parker resources NL

**ACN 148 142 634**

# AUDITED FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2013

**Parker Resources NL**
ACN 148 142 634
**FINANCIAL REPORT**

## CORPORATE DIRECTORY

**Directors**

| | |
|---|---|
| Brian Thomas | Non-Executive Chairman |
| Philippa Leggat | Non-Executive Director |
| Adam Davey | Non-Executive Director |

**Joint Company Secretaries**
Julia Beckett
Jay Stephenson

**Registered Office**
Level 4, 66 Kings Park Road
West Perth WA 6005
Telephone 08 6141 3500
Facsimile 08 6141 3599
Email info@parkerresources.com.au

**Share register**
Computershare Investor Services Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone 08 9323 2000
Facsimile 08 9323 2033

**Auditor**
Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005
Telephone 08 9481 3188
Facsimile 08 9321 1204

**Securities Exchange Listing**
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Perth, WA 6000

ASX Code: PKR

# Parker Resources NL
ACN 148 142 634
**FINANCIAL REPORT**

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## OPERATIONS REVIEW

The Company's geological consultants, Apex Geoscience, conducted a comprehensive sampling and mapping programme over the Allambi project during 2012, the results of which were reported in the quarterly report released on 31 July 2012. A desktop review of the work completed by the Apex has highlighted there was limited likelihood of economically significant sandstone hosted uranium mineralisation occurring within the tenement as was postulated in the technical report in the Company's prospectus. As the work conducted by Apex did encounter some elevated uranium values, the Company has decided to continue to assess the potential viability of other mineralisation models.

Parker Resources renewed Exploration Licence 25347, the Allambi Project, located 70 kilometres south-southeast of Alice Springs in the Northern Territory (Figure 1). The renewal is for a period of a further 2 years, expiring 11 March 2015.

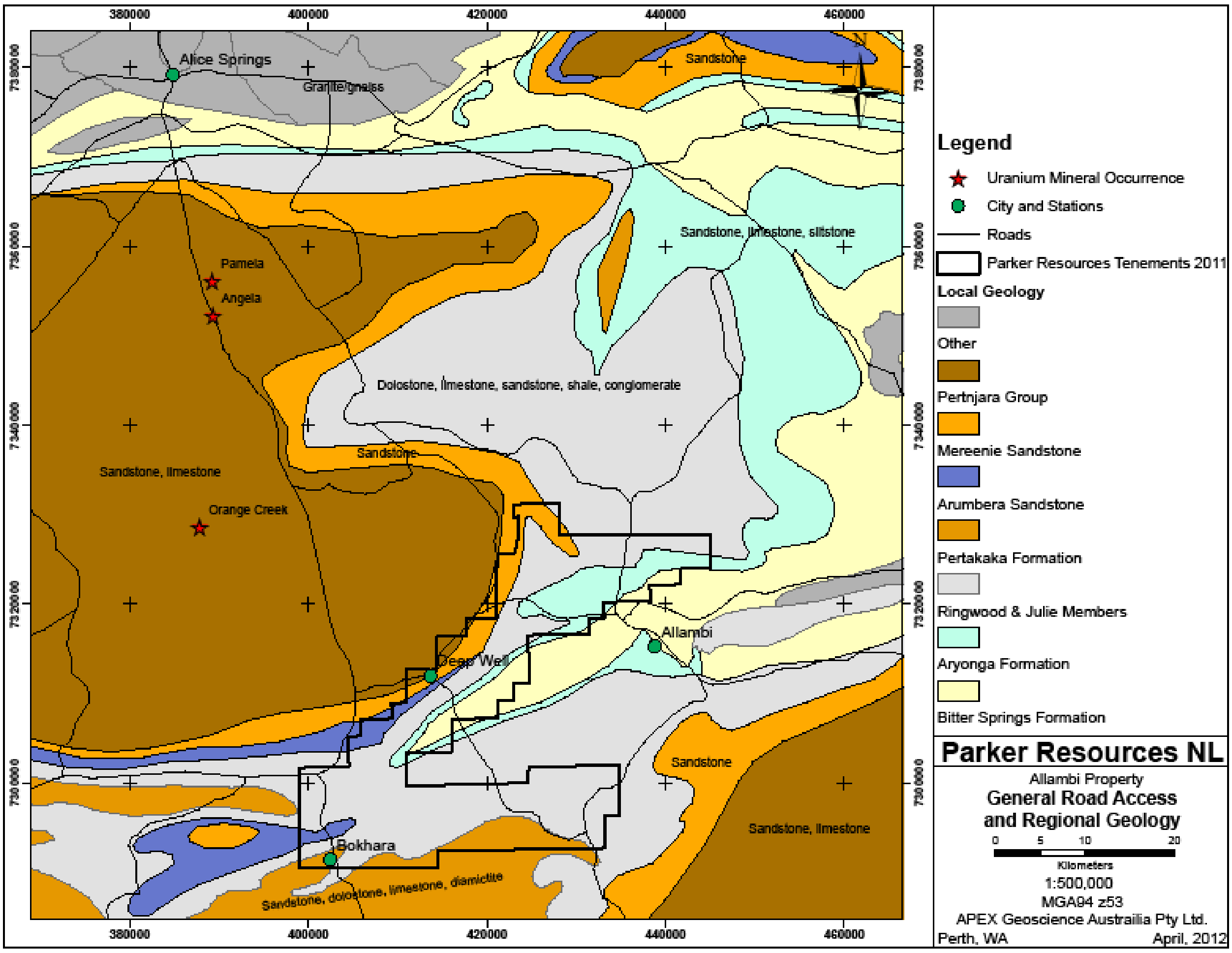


**Figure 1: Location and regional geology of the Allambi Project and known uranium occurrences**

The Company entered into a strategic alliance with a private party to assist Parker in the initial evaluation and ranking of new project opportunities and to assist in detailed project analysis and due diligence. This strategic alliance was formally disbanded. The Directors then commenced and continue with due diligence on a number of opportunities presented to the Company by its corporate advisers. The Directors will continue update shareholders on progress of these investigations.

## DIRECTORS' REPORT

Your Directors present their report on Parker Resources NL ("the Company") for the year ended 30 June 2013.

### Directors

The following persons were Directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

| | | |
|---|---|---|
| Brian Thomas | Non-Executive Chairman | Appointed 10 January 2011 |
| Philippa Leggat | Non-Executive Director | Appointed 20 October 2011 |
| Adam Davey | Non-Executive Director | Appointed 20 August 2012 |
| Paul Davey | Non-Executive Director | Appointed 10 January 2011, resigned 20 August 2012 |
| Jay Stephenson | Non-Executive Director | Appointed 10 January 2011, resigned 14 December 2012 |

### Company Secretary

The following persons held the position of Joint Company Secretaries at the end of the financial year:

Ms Julia Beckett holds a Certificate in Governance Practice and Administration and is a Certificated Member of Chartered Secretaries Australia. Julia is a Corporate Governance professional, having worked in corporate administration and compliance for the past 6 years. She has been involved in business acquisitions, mergers, initial public offerings, capital raisings as well as statutory and financial reporting. Julia is currently Company Secretary of Frontier Resources Ltd. She is currently studying with the Chartered Secretaries of Australia.

Mr Jay Richard Stephenson – Master of Business Administration (MBA), Fellow of the Chartered Secretaries Australia (FCIS), Fellow of the Certified Practicing Accountants of Australia (FCPA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD), was appointed as Company Secretary for Parker Resources NL on 10 January 2011.

### Principal Activity

The Company is primarily involved in the exploration of uranium and base metals.

### Results of Operations

The loss of the Company for the year ended 30 June 2013 amounted to $282,739 (loss for the year ended 30 June 2012 amounted to $332,942).

### Significant Changes in the State of Affairs

On 20 August 2012, Paul Davey resigned as Non-Executive Director and Adam Davey was appointed as Non-Executive Director of the Company.

On 14 December 2012, Jay Stephenson resigned as Non-Executive Director of the Company.

No other significant changes in the nature of the Company's activities have occurred during the year.

### Dividends Paid or Recommended

No dividends were declared or paid during the period and the Directors do not recommend the payment of a dividend.

## DIRECTORS' REPORT

**Information on Directors**

| | |
|---|---|
| **Brian Thomas** | Non-Executive Chairman - Appointed 10 January 2011 |
| Qualifications | **BSc, MBA, SAFin, MAusIMM, MAICD** |
| Experience | Mr Brian Thomas is a geologist and mineral economist with extensive experience as both an executive and non-executive director of small to mid market capitalisation publicly listed resources companies. He was previously in a senior business development role with a major Australian bank sourcing energy and resources financing opportunities, which followed a period with a global investment banking group. This was preceded by a period as a corporate stockbroker with two major Australian based firms. The shift to the finance industry followed over 20 years in both production and exploration operational management roles in the resources sector. |
| Interest in Shares and Options | 30,000 ordinary shares<br>Nil options |
| Special Responsibilities | Member of all the Committees |
| Directorships held in other listed entities | Current Non Executive Director of Orinoco Gold Ltd (previously Strickland Resources Ltd), Potash Minerals Ltd (Formerly Transit Holdings Ltd), Noble Mineral Resources Ltd. During the past 3 years, he was a Non-Executive Director of Condoto Platinum NL, Charter Pacific Corporation Limited, Aragon Resources Limited and White Cliff Nickel Limited. |
| **Paul Davey** | Non-Executive Director – Appointed 10 January 2011, resigned 20 August 2012 |
| Experience | Mr Paul Davey has been a director of R & I Electronics, an electronic service company, since 1985. The company is a key service provider to several major international manufacturers and Paul has overseen the continued growth of the company in Western Australia. He has been pivotal in the transformation of the company over the past two decades to meet shifting industry needs and dynamics. |
| Interest in Shares and Options | 25,000 ordinary shares<br>Nil options |
| Special Responsibilities | Member of all the Committees |
| Directorships held in other listed entities | During the past three years, Mr Davey was a Director of Namibian Copper NL. |
| **Jay Stephenson** | Non-Executive Director – Appointed 10 January 2011, resigned 14 December 2012 |
| Qualifications | **MBA, FCPA, FCIS, CMA, MAICD** |
| Experience | Jay Stephenson is a qualified accountant and has been in business development for over 20 years. During this time, he has served as director, CFO and company secretary for both listed and unlisted entities in the resources, manufacturing, wine, hotel and property sectors. He has substantial experience in corporate transactions and managing all areas of finance. |
| Interest in Shares and Options | 20,000 ordinary shares<br>Nil options |
| Special Responsibilities | Member of all the Committees |
| Directorships held in other listed entities | Mr Stephenson is currently a director of Drake Resources Limited, Doray Minerals Limited, Quintessential Resources Limited, Nickelore Limited, Strategic Minerals Corporation NL. |

## DIRECTORS' REPORT

### Information on Directors

| | |
|---|---|
| **Philippa Leggat** | Non-Executive Director – Appointed 20 October 2011 |
| Qualifications | **BCom, BA, GAICD, PCMCA** |
| Experience | Philippa has over 10 years commercial, managerial and operational experience in corporate strategy, risk management, compliance and business improvement largely focussed on the resource, finance and construction sectors. She has undertaken and advised companies on; due diligence, risk and compliance assessments with related improvements; asset acquisition, management and disposal; debt finance and capital raising; investor relations and reporting; reviewing and reworking organisational strategy; achieving information technology compliance; privacy and confidentiality; and adoption of international standards, frameworks and best practice. Philippa is a director of the Australia Africa Mining Industry Group (AAMIG) and Managing Director of Legate Consulting. |
| Interest in Shares and Options | Nil ordinary shares<br>Nil options |
| Special Responsibilities | Member of all the Committees |
| Directorships held in other listed entities | None |

| | |
|---|---|
| **Adam Davey** | Non-Executive Director – Appointed 20 August 2012 |
| Qualifications | **Professional Diploma in Stockbrokering** |
| Experience | Mr Davey has had experience in the securities industry over the past 25 years. He has served as a Non-Executive Director of a number of industrial and mining companies. He has significant experience in capital raisings, mergers and acquisitions. Mr Davey also serves as Chairman of the non-for-profit organisation Teen Challenge Foundation. |
| Interest in Shares and Options | 520,000 ordinary shares<br>4,000,000 party paid shares<br>250,000 options |
| Special Responsibilities | Member of all the Committees |
| Directorships held in other listed entities | None |

## DIRECTORS' REPORT

**Director Meetings**

The number of Directors' meetings and meetings of Committees of Directors held during the year and the number of meetings attended by each of the Directors of the Company during the year are:

| | | Directors' Meetings | |
|---|---|---|---|
| **Name** | | **Number attended** | **Number eligible to attend** |
| Brian Thomas | Appointed 10 January 2011 | 6 | 6 |
| Philippa Leggat | Appointed 10 January 2011 | 6 | 6 |
| Adam Davey | Appointed 20 August 2012 | 3 | 6 |
| Paul Davey | Appointed 10 January 2011, resigned 20 August 2012 | 1 | 1 |
| Jay Stephenson | Appointed 10 January 2011, resigned 14 December 2012 | 5 | 6 |

**REMUNERATION REPORT (AUDITED)**

This report details the nature and amount of remuneration for each Director of the Company, and Key Management Personnel ("KMP").

**A. Key Management Personnel Remuneration Policy**

The remuneration policy of the Company has been designed to align Director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and Directors to run and manage the Company, as well as create goal congruence between Directors, Executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and Senior Executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board. All Executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Board reviews Executive packages annually by reference to the Company's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

The Non-executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is 9% for period ending 30 June 2013, and 9.25% starting 1 July 2013 and do not receive any other retirement benefits.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

The Board's policy is to remunerate Non-executive Directors at commercial market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

### A. Key Management Personnel Remuneration Policy

However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and Executives' interests in shares and options at year end, refer to Note 6 of the financial statements.

### B. Remuneration

Details of the nature and amount of each element of the emoluments of each of the KMP of the Company (the Directors) for the year ended 30 June 2013 and 30 June 2012 are set out in the following tables:

***For the year ended 30 June 2013***

| | Short-term benefits | | Post-employment benefits | Equity | | | |
|---|---|---|---|---|---|---|---|
| | Salary and fees | Other benefits[1] | Superannuation | Share-based payment options | Other payments[2] | Total | Performance - based |
| **Name** | **$** | **$** | **$** | **$** | **$** | **$** | **%** |
| *Directors:* | | | | | | | |
| Brian Thomas | 60,000 | 1,896 | 5,400 | - | - | 67,296 | - |
| Paul Davey | 5,000 | 271 | 450 | - | - | 5,721 | - |
| Jay Stephenson* | 13,629 | 812 | 1,227 | - | 77,500 | 93,168 | - |
| Philippa Leggat | 30,000 | 1,896 | 2,700 | - | - | 34,596 | - |
| Adam Davey | 27,500 | 1,625 | - | - | - | 29,125 | - |
| | 136,129 | 6,500 | 9,777 | - | 77,500 | 229,906 | - |

***For the period ended 30 June 2012***

| | Short-term benefits | | Post-employment benefits | Equity | | | |
|---|---|---|---|---|---|---|---|
| | Salary and fees | Other benefits | Superannuation | Share-based payment options | Other payments | Total | Performance - based |
| **Name** | **$** | **$** | **$** | **$** | **$** | **$** | **%** |
| *Directors:* | | | | | | | |
| Brian Thomas | 46,333 | 1,625 | 900 | - | - | 48,858 | - |
| Paul Davey | 23,167 | 1,625 | 450 | - | - | 25,242 | - |
| Jay Stephenson* | 23,167 | 1,625 | 450 | - | 101,120 | 126,362 | - |
| Philippa Leggat | 20,887 | 1,625 | 450 | - | - | 22,962 | - |
| Adam Davey | - | - | - | - | - | - | - |
| | 113,554 | 6,500 | 2,250 | - | 101,120 | 223,424 | - |

[1] Directors and officers insurance paid by the company.

[2] Refer to Service Agreements for details of other payments.

* Jay Stephenson is a Director of Wolfstar Group Pty Ltd ("Wolfstar") and Wolfstar Corporate Management Pty Ltd ("WCM"). For details of all agreements refer to the following note.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

### C. Service Agreements

***Service agreement with Wolfstar Corporate Management Pty Ltd***

On 20 June 2011, the Company engaged Wolfstar Corporate Management Pty Ltd ("WCM") to appoint Jay Stephenson as Chief Financial Officer ("CFO") and Company Secretary with effect from the Company's date of quotation on ASX Limited. WCM is a related party of the Company by virtue of it being controlled by Jay Stephenson.

In consideration for the services provided, WCM is entitled to a monthly fee which is reviewed each quarter. The Company will reimburse WCM for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure which may be required.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

The Company incurred fees of $77,500 during the financial year ended 30 June 2013 (30 June 2012: $69,545) and the balance owing at 30 June 2013 was $5,500 (2012: $8,250).

### D. Options issued as part of remuneration for the year ended 30 June 2013.

No options were granted to the Directors during the year ended 30 June 2013.

### E. Equity instruments issued on exercise of remuneration options

There were no equity instruments issued during the year to Directors or other KMP as a result of options exercised that had previously been granted as compensation.

### F. Loans to Directors and Executives

No loans have been made to Directors or Executives of the Company during, or since, the year ended 30 June 2013.

### G. Company performance, shareholder wealth and Directors' and Executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. This will be facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

**End of Remuneration Report**
This report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

**Shares under option**
Unissued ordinary shares of Parker Resources NL under option at the date of this report are as follows:

| Expiry date | Exercise Price | Number under option |
|---|---|---|
| 30 November 2016 | $0.20 | 1,000,000 |

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

**Environmental Regulations**
The Company has entered into Agreements to acquire various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to rehabilitation of areas disturbed during the course of exploration activities. However the Board believes that it has adequate systems in place for management of its environmental requirements as they apply to the Company.

**Significant events after the reporting date**
There have been no significant events arising after the reporting date.

**Indemnification and insurance of Directors and Officers**
The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium of $6,500 in respect of a contract insuring the Directors and Officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

## DIRECTORS' REPORT

### 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 any part of those proceedings.

The Company was not a party to any such proceedings during the period.

### Non-audit Services

Stantons International has not provided any non-audit services during the year.

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 12 of the financial report.

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

Brian Thomas
**DIRECTOR**
Dated at Perth 19 September 2013

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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19 September 2013

Board of Directors
Parker Resources NL
Level 4, 66 Kings Park Road
WEST PERTH WA 6005

Dear Directors

**RE: PARKER RESOURCES NL**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Parker Resources NL.

As Audit Director for the audit of the financial statements of Parker Resource NL for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(Trading as Stantons International)**
**(An Authorised Audit Company)**

**John P Van Dieren**
Director

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2013

| | Note | 30 June 2013 | 30 June 2012 |
|---|---|---|---|
| | | $ | $ |
| Revenue – interest income | | 85,235 | 107,028 |
| Accounting fees | | (82,200) | (69,545) |
| Audit fees | | (16,554) | (15,013) |
| ASX fees | | (13,889) | (727) |
| Consulting and Legal fees | | (30,436) | - |
| Directors' fees | | (136,129) | (113,554) |
| Employees' benefits | | (9,777) | (10,220) |
| Exploration expenditure written off | 10 | (46,316) | (185,731) |
| Share registry fees | | (8,019) | (12,721) |
| Insurance | | (8,767) | (6,923) |
| Other administration expenses | | (15,887) | (25,536) |
| **Loss before income tax** | | (282,739) | (332,942) |
| Income tax expense | 4 | - | - |
| **Loss for the year** | | (282,739) | (332,942) |
| **Other comprehensive income** | | | |
| Item that will not be reclassified to profit or loss | | - | - |
| Item that may be reclassified subsequently to profit or loss | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive loss for the year attributable to members of the Company | | (282,739) | (332,942) |
| Basic and diluted loss per share (cents) | 8 | (1.57) | (2.38) |

The above statement should be read in conjunction with the accompanying notes.

# Parker Resources NL
ACN 148 142 634
# FINANCIAL REPORT

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2013

| | Note | 2013<br>$ | 2012<br>$ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 9 | 2,608,355 | 2,922,660 |
| Other assets and receivable | | 2,748 | 659 |
| **TOTAL CURRENT ASSETS** | | 2,611,103 | 2,923,319 |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Exploration and evaluation expenditure | 10 | - | - |
| **TOTAL NON-CURRENT ASSETS** | | - | - |
| | | | |
| **TOTAL ASSETS** | | 2,611,103 | 2,923,319 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | 21,828 | 49,805 |
| **TOTAL CURRENT LIABILITIES** | | 21,828 | 49,805 |
| | | | |
| **TOTAL LIABILITIES** | | 21,828 | 49,805 |
| | | | |
| **NET ASSETS** | | 2,589,275 | 2,873,514 |
| | | | |
| **EQUITY** | | | |
| Issued capital | 12 | 3,164,619 | 3,166,119 |
| Reserves | 13 | 105,300 | 105,300 |
| Accumulated losses | | (680,644) | (397,905) |
| **TOTAL EQUITY** | | 2,589,275 | 2,873,514 |

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2013

| | Issued Capital | Reserves | Accumulated Losses | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 1 July 2011** | 48,803 | - | (64,963) | (16,160) |
| Loss attributable to members of the Company | - | - | (332,942) | (332,942) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the year | - | - | (332,942) | (332,942) |
| **Transactions with owners, recognised directly in equity** | | | | |
| Shares issued during the year | 3,550,000 | - | - | 3,550,000 |
| Capital raising cost | (432,684) | - | - | (432,684) |
| Options issued during the year | - | 105,300 | - | 105,300 |
| **Balance at 30 June 2012** | 3,166,119 | 105,300 | (397,905) | 2,873,514 |
| **Balance at 1 July 2012** | 3,166,119 | 105,300 | (397,905) | 2,873,514 |
| Loss attributable to members of the Company | - | - | (282,739) | (282,739) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the year | | | (282,739) | (282,739) |
| **Transactions with owners, recognised directly in equity** | | | | |
| Shares issued during the year | - | - | - | - |
| Capital raising costs | (1,500) | - | - | (1,500) |
| Options issued during the year | - | - | - | - |
| **Balance at 30 June 2013** | 3,164,619 | 105,300 | (680,644) | 2,589,275 |

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2013

| | Note | 30 June 2013<br>$ | 30 June 2012<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers | | (331,017) | (241,595) |
| Interest received | | 85,235 | 107,028 |
| **Net cash used in operating activities** | 14 | (245,782) | (134,567) |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for exploration and evaluation expenditure | | (67,022) | (111,229) |
| **Net cash used in investing activities** | | (67,022) | (111,229) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | - | 3,377,000 |
| Capital raising costs paid | | (1,500) | (339,384) |
| **Net cash (used in)/ from financing activities** | | (1,500) | 3,037,616 |
| | | | |
| Net (decrease) / increase in cash and cash equivalents | | (314,304) | 2,791,820 |
| Cash and cash equivalents at the beginning of the year | | 2,922,660 | 130,840 |
| Cash and cash equivalents at the end of year | 9 | 2,608,355 | 2,922,660 |

The above statement should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**(a) 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 accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The accounting policies detailed below have been adopted in the preparation of the financial report. Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars, which is the Company's functional currency.

The Company is a listed public company, incorporated in Australia and operating in Australia. The Company is primarily involved in the exploration of uranium and base metals.

**(i) Adoption of new and revised standards**

**Changes in accounting policies on initial application of Accounting Standards**

*New and amended standards adopted by the group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective* 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

**(ii) Statement of Compliance**

The financial report was authorised for issue on 19 September 2013.

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).

**(iii) Critical accounting estimates and judgements**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

*Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(a) Basis of preparation**

**(iii) Critical accounting estimates and judgements**

*Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

*Recognition of deferred tax assets*

Deferred tax assets relating to temporary differences and unused tax losses have not been recognised as the Directors are of the opinion that it is not probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

**(b) Income Tax**

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(c) Impairment of assets**

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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.

**(d) Cash and cash equivalents**

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

**(e) Revenue**

***Interest***

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(f) Goods and Services Tax (GST)**

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(g) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

**(h) Finance Income and Finance Costs**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

**(i) Employee Benefits**

**Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Other long-term employee benefits**

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

**(j) Exploration and Evaluation Assets**

Exploration and evaluation costs, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs of acquiring licences which are pending the approval of the Department of Mines and Petroleum as at the date of reporting are capitalised as exploration and evaluation cost if in the opinion of the Directors it is virtually certain the Company will be granted the licences.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(j) Exploration and Evaluation Assets (continued)**

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or

ii) 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 assets are assessed for impairment when:

iii) Sufficient data exists to determine technical feasibility and commercial viability, and

iv) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy in Note 3(c)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

**(k) Financial Instruments**

**Initial recognition and measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Financial assets at fair value through profit and loss**

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

**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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the Company's intention to hold these investments to maturity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(k) Financial Instruments (continued)**

**Held-to-maturity investments (continued)**

Such assets are recognised initially at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

**Financial liabilities**

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Derecognition**

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

**(l) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares, which comprise convertible notes and share options granted.

**(n) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**(o) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

**(p) Segment reporting**

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

**(q) Share based payments**

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(r) Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(s) New and revised standards applicable to future periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were in issue but not yet effective:

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|---|---|---|
| AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures' | 1 January 2015 | 30 June 2016 |
| AASB 11 'Joint Arrangements' | 1 January 2013 | 30 June 2014 |
| AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13' | 1 January 2013 | 30 June 2014 |
| AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)' | 1 January 2013 | 30 June 2014 |
| AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements' | 1 July 2013 | 30 June 2014 |
| AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements' | 1 July 2013 | 30 June 2014 |
| AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7) | 1 January 2013 | 30 June 2014 |
| AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132) | 1 January 2014 | 30 June 2015 |
| AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle' | 1 January 2013 | 30 June 2014 |
| AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures' | 1 January 2013 | 30 June 2014 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(s) New and revised standards applicable to future periods (continued)**

The Company has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Company's assessment of those new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(s) New and revised standards applicable to future periods (continued)**

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual ley management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

  This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This standard is not expected to significantly impact the Company's financial report as a whole.

  AASB 119 (September 2011) includes changes to the accounting for termination benefits.

  The Company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

  AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

  These standards are not expected to impact the Company.

### NOTE 2: DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**Share-based payment transactions**

The fair value of the employee share options and the share appreciation right is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 3: LOSS BEFORE INCOME TAX

| | | 2013 | 2012 |
|---|---|---|---|
| **(a) Significant revenues and expenses** | | **$** | **$** |
| The following significant revenue and (expense) items are relevant in explaining the financial performance: | | | |
| - | Interest revenue | 85,235 | 107,028 |
| - | Audit fees | (16,554) | (15,013) |
| - | Donations | (250) | - |
| - | Directors fees | (136,129) | (113,554) |
| - | Exploration expenditure written off | (46,316) | (185,731) |

### NOTE 4: INCOME TAX EXPENSE

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Reconciliation between tax expense and pre-tax loss: | | |
| Accounting loss before income tax | (282,739) | (332,942) |
| Tax at the domestic income tax rate of 30% | (84,822) | (99,883) |
| Temporary differences | (4,378) | 6,703 |
| Capital raising costs | (26,681) | (26,681) |
| Share-based payments | - | 15,000 |
| Tax losses not recognised | 115,881 | 104,861 |
| Income tax benefit | - | - |
| **Unrecognised temporary differences** | | |
| **Deferred tax assets (at 30%)** | | |
| Unused tax losses carried forward | 115,083 | 106,350 |
| Temporary difference | - | 6,703 |
| Capital raising cost | 80,043 | 106,724 |
| Potential benefit @ 30% | 195,126 | 219,777 |

There are no deferred tax liabilities recognised or unrecognised.

All unused tax losses were incurred in Australia.

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and

(iii) No changes in tax legislation adversely affect the Company in realising the benefit.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

## NOTE 5: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Jay Stephenson is a Director of Wolfstar Corporate Management Pty Ltd ("WCM"). During the period, $77,500 was paid to WCM for Chief Financial Officer and company secretarial fees. There was $5,500 fee payable to WCM as at 30 June 2013.

Adam Davey is a Director of Adam Stuart Davey ATV Shenton Park Investment Trust. During the period, $27,500 was paid to Adam Stuart Davey ATF Shenton Park Investment Trust for Adam Davey's director fees. There were nil fees payable to Adam Stuart Davey ATF Shenton Park Investment as at 30 June 2013.

## NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

### (a) Key Management Personnel ("KMP")

Names and positions held of KMP in office at any time during the year are:

**Directors:**

| | | |
|---|---|---|
| Brian Thomas | Non-Executive Chairman | Appointed 10 January 2011 |
| Jay Stephenson | Joint Company Secretary | Appointed 10 January 2011 |
| Philippa Leggat | Non-Executive Director | Appointed 10 January 2011 |
| Adam Davey | Non-Executive Director | Appointed 20 August 2012 |
| Paul Davey | Non-Executive Director | Appointed 10 January 2011, resigned 20 August 2012 |
| Jay Stephenson | Non-Executive Director | Appointed 10 January 2011, resigned 14 December 2012 |

### (b) Key Management Personnel Compensation

The totals of remuneration paid to key management personnel during the year are as follows:

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Short-term benefits | 142,629 | 120,054 |
| Post employment benefits | 9,777 | 2,250 |
| Other payments | 77,500 | 101,120 |
| **Total KMP compensation** | 229,906 | 223,424 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

**NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION(c) Equity instruments disclosure relating to KMP**

The number of shares held by Directors and KMP of the Company during the year ended 30 June 2013, including their personally related parties, is set out below:

***Shares***

| Name | Balance at 1 July 2012 | Granted as compensation | Options Exercised | Bought & (Sold) | Balance at 30 June 2013 |
|---|---|---|---|---|---|
| Brian Thomas | 10,000 | - | - | | 10,000 |
| *Indirect* [1] | 20,000 | - | - | | 20,000 |
| Paul Davey (Resigned 20 August 2012)[2] | 25,000 | - | - | | 25,000 |
| Jay Stephenson (Resigned 14 December 2012) | - | - | - | | - |
| *Indirect* [3] | 20,000 | - | - | | 20,000 |
| Philippa Leggat | - | - | - | | - |
| Adam Davey | - | - | - | | - |
| *Indirect* [4] | 4,770,000 | - | - | (250,000) | 4,520,000 |
| **Total** | **4,845,000** | **-** | **-** | **(250,000)** | **4,595,000** |

| Name | Balance at 1 July 2011 | Granted as compensation | Options Exercised | Bought & (Sold) | Balance at 30 June 2012 |
|---|---|---|---|---|---|
| Brian Thomas | - | - | - | 10,000 | 10,000 |
| *Indirect* [1] | - | - | - | 20,000 | 20,000 |
| Paul Davey | - | - | - | 25,000 | 25,000 |
| Jay Stephenson | - | - | - | - | - |
| *Indirect* [3] | - | - | - | 20,000 | 20,000 |
| Philippa Leggat | - | - | - | - | - |
| Adam Davey | - | - | - | - | - |
| *Indirect* | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **75,000** | **75,000** |

[1] These shares are held by the following personally related parties of Brian Thomas:

- S M Schlink (Hensman Family Account)
- B D Thomas and S M Schlink (K&B Super Fund)

[2] Balance at the end of the year represent resigned director's shareholding as at the date of resignation (20 August 2012).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

**(c) Equity instruments disclosure relating to KMP**

[3] These shares are held by the following personally related parties of Jay Stephenson:

- Pazzia Pty Ltd
- Wolfstar Group Pty Ltd
- Balance at the end of the year represent director's shareholding as at the date of resignation (14 December 2012)

[4] This shares include 4,000,000 partly paid ordinary shares and are held by the following personally related parties of Adam Davey:

- Adam Stuart Davey (Noah & Bailey Rose Davey)
- Adam Davey (Shenton Park Investment A/c)
- Adam Stuart Davey & Marissa Davey (The Davey Super Fund A/c)
- Adam Stuart Davey (Noah & Bailey Rose Davey A/c)
- Court Securities Pty Ltd

The number of options held by Directors and KMP of the Company during the year ended 30 June 2013, including their personally related parties, is set out below:

***Options***

| Name | Balance at 1 July 2012 | Granted as compensation | Options Exercised | Bought & (Sold) | Balance at 30 June 2013 |
|---|---|---|---|---|---|
| Adam Davey (appointed 20 August 2012) | - | - | - | - | 250,000 |
| **Total** | **-** | **-** | **-** | **-** | **250,000** |

KMP held no options in the company at 30 June 2012. Adam Davey held 250,000 options at 30 June 2012& 2011, however he was only appointed as Director on 20 August 2012.

**Loans to KMP**

There were no loans made to or from KMP of the Company during the year ended 30 June 2013.

**(e) Other transactions with KMP**

There have been no other transactions with KMP involving equity instruments other than those described in the table above.

| NOTE 7: AUDITOR'S REMUNERATION | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Details of the amounts paid to the auditor of the Company, Stantons International Audit and Consulting Pty Ltd and its related practices for audit and non-audit services provided during the year are set out below: | | |
| Remuneration of the auditor of the Company for: | | |
| **Auditor's services** | | |
| Audit and review of financial reports | 16,554 | 15,013 |

| NOTE 8: BASIC AND DILUTED LOSS PER SHARE | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| Basic and diluted loss per share (cents) | (1.57) | (2.38) |
| Loss attributable to members of Parker Resources NL | (282,739) | (332,942) |
| Weighted average number of shares outstanding during the year | 18,050,003 | 13,969,866 |

The Company is in a loss making position and it is unlikely that the conversion to, calling of, or subscription for, ordinary share capital in respect of potential ordinary shares would lead to a diluted earnings per share that shows an inferior view of the earnings per share. For this reason, the diluted loss per share for the year ended 30 June 2013 and 2012 are the same as basic loss per share.

**NOTE 9: CASH AND CASH EQUIVALENTS**

| | | |
|---|---|---|
| Cash at bank | 2,608,355 | 2,922,660 |
| Total cash and cash equivalents in the Statement of Cash Flows | 2,608,355 | 2,922,660 |

| NOTE 10: EXPLORATION AND EVALUATION EXPENDITURE | Note | 2013 | 2012 |
|---|---|---|---|
| **Exploration at cost** | | $ | $ |
| Balance at the beginning of the year | | - | - |
| Acquisition of tenement | 12(b) | | 50,000* |
| Exploration of tenement | | 46,316 | 135,731 |
| Exploration expenditure written off | | (46,316) | (185,731) |
| Balance at end of the year | | - | - |

* This represents 250,000 shares issued to Excelsior Gold Limited in September 2011 as consideration for the 70% interest in the Northern Territory tenement EL25347 in relation to the farm in agreement.

**NOTE 11: TRADE AND OTHER PAYABLES**

**CURRENT**

| | | |
|---|---|---|
| Trade payables | 9,828 | 19,961 |
| Accrued expenses | 10,000 | 24,594 |
| Other payables | 2,000 | 5,250 |
| Balance at end of the year | 21,828 | 49,805 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

| NOTE 12: ISSUED CAPITAL | 2013 Number | 2013 $ | 2012 Number | 2012 $ |
|---|---|---|---|---|
| **(a) Ordinary shares** | | | | |
| 18,050,003 (2012: 18,050,003) fully paid ordinary shares | 18,050,003 | 3,163,819 | 18,050,003 | 3,165,319 |
| 8,000,000 (2012: 8,000,000) partly paid ordinary shares | 8,000,000 | 800 | 8,000,000 | 800 |
| Total ordinary shares | | 3,164,619 | | 3,166,119 |

| (b) Movements in fully paid ordinary shares | Note | Date | Number | $ |
|---|---|---|---|---|
| Balance at the beginning of the period | | 1 July 2011 | 300,003 | 48,803 |
| Shares issued at $0.20 * | 10 | 16 September 2011 | 250,000 | 50,000 |
| Shares issued at $0.20 ** | | 23 September 2011 | 17,500,000 | 3,500,000 |
| Capital raising costs | | | - | (432,684) |
| **Balance at the end of the year** | | **30 June 2012** | **18,050,003** | **3,165,319** |
| Balance at the beginning of the year | | 1 July 2012 | 18,050,003 | 3,165,319 |
| Capital raising cost | | | - | (1,500) |
| **Balance at the end of the year** | | **30 June 2013** | 18,050,003 | 3,163,819 |

* Shares issued to Excelsior Gold Limited in relation to Farm-In and Joint Venture Agreement entered in June 2011 to acquire 70% interest in the Northern Territory Allambi Project (tenement EL25347).
** Shares issued upon listing on the ASX on 23 September 2011.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

These partly paid shares were issued to promoters of the Company

**(c) Movements in partly paid shares**

| | Date | Number | $ |
|---|---|---|---|
| Balance at the beginning of the year | 1 July 2012 | 8,000,000 | 800 |
| **Balance at the end of the year** | **30 June 2013** | **8,000,000** | **800** |

Partly paid shares allotted to the holder will participate in all issues of securities (including issues of shares, options and convertible notes) made to shareholders of the Company pro-rata to the proportion of the total issue price paid up. Upon becoming fully paid, each partly paid share will rank equally in all respects with the other issued fully paid ordinary shares in the Company. Dividends may be declared in respect of any of the partly paid shares notwithstanding that the issue price of such partly paid shares has not been paid in full. The partly paid shares will participate in any dividends on the same basis as if the partly paid shares were fully paid. The holder will be entitled to exercise any vote attaching to a partly paid share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro-rata to the proportion of the total issue price paid up. The uncollected unpaid is $1,599,200.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 12: ISSUED CAPITAL

**(d) Capital risk management**

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Company consists of equity comprising issued capital, reserves and accumulated losses.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is to maintain sufficient current working capital position to meet the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June is as follows:

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| Cash and cash equivalents | 2,608,355 | 2,922,660 |
| Other receivables | 2,223 | 82 |
| Trade and other payables | (21,828) | (49,805) |
| | 2,588,750 | 2,872,937 |

The Company is not subject to any externally imposed capital requirements.

### NOTE 13: RESERVES

<u>Nature and purpose of reserves</u>

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

**Movements in options issued**

| | Date | Number | $ |
|---|---|---|---|
| Balance at the beginning of the year | 1 July 2012 | 1,000,000 | 105,300 |
| Balance at the end of the year | 30 June 2013 | 1,000,000 | 105,300 |

The values of options on issue during the prior year were calculated applying the following inputs:

| | Broker Options |
|---|---|
| Number of options issued | 1,000,000 |
| Exercise price | $0.20 |
| Valuation date | 23 September 2011 |
| Expiry date | 30 November 2014 |
| Market price of shares at grant date | $0.20 |
| Expected share price volatility | 75% |
| Risk-free interest rate | 3.75% |
| Valuation per option | $0.1053 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

## NOTE 14: CASH FLOW INFORMATION

| **Reconciliation of cash flow (used in)/from operating activities to loss after income tax** | **2013 $** | **2012 $** |
|---|---|---|
| Loss after income tax | (282,739) | (332,942) |
| *Adjustments for*: | | |
| Exploration expenditure written off | 46,316 | 185,731 |
| *Changes in assets and liabilities* | | |
| Decrease / (Increase) in other receivables | (2,141) | (82) |
| Decrease / (Increase) in prepayment | 52 | (577) |
| Increase in trade and other payables | (7,270) | 13,303 |
| Cash flow (used in)/from operating activities | (245,782) | (134,567) |

**Non-cash Financing and Investing Activities**

There were no non cash financing or investing activities during the year. In the year ended 30 June 2012, 250,000 shares at 20 cents each were issued to acquire 70% interest in the Northern Territory Allambi Project.

## NOTE 15: OPERATING SEGMENTS

The accounting policies used by the Company in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.
The Company has identified its operating segments based on the internal reports that are provided to the Board of Directors. There are a number of exploration projects located in Northern Territory at various stages of development. According to AASB 8 *Operating Segments*, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type or class of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- If applicable, the nature of the regulatory environment, for example; banking, insurance and public utilities.

Management has identified that all projects in Australia have similar economic characteristics and are similar in nature taking into account each of the above mentioned aspects. The principal activity for all projects is exploration of uranium and base metals. Each project is likely to have the same methods to distribute the resources in future and the nature of the regulatory environment which is Australia, is the same for each project. Accordingly, management has identified one operating segment based on the location of the projects, that being Australia.

As only one operating segment has been identified, no segmental information has been disclosed as the information presented in the financial statements represent the segmental information for Australia.

## NOTE 16: FINANCIAL RISK MANAGEMENT

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Company holds the following financial instruments:

| | 2013 | 2012 |
|---|---|---|
| **Financial assets** | **$** | **$** |
| Cash and cash equivalents | 2,608,355 | 2,922,660 |
| Trade and other receivables | 2,223 | 82 |
| **Financial liabilities** | | |
| Trade and other payables | (21,828) | (49,805) |
| | 2,588,750 | 2,872,937 |

The fair value of the Company's financial assets and liabilities approximate their fair value.

### (a) Market risk

The Company is exposed to interest rate risk that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (b) Credit risk

Credit exposure represents the extent of credit related losses that the Company may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables. The objective of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Statement of Financial Position.

The credit quality of the financial assets was high during the period. The table below details the credit quality of the financial assets at the end of the period:

| | | 2013 | 2012 |
|---|---|---|---|
| **Financial assets** | **Credit Quality** | **$** | **$** |
| Cash and cash equivalents held at Westpac Bank | | | |
| - Interest-bearing deposit | High | 2,608,355 | 2,922,660 |
| Other receivables | High | 2,223 | 82 |
| | | 2,610,578 | 2,922,742 |

**Impairment losses**

There are no past due receivables for the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

## NOTE 16: FINANCIAL RISK MANAGEMENT

### (c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the Company is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Company aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Company did not have access to any undrawn borrowing facilities at the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

| As at 30 June 2013 | Carrying Amount | Contractual Cash flows | <3 months | 3-6 months | 6-24 months |
|---|---|---|---|---|---|
| Trade and other payables | 21,828 | 21,828 | 21,828 | - | - |

| As at 30 June 2012 | Carrying Amount | Contractual Cash flows | <3 months | 3-6 months | 6-24 months |
|---|---|---|---|---|---|
| Trade and other payables | 49,805 | 49,805 | 49,805 | - | - |

### (d) Cash flow and fair value interest rate risk

From time to time the Company has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Company's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is below.

| | Floating interest rate | Non-interest bearing | 2013 Total | Floating interest rate | Non-interest bearing | 2012 Total |
|---|---|---|---|---|---|---|
| **Financial Assets** | **$** | **$** | **$** | **$** | **$** | **$** |
| Cash and cash equivalents | 2,608,355 | - | 2,608,355 | 2,922,660 | - | 2,922,660 |
| Other receivables | - | 2,223 | 2,223 | - | 82 | 82 |
| | 2,608,355 | 2,223 | 2,610,578 | 2,922,660 | 82 | 2,922,742 |
| Weighted average interest rate for the year | 3.11% | - | - | 3.75% | - | - |
| **Financial Liabilities** | | | | | | |
| Trade and other payables | - | 21,828 | 21,828 | - | 49,805 | 49,805 |
| Loans | - | - | - | - | - | - |
| | - | 21,828 | 21,828 | - | 49,805 | 49,805 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 16: FINANCIAL RISK MANAGEMENT**

**(d) Cash flow and fair value interest rate risk**

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Company's equity and profit or loss by $27,373 (2012: $28,515).

**(e) Financial risk management**

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not speculate in the trading of derivative instruments.

**(f) Net fair value of financial assets and liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

**NOTE 17: COMMITMENTS**

**Exploration expenditure commitments**

The Company has a commitment to spend $356,500 over a two year period on Northern Territory tenement EL 25347.

**NOTE 18: CONTINGENT LIABILITIES**

There are no contingent liabilities as at 30 June 2013 and 2012.

**NOTE 19: SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

There have been no significant events arising subsequent to the reporting date.

**NOTE 20: COMPANY DETAILS**

The registered and principal office of the Company is:

Level 4, 66 Kings Park Road
West Perth WA 6005

Telephone 08 6141 3500
Facsimile 08 6141 3599
Website: www.parkerresources.com.au
Email: info@parkerresources.com.au

## DIRECTORS' DECLARATION

1. In the opinion of the Directors of Parker Resources NL ('the Company'):

   (a) the financial statements and notes and the Remuneration Report in the Directors' Report, set out on pages 7 to 37, 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 2013 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);

   (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 Financial Officer for the financial year ended 30 June 2013.

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

Brian Thomas
**DIRECTOR**
Dated at Perth on 19 September 2013.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF
# PARKER RESOURCES NL

## Report on the Financial Report

We have audited the accompanying financial report of Parker Resources NL, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the 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.

*Directors' responsibility for the Financial Report*

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

*Auditor's Responsibility*

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

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

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*.

*Opinion*

In our opinion:

(a) the financial report of Parker Resources NL is 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 2013 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 7 to 10 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

*Opinion*
In our opinion the remuneration report of Parker Resources NL for the year ended 30 June 2013 complies with section 300 A of the *Corporations Act 2001.*

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(Trading as Stantons International)**
**(An Authorised Audit Company)**

Stantons International audit and Consulting Pty Ltd

**John P Van Dieren**
Director

West Perth, Western Australia
19 September 2013

## CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Parker Resources NL ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;

2 Structure the Board to add value;

3 Promote ethical and responsible decision-making;

4 Safeguard integrity in financial reporting;

5 Make timely and balanced disclosure;

6 Respect the rights of shareholders;

7 Recognise and manage risk;

8 Remunerate fairly and responsibly.

### 1. Lay solid foundations for management and oversight.

***Recommendation 1.1:*** *Management should establish and disclose functions reserved to the Board and delegated to management.*

**Roles and Responsibilities:**

The roles and responsibilities carried out by the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

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

The Board regularly reviews the performance of senior executives.

***Recommendation 1.3:*** *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the period.

### 2. Structure the Board to add value.

***Recommendation 2.1:*** *A majority of the Board should be independent Directors.* - All Directors are independent. Refer general comment below.

***Recommendation 2.2:*** *The Chairperson should be an independent Director.* – The Chairman is independent. Refer general comment below.

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

***Recommendation 2.4:*** *Establishment of a nominations committee.*

## CORPORATE GOVERNANCE STATEMENT

***Recommendation 2.5:*** *Disclose the process for performance evaluation of the Board, its committees and individual directors, and key executives.*

***Recommendation 2.6:*** *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

**General Comments:**

**Membership**

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of four non-executive Directors. Refer to the Directors' Report for details of each Director's profile. The majority of the Board is independent.

**Chairman and Managing Director**

The Company does not have a Managing Director. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level.

**Performance Evaluation**

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a process of internal review. The Board also formally reviews its governance arrangements on a similar basis annually.

The performance of Key Management Personnel ("KMP") is reviewed on an annual basis by the Board and remuneration committee.

Further details regarding the Board's remuneration policy for KMP is provided in the Remuneration Report on page 8.

**Nomination Committee**

The Company has a formal charter for the Nomination Committee, and all members of the board have been appointed to the Committee.

**Skills**

The Directors bring a range of skills and background to the Board including Geology, Accounting, and Finance.

**Experience**

The Directors have considerable experience in business at both operational and corporate levels.

**Meetings**

The Board endeavours to meet at least bi-monthly on a formal basis, although the board regularly meets informally.

**Independent professional advice**

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

**3. Promote ethical and responsible decision-making.**

***Recommendation 3.1:*** *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:*

*3.1.1 The practices necessary to maintain confidence in the Company's integrity;*

*3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;*

*3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

## CORPORATE GOVERNANCE STATEMENT

***Recommendation 3.2:*** *Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.*

The Company has a diversity policy included in its Corporate Governance Policy.

***Recommendation 3.3:*** *Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

The Company believes that the promotion of diversity on boards, in senior management and within the organisation generally broadens the pool for recruitment of high quality directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

The Company is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the Company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Company. Diversity within the Company means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its board and its staff. Hiring of new employees and promotion of current employees are made on the bases of performance, ability and attitude.

***Recommendation 3.4:*** *Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Currently there is one woman on the board but there are no women employees in the whole organisation or in senior executive positions. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

***Recommendation 3.5:*** *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

A summary of both the Company's Code of Conduct and its Share Trading Policy will be included on the Company's website, www.parkerresources.com.au

**4. Safeguard integrity in financial reporting.**

***Recommendation 4.1:*** *The Board should establish an audit committee.*

***Recommendation 4.2:*** *Structure the audit committee so that it consists of:*

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

***Recommendation 4.3:*** *The Audit Committee should have a formal charter. – Refer to Recommendation 4.1.*

**General Comments:**

**Integrity of Company's Financial Condition**

The Company's Financial Controller and Company Secretary report in writing to the Board that the financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results in accordance with relevant accounting standards.

## CORPORATE GOVERNANCE STATEMENT

**Audit Committee**

The Company has a formal charter for an Audit Committee. The Audit Committee comprises the entire board. The Audit Committee:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

The Chairperson of the Audit Committee is Mr Jay Stephenson. The Company has determined that Mr Stephenson is the most suitable director to chair the Audit Committee due to his competency in corporate governance, accounting and finance and the limited size of the Board.

**5. Make timely and balanced disclosure**.

***Recommendation 5.1:*** *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules that the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders receive a copy of the Company's annual report.

**Recommendation 5.2:** *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

**6. Respect the rights of shareholders.**

***Recommendation 6.1:*** *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

***Recommendation 6.2:*** *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.*

**General Comments:**

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Stantons International Audit and Consulting Pty Ltd, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

## CORPORATE GOVERNANCE STATEMENT

**7. Recognise and manage risk**

***Recommendation 7.1:*** *The Board or appropriate Board committee should establish policies on risk oversight and management.*

***Recommendation 7.2:*** *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

*7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.*

*7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.*

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

***Recommendation 7.4:*** *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

**General Comments:**

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

The Chief Financial Officer/Company Secretary state in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

**8. Remunerate fairly and responsibly**

***Recommendation 8.1:*** *The Board should establish a Remuneration Committee.*

***Recommendation 8.2:*** *Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.*

***Recommendation 8.3:*** *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

**General Comments:**

**Principles used to determine the nature and amount of remuneration**

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The Remuneration Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

## CORPORATE GOVERNANCE STATEMENT

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

### Remuneration Committee

Members of the Remuneration Committee are the Board members.

### Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report and Note 6 to the financial statements.

### Departure from Best Practice Recommendations

From the Company's incorporation, the Company complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council.

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

**1 Shareholding as at 17 September 2013**

**(a) Distribution of Shareholders**

| Category (size of holding) | Number of Shareholders |
|---|---|
| 1 – 1,000 | 4 |
| 1,001 – 5,000 | 2 |
| 5,001 – 10,000 | 156 |
| 10,001 – 100,000 | 193 |
| 100,001 – and over | 33 |
| | 388 |

**(b)** The number of shareholdings held in less than marketable parcels is 4.

**(c) Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**(d) 20 Largest Shareholders — Ordinary Shares as at 17 September 2013**

| | Name | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|---|---|---|---|
| 1. | Inswinger Holdings Pty Ltd <Keidon Superannuation A/C> | 750,000 | 4.16 |
| 2. | Mr Richard Anthony De Souza + Mrs Karen Louise De Souza <De Souza Super Fund A/C> | 695,000 | 3.85 |
| 3. | Mr Peter Leuzzi | 596,900 | 3.31 |
| 4. | Court Securities Pty Ltd | 500,000 | 2.77 |
| 5. | Mr Allan Graham Jenzen + Mrs Elizabeth Jenzen <A & E Jenzen P/L No2 S/F A/C> | 500,000 | 2.77 |
| 6. | Palace Trading Investments Ltd | 500,000 | 2.77 |
| 7. | Mr Robert John Peters + Mrs Sandra Lillian Peters <Peters Super Fund A/C> | 500,000 | 2.77 |
| 8. | Second Impact Investments Limited | 500,000 | 2.77 |
| 9. | WB Nominees Limited | 500,000 | 2.77 |
| 10. | Goldenwing Nominees Pty Ltd <The Robinson Family A/C> | 375,000 | 2.08 |
| 11. | Excelsior Gold Limited | 250,000 | 1.39 |
| 12. | Mimo Strategies Pty Ltd <Mimo A/C> | 250,000 | 1.39 |
| 13. | Pacific Finance and Securities Pty Ltd <Paladin Private Pension A/C> | 250,000 | 1.39 |
| 14. | Sgian Dubh Pty Ltd | 250,000 | 1.39 |

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

| | | | |
|---|---|---|---|
| 15. | Trindis Pty Ltd | 250,000 | 1.39 |
| 16. | Vynben Pty Ltd <Mark Hohnen Super Fund A/C> | 250,000 | 1.39 |
| 17. | Mr David Arthur Paganin <Da Paganin Family No 2 A/C> | 235,000 | 1.30 |
| 18. | Protection Engineering Services Division Pty Ltd | 205,893 | 1.14 |
| 19. | Mr Michael Frank Manford <Alto Super Fund A/C> | 200,000 | 1.11 |
| 20. | Vinceman Pty Ltd | 195,000 | 1.08 |
| | | **7,752,793** | **42.99** |

**2** The names of the Joint Company Secretaries are Julia Beckett and Jay Stephenson.

**3** The address of the principal registered office in Australia is Level 4, 66 Kings Park Road West Perth WA 6005. Telephone (08) 6141 3500.

**4 Registers of securities are held at the following addresses**

Computershare Investor Services Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000

**5 Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

**6 Unquoted Securities**

**Options over Unissued Shares**

A total of 1,000,000 options over unissued shares are on issue to brokers.

**7 Use of Funds**

The Company has used its funds in accordance with its initial business objectives.

## TENEMENT SCHEDULE

| Project Area | Tenement Numbers |
|---|---|
| Allambi | EL25347 |