of fixed assets	-	9,934	-	(15,119)	-	(5,185)
Net financing income					(2,776)	(75,746)
Profit/(loss) before income tax					131,190	(650,747)
Segment assets	22,367,811	21,207,011	91,302	86,227	22,459,113	21,293,238
Unallocated assets					920,937	1,216,281
Total assets					23,380,050	22,509,519
Segment liabilities	1,885,867	2,145,947	61,343	186,366	1,947,209	2,332,313
Unallocated liabilities					-	-
Total liabilities					1,947,209	2,332,313

3. Income

	2016 $	2015 $
(a) Other income		
Management fees	-	195,000
Sundry Income	-	1,710
	-	196,710

	2016 $	2015 $
(b) Profit on sale of available-for-sale assets		
Profit on disposal of Alto Metals Ltd shares (formerly Enterprise Uranium Limited (ASX: AME)	325,699	-
	325,699	-

4. Loss before income tax expense

	Note	2016 $	2015 $
(a) Corporate administrative expenses			
Depreciation and amortisation		6,377	10,714
Insurance		4,232	29,330
Legal fees		-	9,090
Office costs - corporate service charge and reimbursements		66,081	119,588
Personnel expenses	5	14,627	345,822
Regulatory and compliance		75,627	155,634
Other		67,017	97,272
Less reallocations to exploration expenditure		(62,149)	(97,617)
		171,812	669,833

	2016 $	2015 $
(b) Impairment loss on available-for-sale assets		
Alto Metals Ltd (formerly Enterprise Uranium Limited (ASX: AME)	-	(152,084)
	-	(152,084)

5. Personnel expenses

	Note	2016 $	2015 $
Directors' fees, wages and salaries		308,877	539,997
Other associated personnel expenses		18,150	56,395
Superannuation fund contributions		21,379	27,050
Decrease in liability for annual leave		115	(76,181)
Increase\(decrease) in provision for long service leave		-	(42,739)
Equity-settled transactions	19	-	(8,576)
Less reallocations to exploratione expenditure		(333,894)	(150,219)
		14,627	345,822

Due to market conditions and with an emphasis on conserving cash reserves, directors agreed, from 1 October 2015, to continue to accrue all or part of their directors' fees. Of the $308,877 directors' fees, wages and salaries reported above, $9,098 was owing in directors' fees at 30 June 2016.

6. Auditor's remuneration

Audit services

	2016 $	2015 $
Audit and review of financial reports HLB Mann Judd	25,600	23,500

7. Net financing income

	2016 $	2015 $
Interest income	56,298	65,234
Unwind of discount on rehabilitation provision	(48,661)	(115,549)
Interest expense and bank charges	(10,413)	(25,431)
Total financial expenses	(59,074)	(140,980)
Net financing income	(2,776)	(75,746)

8. Income Tax

The Company and its wholly-owned Australian resident subsidiaries are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity.

	2016 $	2015 $
Current tax benefit/(expense)	314,364	(248,985)
Total income tax benefit/(expense) reported in the statement of profit or loss and other comprehensive income	314,364	(248,985)

Numerical reconciliation between tax expense and pre-tax net loss:

	2016 $	2015 $
Profit/(loss) before tax	131,190	(650,747)
Income tax benefit/(expense) using the domestic corporation tax rate of 30% (2015: 30%)	(39,357)	195,223
Decrease in income tax benefit/(expense) due to:		
Non-deductible expenses	(39)	2,478
Exploration development incentive	(268,010)	-
Over/(under) provision in prior period	314,364	(248,985)
Current and deferred tax expense/(benefit) not recognised	321,320	(197,701)
Income tax benefit/(expense) on loss before tax	314,364	(248,985)

Deferred tax assets and liabilities for the Group are attributable to the following:

	Assets		Liabilities		Net	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Exploration and evaluation assets	-	-	6,218,016	5,866,908	6,218,016	5,866,908
Capital raising costs	(61,155)	(66,334)		-	(61,155)	(66,334)
Rehabilitation provision	(501,213)	(496,109)		-	(501,213)	(496,109)
Other items	(76,152)	(52,604)	1,035	4,725	(75,117)	(47,879)
	(638,520)	(615,047)	6,219,051	5,871,633	5,580,531	5,256,586
Tax losses used to offset net deferred tax liability					(5,580,531)	(5,256,586)
Net deferred tax assets and liabilities					-	-

Deferred tax assets have not been recognised in respect of the following items:

	2016 $	2015 $
Unrecognised tax losses – Revenue	7,936,881	7,886,084
Unrecognised tax losses – Capital	93,363	145,448
Unrecognised tax losses – Total	8,030,244	8,031,532
Unrecognised deferred tax asset on unused tax losses	2,409,073	2,409,460

The unrecognised benefit from temporary differences on capital items amounts to $45,624 (2015: $(45,624))

9. Earnings per share
Basic and diluted earnings/(loss) per share

The calculation of basic and diluted loss per share at 30 June 2016 was based on the profit/(loss) attributable to ordinary shareholders of the parent entity of $445,554 (2015: $(899,732).

The weighted average number of ordinary shares outstanding during the financial years comprised the following:

	2016 No.	2015 No.
Ordinary shares on issue at 1 July	455,388,518	303,938,778
Effect of rights issues	136,865,402	101,312,926
Effect of placements	-	45,000,000
Effect of issue of shares in lieu of director's fees	6,679,180	5,136,814
Weighted average number of ordinary shares on issue at 30 June (basic and diluted)	598,933,100	455,388,518

At 30 June 2016 there were no options (2015: nil) and no Performance Rights (2015: nil) excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value for the Company's shares for the purposes of calculating the dilutive effect of options and share price bases Performance Rights was based on quoted market prices for the year for which they were outstanding.

10. Cash and cash equivalents

	2016 $	2015 $
Bank balances	494,819	274,056
Term deposits	16,287	10,727
Cash and cash equivalents in the statement of cash flows	511,106	284,783

11. Trade and other receivables

	2016 $	2015 $
Current		
Other trade receivables	52,667	42,132
Loan to PhosEnergy Limited	60,840	56,579
Prepayments	8,556	10,415
	122,063	109,126

The loan to PhosEnergy Limited was made in the 2014 financial year as part of the demerger of the Company's PhosEnergy Process assets. The loan expiry date has been extended to 31 December 2016. The loan has an interest rate of 8.5% per annum.

12. Restricted cash

	2016 $	2015 $
Bank guarantees in relation to rehabilitation obligations	1,592,099	1,588,713
Bank guarantee in relation to business credit cards	10,000	10,000
Bank guarantee in relation to office premises	-	15,560
	1,602,099	1,614,273

Bank guarantees in relation to rehabilitation obligations are held by the Northern Territory Department of Mines and Energy (DME) for rehabilitation obligations on the Nabarlek Mineral Lease ($1,537,248) and by the Northern Land Council and DME on the Nabarlek tenements held in joint venture with Cameco Australia Pty Ltd (totalling $54,851).

13. Available-for-sale investments

	2016 $	2015 $
PhosEnergy Limited (i)	345,537	691,074
Alto Metals Limited (ASX:AME) (formerly Enterprise Uranium Limited - ASX:ENU) (ii)	-	168,092
	345,537	859,166

(i) The investment in PhosEnergy Limited has been fair valued entirely under Level 3 of the IFRS 13 Fair Value Hierarchy. PhosEnergy Limited is an unlisted public company and as such there is no active market for its shares. Since last financial year, the uranium price has continued to decline which has seen PhosEnergy limit its work carried out on the PhosEnergy Process until an improvement in the price of uranium. Based on this information the directors considered it reasonable to record a fair value adjustment down to 10 cents a share. The impairment was reversed to the Fair Value Reserve against an initial fair value increase in a prior year. See note 20.

(ii) The Company sold all of the shares held in Alto Metals Limited for a net consideration of $493,791.

14. Exploration and evaluation expenditure

	2016 $	2015 $
Costs carried forward in respect of:		
Exploration and evaluations phase – at cost		
Cost brought forward	19,231,363	18,376,954
Expenditure incurred during the year	1,189,815	893,366
Rehabilitation provision revaluation	-	(94,350)
Write down and reimbursement brought through the statement of comprehensive income	(19,921)	55,391
	20,401,257	19,231,361

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploration or sale of the respective areas.

15. Property, plant and equipment

	2016 $	2015 $
At cost	411,346	411,346
Less: accumulated depreciation	(338,823)	(325,536)
	72,523	85,810
Plant and equipment		
Carrying amount at beginning of financial year	85,810	136,371
Additions	-	-
Disposals\written-off	-	(30,475)
Depreciation	(13,287)	(20,086)
Carrying amount at end of financial year	72,523	85,810
Total property, plant and equipment	72,523	85,810

16. Other non-current assets

	2016 $	2015 $
Applications acquired on acquisition of Arnhem Minerals Pty Ltd	325,000	325,000
Expenditure incurred during the year	465	-
	325,465	325,000

The Company acquired all the shares in Arnhem Minerals Pty Ltd from Spectrum Rare Earths Limited on 20 June 2014. Arnhem Minerals holds seven Exploration Licence Applications covering a total area of 2,096 km^2 in the Alligator Rivers Uranium Field and the broader West Arnhem Land region of the Northern Territory.

In consideration for the acquisition of all the shares in Arnhem Minerals, the Company will pay a total of $625,000 in cash to Spectrum in three tranches as follows:

1) $325,000 was paid on 20th June 2014 (First Payment);
2) $175,000 following the grant of ELA25384 (Second Payment); and
3) $125,000 following the grant of ELA25389 (Third Payment).

If either the Second Payment or the Third Payment, or both, is not made by the Company upon the grant of ELA25384 and ELA25389 respectively, the shares in Arnhem Minerals must be transferred back to Spectrum for no consideration with all prior payments being non-refundable to Uranium Equities.

The second and third payments have not been recognised on the Consolidated Statement of Financial Position as they are contingent on future events not wholly within the control of the entity. The granting of the tenements requires agreement to be reached with the Northern Land Council for land access.

17. Trade and other payables

	2016 $	2015 $
Trade payables	1,495	54,507
Other creditors and accrued expenses	106,249	185,093
	107,744	239,600

18. Provisions

	2016 $	2015 $
Current		
Rehabilitation	88,321	85,000
Income tax payable (i)	168,375	438,750
	256,696	523,750

(i) In July 2016 the Company received notification from AusIndustry that a previously issued Certificate for Finding from Innovation Australia under Section 27J of the Industry Research and Development Act 1986 ("IR&D Act") regarding its R&D tax incentive claim for the 2011/12, 2012/13 and 2013/2014 financial years has been partially overturned.

At 30 June 2015, the Company recorded a liability of $438,750 based on the Certificate for Finding. Following a request by the Company to have the decision reviewed, the Company has been advised that the liability has been reduced to $168,375.

	2016 $	2015 $
Non-current		
Rehabilitation	1,582,389	1,568,698
	1,582,389	1,568,698

The Company assumed all obligations for rehabilitation at the Nabarlek Mineral Lease following the acquisition of Queensland Mines Pty Ltd in 2008.

19. Employee benefits

	2016 $	2015 $
Current		
Liability for annual leave	380	265
	380	265

Share based payments

(a) Long Term Incentive Plan

The Company has established an Employee Long Term Incentive Plan (LTIP) which was approved by shareholders at a general meeting held on 24 May 2013.

The LTIP allows the Board to grant performance-based rights linked to measurable achievements to employees of the Company, including executive directors ("Performance Rights"). Performance Rights convert into fully paid ordinary shares in the Company when the particular vesting conditions are met.

There are no voting or dividend rights attached to the Performance Rights. Voting rights will be attached to the ordinary shares issued to Performance Rights holders if and when they vest.

(b) Employee and Consultant Share Option Plan

The Company also has an Employee and Consultant Share Option Plan (ESOP) in place which was most recently approved at the annual general meeting held on 26 November 2014.

Under the terms of the Employees and Consultants Option Plan, the Board may offer options at no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement) and executive and non-executive directors.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

There were no options granted to directors, employees or consultants during the previous three years.

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price 2016	Number of options 2016	Weighted average exercise price 2015	Number of options 2015
Outstanding at the beginning of the period	-	-	$0.247	1,800,000
Forfeited during the period	-	-	-	-
Expired during the period	-	-	$0.247	(1,800,000)
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the period	-	-	-	-
Exercisable at the end of the period	-	-	-	-

There were no options outstanding at the end of the period.

Employee share options are granted under a service condition. Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

(c) Employee Expenses

	2016 $	2015 $
Performance Rights reversal on termination of employment	-	(8,576)
Total expense recognised as employee costs (Note 5)	-	(8,576)

20. Capital and reserves

(a) Share capital

	Ordinary Shares	
	2016 No.	2015 No.
On issue at 1 July	455,388,518	303,938,778
Rights issue and placement	151,796,173	146,312,926
Issue of shares in lieu of directors' fees	11,317,500	5,136,814
On issue at 30 June	618,502,191	455,388,518

Ordinary shares

In August 2015, the Company completed a fully underwritten entitlement issue raising $1,214,369. The raising was undertaken through a 1-for-3 pro-rata non-renounceable rights issue to existing shareholders at 0.8 cents per share.

Following shareholder approval at the 2015 Annual General Meeting, the Company issued 11,317,500 fully paid ordinary shares to current and former Directors in full satisfaction of unpaid directors' fees of $90,540 as at 30 September 2015 (see note 27).

All shares were issued and fully paid during the year.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, the ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation. The shares have no par value.

(b) Share Options

	Unlisted Share Options	
	2016 No.	2015 No.
On issue at beginning of year	-	1,800,000
Options issued during the year	-	-
Options forfeited or expired during the year	-	(1,800,000)
On issue at end of year	-	-

At 30 June 2016, the Company had no unlisted options on issue.

(c) Performance Rights

	Unlisted Performance Rights	
	2016 No.	2015 No.
On issue at beginning of year	-	1,506,406
Performance Rights issued during the year	-	-
Performance Rights lapsed during the year	-	(1,506,406)
On issue at end of year	-	-

At 30 June 2016, the Company had no unlisted Performance Rights on issue under the Company's Employee Long Term Incentive Plan.

(d) Reserves

	Share Option Reserve 2016 $	Share Option Reserve 2015 $
Balance at beginning of year	-	5,299,871
Employee share options vested during the year	-	(8,576)
Transfer to accumulated Losses on expired/lapsed options	-	(5,291,295)
Balance at end of year	-	-

	Fair Value Reserve 2016 $	Fair Value Reserve 2015 $
Balance at beginning of year	501,304	573,344
Fair value adjustment – Alto Metals Ltd	-	(72,039)
Fair Value adjustment – PhosEnergy Ltd	(345,537)	-
Balance at end of year	155,767	501,305

The Fair Value Reserve represents the change in fair values of available-for-sale financial assets being investments in PhosEnergy Limited and Alto Metals Ltd (formerly Enterprise Uranium Limited).

21. Financial instruments

Risk Management Framework

The Board and Audit Committee are responsible for overseeing the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Chairman having ultimate responsibility to the Board for the risk management and control framework.

The Group has exposures to the following risks:

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Group consisting of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses, is disclosed in note 20 and the Consolidated Statement of Changes in Equity. The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

(b) Market risk exposures

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices and interest rates will affect the Group's income or value of its holdings of financial instruments.

Foreign exchange rate risk
The Group currently has no significant exposure to foreign exchange rates.

Equity prices
Equity investments held for sale are generally recorded at their fair value being either the quoted price or last known traded price on the balance date (see note 13). Where there is no active market and other observable inputs the company will use unobservable inputs (see note 21(e)).There is a risk that changes in prices effect the fair value of investments held by the consolidated entity – a +- 10% change in equity prices from the year end valuation would impact equity by +-$34,553

Interest rate risk
Interest rate risk is the risk that changes in bank deposit rates affect the consolidated entity's income and future cashflow from interest income. The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

30 June 2016	Note	Fixed interest maturing in: 1 year or less $	Over 1 to 5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average int. rate
Financial assets							
Bank balances	10	16,287	-	494,819	-	511,106	1.37%
Term deposits [1]	10/12	1,602,099	-	-	-	1,602,099	3.64%
Trade and other receivables	11	60,840	-	-	61,223	122,063	3.69%
Other investments	13	-	-	-	345,537	345,537	-
Financial liabilities							
Trade payables and accrued expenses	17	-	-	-	107,744	107,744	-

30 June 2015	Note	Fixed interest maturing in: 1 year or less $	Over 1 to 5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average int. rate
Financial assets							
Bank balances	10	10,727	-	274,056	-	284,783	2.85%
Term deposits [1]	10/12	1,614,273	-	-	-	1,614,273	2.29%
Trade and other receivables	11	56,579	-	-	52,547	109,126	2.84%
Other investments	13	-	-	-	859,166	859,166	-
Financial liabilities							
Trade payables and accrued expenses	17	-	-	-	239,600	239,600	-

(1) Including restricted cash

A change of 100 basis points in interest rates on bank balances and term deposits over the reporting period would have increased / (decreased) the Group's profit and loss by $20,127 (2015: $19,079).

(c) Credit risk exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The consolidated entity's exposure to credit risk is not significant and currently arises principally from sundry receivables (see note 11) which represent an insignificant proportion of the Group's activities and cash and cash equivalents.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the notes to the financial statements.

(d) Liquidity risk exposure

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board actively monitors the Group's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

The consolidated entity has non-derivative financial liabilities which include trade and other payables of $107,744 (2015: $239,600) all of which are due within 60 days.

(e) Net fair values of financial assets and liabilities

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Except for the investment in PhosEnergy Limited disclosed in note 13 the carrying amounts of all financial assets and liabilities approximate their net fair values and are disclosed as level 2 fair values.

23. Capital and other commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group together with its joint venture partners is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to negotiation when application for a lease application and renewal is made and at other times. These amounts are not provided for in the financial report and are payable:

	2016 $	2015 $
Within one year	495,789	287,652
One year or later and no later than five years	143,245	924,424
Later than five years	49,046	72,903
	688,080	1,284,979

To the extent that expenditure commitments are not met, tenement areas may be reduced and other arrangements made in negotiation with the relevant state and territory government departments on renewal of tenements to defer expenditure commitments or partially exempt the Company.

Bank Guarantees

As at 30 June 2016 the Group had bank guarantees with face values of $1,537,248, $14,851 and $40,000 representing performance bonds with the Northern Territory Department of Mines and Energy and Northern Land Council respectively for rehabilitation obligations on the Nabarlek Project. Also in place is a further bank guarantee of $10,000 held for the commercial credit card at balance date. (see note 12).

24. Controlled entities

	Country of Incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Parent entity			
Uranium Equities Limited	Australia		
Subsidiaries			
G E Resources Pty Ltd	Australia	100%	100%
Uranium Services Pty Ltd	Australia	100%	100%
UEQ Investments Pty Ltd	Australia	100%	100%
Queensland Mines Pty Ltd	Australia	100%	100%
Arnhem Minerals Pty Ltd	Australia	100%	100%

25. Parent entity disclosures

The parent entity of the Group was Uranium Equities Limited throughout the years ended 30 June 2016 and 30 June 2015.

	Company	
	2016 $	2015 $
Result of the parent entity		
Profit/(loss) for the period	189,667	(695,707)
Total comprehensive loss for the period	**189,667**	**(695,707)**
Financial Position of the parent entity at year end		
Current assets	570,417	533,460
Total assets	22,103,037	21,287,844
Current liabilities	586,691	771,245
Total liabilities	586,691	771,245
Total equity of the parent entity comprising of:		
Share capital	49,825,074	48,669,456
Reserves	155,767	501,305
Accumulated losses	(28,464,495)	(28,654,162)
Total equity	**21,516,346**	**20,516,599**

26. Reconciliation of cash flows from operating activities

	2016 $	2015 $
Profit/(loss) for the period	445,554	(899,732)
Cash flows from operating activities		
Adjustments for:		
Depreciation and amortisation	6,377	10,714
Loss on disposal of fixed assets	-	5,185
Write-off of exploration and evaluation expenditure and reimbursement	19,921	(55,391)
Impairment loss on available-for-sale assets	-	152,084
Profit on sale of available for sale of investments	(325,699)	-
Unwinding of interest on fair value of rehabilitation provision	48,661	115,549
Equity-settled share-based payment expenses	-	(8,576)
Income tax benefit	(314,364)	-
Other	-	22
Net cash used before changes in working capital and provisions	**(119,550)**	**(680,145)**
(Increase/decrease in trade and other receivables	9,749	43,289
Increase in trade payables and accruals	(84,455)	(30,125)
(Decrease/increase in provision(s)	115	320,536
Net cash used in operating activities	**(194,141)**	**(346,445)**

27. Related Parties Disclosures

(a) Key management personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

T R B Goyder
B L Jones
R K Hacker

Executives
K Frost (appointed 1 September 2015)

The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:

	2016 $	2015 $
Short-term employee benefits	175,130	150,748
Post-employment benefits	15,614	13,987
Termination benefits	-	70,898
	190,744	235,633

Shares issues to directors in lieu of fees

Commencing on 1 October 2014 and to preserve cash within the Company, each director agreed to accrue part or all of their respective directors' fees until further notice. Following shareholder approval, each director listed below agreed to be issued shares in full satisfaction of their respective outstanding fees as at 30 September 2015:

	Directors' Fees Outstanding $	Shares Issued No.
Director		
Timothy Goyder	78,408	9,801,000
Bryn Jones	6,066	758,250
Richard Hacker	6,066	758,250
Total	90,540	11,317,500

At the date the directors resolved to issue shares in lieu of the directors fees, the basis for determining the numbers of shares was calculated using a deemed issue price of 0.8 cents per share, which was benchmarked to the capital raising price in August 2015. Shareholder approval was obtained in November 2015 for the issue of the shares. At the date the shares were issued (after shareholder approval), the share prices was 0.4 cents per share. The total value of shares issued was $45,270.

It was also agreed to continue to accrue part or all of directors' fees from 1 October 2015 until further notice. At 30 June 2016 the balance of directors' fees owing was $9,097.

Individual directors' and executives' compensation disclosures

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors' Report.

Loans to key management personnel and their related parties

Loans made to key management personnel and their related parties is as follows:

	Balance at beginning of year	Loans made during the year	Interest charged	Interest not charged	Write-off or allowance for doubtful debt	Balance at end of period	Number of KMP in group
2016	56,579	-	4,261	-	-	60,840	2
2015	52,239	-	4,340	-	-	56,579	2

A loan of $50,000 to PhosEnergy Limited was made in the 2014 financial year as part of the demerger of the Company's PhosEnergy Process assets. The loan expiry date has been extended 31 December 2016. The loan has an interest rate of 8.5% per annum.

Other key management personnel transactions with the Company or its controlled entities

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

Key management persons	Transaction	Note	2016 $	2015 $
B L Jones	Process engineering consultancy fees	(i)	-	(144,300)
T Goyder	Underwriting fees	(ii)	-	(11,500)
T Goyder R Hacker	Corporate Service Charge	(iii)	(66,000)	(49,500)

(i) The Company used the process engineering consultancy services of Inception Consulting Engineers Pty Ltd (in relation to PhosEnergy, from February 2012 onwards), in which Messrs Jones and Heinrich have a 25% and 16.67% beneficial interest respectively.

(ii) Lotaka Pty Ltd, a company associated with Mr Tim Goyder, partially underwrote the 1-for-3 non-renounceable rights issue in July 2014. Lotaka Pty Ltd was paid a fee of 3.5% of the underwritten amount, and the underwriting was on customary terms. The total amount paid during the year was $11,500.

(iii) The Group receives corporate services including office rent and facilities, management and accounting services under a Corporate Services Agreement with Chalice Gold Mines Limited. Mr Goyder is the Managing Director of Chalice Gold Mines Limited and prior to this was the Executive Chairman. Mr Hacker is the CFO of Chalice Gold Mines Limited. Amounts billed are based on a proportionate share of the cost to Chalice Gold Mines Limited of providing the services and have normal payment terms.

Amounts payable to key management personnel at reporting date arising from these transactions were as follows:

	2016 $	2015 $
Assets and liabilities arising from the above transactions		
Accrued expenses	5,500	40,500
Trade payables	-	-
	5,500	40,500

(b) Non-key management personnel disclosures

Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note 24).

Other related party transactions

Subsidiaries

Loans are made by the Company to wholly owned subsidiaries. Loans outstanding between the Company and its controlled entities have no fixed date of repayment and are non-interest bearing. At 30 June 2016, such loans to subsidiaries totalled $18,502,948 (2015: $17,812,326)

28. Subsequent Events

There were no other events subsequent to reporting date requiring disclosure in this report other than as disclosed at note 18, with respect to the R & D tax Incentive claim.

DIRECTORS' DECLARATION

1 In the opinion of the directors of Uranium Equities Limited:

(a) the financial statements, notes and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

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

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

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer (or equivalent) and chief financial officer (or equivalent) for the financial year ended 30 June 2016.

Dated at Perth the 29th day of September 2016.

Signed in accordance with a resolution of the directors:

Tim Goyder
Chairman

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Uranium Equities Limited

Report on the Financial Report

We have audited the accompanying financial report of Uranium Equities Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, 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 Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated 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 Group'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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

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HLB Mann Judd

Auditor's Opinion

In our opinion:

(a) the financial report of Uranium Equities Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and

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

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

Emphasis of Matter – Going Concern

Without modifying our opinion, we draw attention to Note 1(e) to the financial report, which indicates that the Group will be required to raise additional funds in order for it to continue as a going concern. Should the Group not be successful in raising required additional funds, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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 Uranium Equities Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
29 September 2016

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

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associated interests as at 29 September 2016 were:

Shareholder	Number of ordinary shares held	Percentage of capital held %
Timothy R B Goyder	170,575,354	27.58
HSBC Custody Nominees (Australia) Limited	34,752,566	5.62

Class of Shares and Voting Rights

At 29 September 2016 there were 1,133 holders of the ordinary shares of the Company.

The voting rights to the ordinary shares set out in the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares -

a) at meetings of members or classes of members each member entitled to vote in person or by proxy or attorney: and

b) on a show of hands every person who is a member has one vote and on a poll every person in person or by proxy or attorney has one vote for each ordinary share held."

Holders of options and performance rights do not have voting rights.

Distribution of equity security holders as at 29 September 2016:

	Number of equity security holders
Category	**Ordinary Shares**
1 – 1,000	*27*
1,001 – 5,000	*80*
5,001 – 10,000	*76*
10,001 – 100,000	*589*
100,001 and over	*361*
Total	**1,133**

The number of shareholders holding less than a marketable parcel on 29 September 2016 was 717. As at the date of this report there is no on-market buy back of the Company's shares.

Twenty largest Ordinary Fully Paid Shareholders as at 29 September 2016

Name	Number of ordinary shares held	Percentage of capital held %
Mr Timothy R B Goyder	170,575,354	27.58
HSBC Custody Nominees (Australia) Limited)	34,752,566	5.62
Calm Holdings Pty Ltd <Clifton Superfund A/C>	28,369,658	4.59
J P Morgan Nominees Australia Pty Ltd	19,684,147	3.18
Trebble Sum Pty Ltd	17,000,000	2.75
Mr Anthony William Kiernan	16,149,898	2.61
Resolute (Treasury) Pty Ltd	11,364,000	1.84
Mr Glenn Lance Bauer	10,000,000	1.62
M & K Korkidas Pty Ltd	7,588,867	1.23
Octifil Pty Ltd	7,000,000	1.13
Corporate Property Services Pty Ltd <K W Share A/C>	6,922,646	1.12
Hardrock Capital Pty Ltd	6,665,560	1.08
Foresight Pty Ltd	6,248,963	1.01
Ginostra Capital Pty Ltd <Pullini Investment A/C>	6,000,000	0.97
Claw Pty Ltd <Corp Super Fund A/C>	5,333,335	0.86
Mr Bryn LLywelyn Jones	5,245,583	0.85
Gremar Holdings Pty Ltd	5,000,000	0.81
Mr Valentin Latkovski	5,000,000	0.81
Symington Pty Ltd	5,000,000	0.81
Mr David Leslie Bridgeman	4,980,000	0.81
Total	**378,880,577**	**61.28**

Uranium Equities Limited
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