URANIUM EQUITIES LIMITED

ABN 74 009 799 553

Annual Financial Report
30 June 2014

Uranium Equities Limited and its controlled entities
Corporate directory

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

Company Secretary
Rolf A Heinrich

Principal Place of Business & Registered Office

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Auditors
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151 Pirie Street
ADELAIDE South Australia 5000

Share Registry
Computershare Investor Services Pty Limited
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Tel: 1300 556 161

Home Exchange
ASX Limited
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SYDNEY New South Wales 2000

ASX Code
Share Code: UEQ

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Directors' report

The directors present their report together with the financial report of Uranium Equities Limited ('Uranium Equities' or 'the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2014 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
T R B Goyder Executive Chairman	Tim has over 30 years' experience in the resource industry. He has been involved in the formation and management of a number of publicly-listed companies and is currently Executive Chairman of Chalice Gold Mines Limited, Chairman of Liontown Resources Limited and a director of PhosEnergy Limited. Tim was also a director of Strike Energy Limited up until June 2014. He has been a Director since 2002, Chairman since November 2013, and is a member of the Company's Audit Committee.
B L Jones BAppSc, MMinEng, FAusIMM Non-executive Director (Managing Director until 28 March 2014)	Bryn is an Industrial Chemist with extensive experience in the uranium industry, particularly in the development of the PhosEnergy Process and operation of In-Situ Recovery (ISR) mines gained during his time at Heathgate Resources, the operator of the Beverley Uranium Mine. Bryn has also worked for Worley Parsons on the Olympic Dam Expansion Project and consulted on various ISR operations around the world. Bryn is Managing Director of PhosEnergy Limited. He has been a Director of the Company since 2009 and is a member of the Company's Audit Committee.
R K Hacker B.Com, ACA, ACIS Independent Non-executive Director (appointed 28 November 2013)	Richard has significant professional and corporate experience in the energy and resources sector in Australia and the United Kingdom. Richard has previously worked in senior finance roles with global energy companies including Woodside Petroleum Limited and Centrica Plc. He is a Chartered Accountant and Chartered Secretary and is CFO and Company Secretary for Chalice Gold Mines Limited and Company Secretary of Liontown Resources Limited. Richard was appointed a Director in November 2013 and is the Chairman of the Company's Audit Committee.
A W Kiernan LLB Non-executive Chairman (resigned 28 November 2013)	
T C Pool PE SME MAusIMM Independent Non-executive Director (resigned 1 October 2013)	

2. Company secretary

R A Heinrich B.Com, FCPA	Rolf has over 20 years' professional and corporate experience across a variety of sectors in both Australia and the United Kingdom. Rolf has worked in senior finance roles with companies including, most recently, Elders Limited as Finance Manager for the Farm Supplies division and prior to this Newcrest Mining Limited as the group's Manager of Business Analysis. He is CFO and Company Secretary for PhosEnergy Limited. He has been CFO of the Company since 2008 and Company Secretary since 2009.

3. Directors' meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the financial year were:

Director	Number of board meetings attended	Number of meetings held during the time the director held office during the year	Number of Audit Committee meetings attended	Number of meetings held during the time the director was a Committee Member during the year
T R B Goyder	5	5	2	2
B L Jones	5	5	1	1
R K Hacker	3	3	1	1
A W Kiernan	2	2	1	1
T C Pool	2	2	1	1

A number of matters were also approved by the unanimous written consent of the directors.

4. Principal activities

The principal activities of the consolidated entity during the course of the financial year were mineral exploration and evaluation and the provision of management services for the development of the PhosEnergy Process.

5. Operating and Financial Review

Overview

During the period the Company progressed its key exploration projects and finalised the demerger of its PhosEnergy Process assets. The Nabarlek Project in the Alligator Rivers Uranium Field (ARUF) continued to be the main focus, considered by the Company as one of the most prospective regions in which to find high grade, world class uranium deposits in Australia. Arnhem Minerals Pty Ltd, the holder of 7 exploration licence applications covering 2.096km^2 in the region, was acquired in June 2014, coinciding with a drill program at the Nabarlek Mineral Lease and West Arnhem Joint Venture ground where the Company is earning a 100% interest.

The potential for Iron-Oxide-Copper-Gold ("IOCG") mineralisation at the Company's greenfield Marla and Oodnadatta Projects was also tested during the period with Chalice Gold Mines Limited under a farm-in agreement over the area.

Exploration

Alligator Rivers Uranium Field (ARUF)

The ARUF is a world-class uranium province, comparable to the Athabasca Uranium Province in Canada in terms of its uranium endowment and geological setting. However, in contrast to the Athabasca, the ARUF is relatively unexplored, having received a fraction of the exploration expenditure of its Canadian counterpart.

The ARUF's known uranium endowment, including mined resources, exceeds 500Mlbs of uranium. The ARUF hosts a number of exceptional uranium deposits including Energy Resources of Australia's Ranger and Jabiluka deposits as well as the historic, high-grade Nabarlek deposit[(1)]. The recent high-grade discovery by Cameco Australia at Angularli – where drill-hole WRD0084 returned intersections including 12.2m @ 1.1% U_3O_8 and 20.2m @ 5.2% U_3O_8[(2)] – highlights the prospectivity of the region.

The focus of Uranium Equities' exploration activities in the ARUF is on the discovery of high-grade Alligator Rivers-style, unconformity related uranium deposits. The Company has been actively exploring the region in joint venture with Cameco Australia since 2007, and believes that its newly consolidated ground position has significant discovery potential.

To consolidate a dominant ground position in the region the Company reached agreement to acquire an extensive and highly prospective tenement package covering 2,096km^2 from Spectrum Rare Earths Limited for $625,000 in June 2014.

A Reverse Circulation (RC) drilling program targeting prospects on the Nabarlek Mineral Lease and West Arnhem JV areas also commenced in mid-June 2014 and was finalised after the balance date. A total of 31 RC drillholes for 4,757 metres were completed. Assay results from the program are currently pending and are expected in the September 2014 quarter.

Targets included areas of elevated radon anomalism adjacent to the U40 Prospect and other significant structural and geochemical targets throughout the region while deeper drilling on the Nabarlek ML, beneath the historical Nabarlek Pit, tested the Company's 'Nabarlek Deeps' concept.

(1) *Sources: Energy Resources of Australia Limited ASX Announcement – Annual Statement of Reserves and Resources - 30th January 2014*
Alligator Energy Limited ASX Announcement – Quarterly Activities Report – 30th April 2014
Lally FH and Bajwah ZU, 2006. Uranium Deposits of the Northern Territory. NTGS Report 20

(2) *Source: Northern Territory Geological Survey (NTGS) AGES Conference 2013 presentation by Ian Scrimgeour*

Marla & Oodnadatta Projects

In September 2013 Chalice Gold Mines Limited (ASX: CHN) entered into a farm-in joint venture agreement over the Company's Oodnadatta and Marla Projects in South Australia. The farm-in agreement gave Chalice the right to earn up to 70% of both projects by sole funding a total of $5.5 million in exploration expenditure.
A drilling campaign on the Marla Project tested the highest priority target areas where gravity and magnetic anomalism were interpreted to coincide in areas of complex structural interactions and a detailed ground gravity survey was completed across target areas on both projects. Following a review of the results from these exploration programs, Chalice withdrew from the farm-in joint venture prior to earning any interest in the projects.

As a result of the withdrawal by Chalice the Company decided to relinquish all tenements for both projects.

Corporate & Financial

The cash balance reduced over the period by $0.5 million to $0.3 million. A number of cash conservation measures along with the sale of the Company's investment in Energia Minerals Limited and receipt of an R&D tax refund relating to 2013 of $0.45 million in December 2013 provided funds for ongoing exploration in the ARUF during the year.

Subsequent to the balance date the Company raised $1.20 million (before costs) via a share placement and a partially underwritten non-renounceable 1 for 3 rights issue at 1 cent per share. The directors have until 19 November 2014 to place the shortfall of $0.26 million under the offer.

PhosEnergy Demerger

The Company separated its exploration and PhosEnergy Process assets (demerger) on 13 September 2013 following approval by shareholders on 29 August 2013. The demerger has created two independently focussed companies that allows different funding and development strategies to be applied to the substantially different businesses.

The demerger was implemented by:
(a) transferring the PhosEnergy Process assets into the Company's wholly owned subsidiary, PhosEnergy Limited (PEL) in return for shares in PEL; and
(b) distributing 30 million of the 33 million issued shares in PEL to shareholders (for no cash outlay) on an approximately 1 for 10 basis.

Sale of Energia Minerals shares

In October 2013 the Company sold its 18.52% interest in Energia Minerals Limited (ASX: EMX) to ASX-listed uranium explorer Enterprise Uranium Limited (ASX: ENU). The Company's 37,280,714 Energia shares were transferred to Enterprise Uranium for 2.2 cents per share for a total consideration of $820,176, comprising $500,000 in cash and the balance in Enterprise Uranium shares at an issue price of 4.0 cents (for a total 8,004,393 shares). The Enterprise Uranium shares are on hand at the date of this report.

Strategy & Outlook

The Company, in conjunction with joint venture partners, will continue to explore in premier Australian uranium districts in the coming year.

Funding for the Company and its projects is expected to comprise a combination of use of existing cash, realisation of existing assets, joint venture arrangements and access to the equity market, if necessary. The Directors will take the appropriate action, including curtailing expenditure, to ensure these funds are available as and when they are required.

6. Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company other than the demerger of the Company's PhosEnergy Process assets in September 2013 noted above.

7. Remuneration report – audited

This report outlines remuneration arrangements in place for directors and executives of Uranium Equities and the consolidated entity.

7.1 Principles of compensation - audited

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity and include directors and other executives.

The broad remuneration policy of the Company is to ensure that remuneration levels for executive directors, secretaries and other key management personnel are set at competitive levels to attract and retain appropriately qualified and experienced personnel. Remuneration packages include a combination of fixed remuneration and long term incentives.

The Company has an Employee Long Term Incentive Plan ("LTIP") allowing the Board to grant performance-based rights linked to measurable achievements which contribute to the short term operational performance and the long term growth of the Company ("Performance Rights"). Performance Rights convert into fully paid ordinary shares in the Company when the particular vesting conditions are met. The LTIP was approved by shareholders on 24 May 2013.

The Company also has an Employee and Consultants Option Plan which provides key management personnel incentives to maximise shareholder returns through increases in share prices over time. Option exercise prices are set at a premium to the share price at grant date.

The Board determines the most appropriate incentive plan to use depending on the Company's size and stage of development.

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

	2014	2013	2012	2011	2010
	$	$	$	$	$
Loss attributable to owners of the company	(1,480,981)	(2,612,310)	(2,047,865)	(2,494,378)	(997,778)
Dividends paid	-	-	-	-	-
Change in share price	(0.01)	(0.01)	(0.02)	-	(0.04)

The change in share price over the year can be mainly attributed to the demerger of the PhosEnergy Process assets in September 2013.

Fixed compensation

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers the Company's financial position as well as the person's responsibilities, expertise, duties and personal performance.

Long-term incentives

Employee Long Term Incentive Plan (LTIP)

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

The Company believes that grants of Performance Rights made to eligible participants under the LTIP provides a powerful tool to underpin the Company's employment and growth strategy, and that the LTIP will:

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

A summary of the LTIP is as follows:

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

Employee and Consultants Option Plan

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

The Company believes that the issue of options aligns the interests of directors, employees and shareholders alike. Importantly, option exercise prices are generally set at a premium to the share price.

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

Performance related compensation

Performance linked compensation is restricted to the Company's Employee Long Term Incentive Plan described above which provides for grants of performance rights over ordinary shares in the Company. Performance Rights do not vest unless performance conditions are met.

Employment contracts

The terms and conditions of the Executive Chairman's contract include annual remuneration of $95,000 including superannuation, no fixed term and a standard notice period of 1 month. As a cash conservation measure the Executive Chairman has elected to have his remuneration accrued and not paid. At 30 June 2014 the balance owing was $23,750 (2013: nil).

The CFO & Company Secretary has a contract of employment with the Company which is of unlimited term and capable of termination on one month's notice. Termination payments are linked to length of service with a maximum of 8 weeks base salary payable after 4 years of service.

Non-executive directors

The Board recognises the importance of attracting and retaining talented non-executive directors and aims to remunerate these directors in line with fees paid to directors of companies in the mining and exploration industry of a similar size and complexity.

Total fees for all non-executive directors, last voted upon by shareholders at the 2006 Annual General Meeting ('AGM'), are not to exceed $200,000 per annum. Other than superannuation, non-executive directors are not provided with retirement benefits.

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

As a cash conservation measure the Board has resolved to accrue rather than pay the majority of non-executive director fees until further notice. At 30 June 2014 the balance of director's fees owing was $82,292 (2013: $110,833).

7.2 Directors' and executive officers' remuneration - audited

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

Consolidated and the Company Key Management Personnel		Short-term payments: Salary & fees[1] $	Short-term payments: Annual leave entitlements paid $	Short-term payments: Non-monetary benefits $	Short-term payments: Total $	Post-employment payments: Superannuation benefits[1] $	Other Long-term: Long service leave entitlements paid $	Termination benefits $	Share-based payments: Options & Performance Rights (A) $	Total $	Value of options as proportion of remuneration %
Directors											
T R B Goyder	2014	55,301	-	3,426	58,727	5,115	-	-	-	63,842	-
	2013	55,046	-	3,262	58,308	4,954	-	-	-	63,262	-
B L Jones	2014	207,272	54,488	3,844	265,604	18,056	76,789	-	-	360,449	-
	2013	259,738	-	3,669	263,407	22,300	-	-	1,224	286,931	0.4%
R K Hacker	2014	13,349	-	1,598	14,947	1,235	-	-	-	16,182	-
(appointed 28 November 2013)	2013	-	-	-	-	-	-	-	-	-	-
A W Kiernan	2014	26,697	-	1,142	27,839	2,470	-	-	-	30,309	-
(resigned 28 November 2013)	2013	64,220	-	3,262	67,482	5,780	-	-	-	73,262	-
T C Pool	2014	15,000	-	685	15,685	-	-	-	-	15,685	-
(resigned 1 October 2013)	2013	60,000	-	3,262	63,262	-	-	-	1,461	64,723	2.3%
Executives											
R A Heinrich (CFO & Company	2014	200,000	-	4,096	204,096	18,500	-	-	-	222,596	-
Secretary)	2013	200,000	-	3,902	203,902	18,000	-	-	692	222,594	0.3%

(1) Includes non-executive directors' fees accrued but not paid of $82,292 (2013: $110,833) and the Executive Chairman's salary accrued but not paid of $23,750 (2013: Nil). Refer section 7.1 above.

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

A. The fair value of the options and performance rights is calculated at the date of grant using a binomial option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options and performance rights allocated to this reporting period.

Details of performance related remuneration

Details of the consolidated entity's policy in relation to the proportion of remuneration that is performance related is discussed in section 7.1 of this report.

7.3 Equity instruments - audited

7.3.1 Options and rights over equity instruments granted as compensation

a) Options

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

b) Performance Rights

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

7.3.2 Exercise of options or performance rights granted as compensation

During the reporting period there were no shares issued on the exercise of options or vesting of Performance Rights previously granted as compensation.

7.3.3 Analysis of movement in options and Performance Rights

The movement during the reporting period, by value, of options and performance rights over ordinary shares in the Company held by each Company director and each of the named key management personnel is detailed below.

	Value Granted in year $ (A)		Value Exercised or vested in year $ (B)		Value Lapsed in year $ (C)	
	Options	Performance Rights	Options	Performance Rights	Options	Performance Rights
Directors						
B L Jones	-	-	-	-	-	16,269
Executives						
R A Heinrich	-	-	-	-	-	8,440

A. The value of options and Performance Rights with a market condition granted in the year is the fair value calculated at grant date using a binomial option-pricing model. The value of each Performance Right with a non-market condition such as the achievement of strategic objectives is based on the underlying share price at the grant date. The total value attached to these rights takes into account the Company's best estimate at the grant date of the number of rights that will vest.

The total value of the options and performance rights granted is included in the table above. This amount is allocated to remuneration over the vesting period.

B. The value of options and Performance Rights exercised during the year is calculated as the market price of shares of the Company on the ASX as at close of trading on the date the options or Performance rights were exercised after deducting the price paid to exercise the option or Performance Right.

C. The value of the options or Performance Rights that lapsed during the year represents the benefit foregone and is calculated at the date the option or Performance Right lapsed using either a binomial option-pricing model or market value of underlying shares with no adjustments for whether the performance criteria have or have not been achieved.

7.3.4 Options and rights over equity instruments granted as compensation

Movement in Options

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

	Held at 1 July 2013	Granted	Exercised	Expired/ Forfeited	Held at 30 June 2014	Vested during the year	Vested and exercisable at 30 June 2014
Directors							
T R B Goyder	1,000,000	-	-	(1,000,000)	-	-	-
B L Jones	1,000,000	-	-	(1,000,000)	-	-	-
R K Hacker	-	-	-	-	-	-	-
A W Kiernan	1,500,000	-	-	(1,000,000)	(1)	-	(1)
T C Pool	500,000	-	-	-	(2)	-	(2)
Executive							
R A Heinrich	500,000	-	-	(250,000)	250,000	-	250,000

(1) A W Kiernan resigned on 28 November 2013. His option holding at this date was 500,000. As Mr Kiernan is no longer a director his option holding at 30 June 2014 has not been disclosed.

(2) T C Pool resigned on 1 October 2013. His option holding at this date was 500,000. As Mr Pool is no longer a director his option holding at 30 June 2014 has not been disclosed.

Movement in Performance Rights

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

	Held at 1 July 2013	Granted	Converted	Expired/ Forfeited	Held at 30 June 2014	Vested during the year	Vested at 30 June 2014
Directors							
B L Jones	2,850,000	-	-	2,850,000	-	-	-
Executive							
R A Heinrich	1,500,000	-	-	1,500,000	-	-	-

Impact of PhosEnergy demerger on options and rights

The demerger of the Company's PhosEnergy assets resulted in a capital reduction equivalent to 0.3 cents per share. Following approval by shareholders on 29 August 2013 the capital reduction also had the effect of reducing the exercise price on unlisted options by an equivalent amount (0.3 cents per share) and increasing the number of shares that will be issued on any unlisted performance rights that vest by a factor of 1.119. All options and rights impacted have lapsed as at the date of this report.

7.4 Transactions with Key Management Personnel

Movement in ordinary shares

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

	Held at 1 July 2013	Purchases	Shares issued in lieu of director's fees	Received on exercise of options or rights	Sales	Held at 30 June 2014
Directors						
T R B Goyder	51,377,199	1,039,462	1,621,721	-	-	54,038,782
B L Jones	1,230,841	700,000	-	-	-	1,930,841
R K Hacker	-	-	-	-	-	-
A W Kiernan	5,371,570	-	1,892,008	-	-	(1)
T C Pool	559,548	-	1,767,676	-	-	(2)
Executive	-					
R A Heinrich	160,000	-	-	-	-	160,000

5,281,405 ordinary shares were issued to current and former non-executive directors during the reporting period in lieu of receiving director's fees (see above for further information).

(1) A W Kiernan resigned on 28 November 2013. His shareholding at this date was 7,263,578. As Mr Kiernan is no longer a director his shareholding at 30 June 2014 has not been disclosed.
(2) T C Pool resigned on 1 October 2013. His shareholding at this date was 559,548. As Mr Pool is no longer a director his shareholding at 30 June 2014 has not been disclosed.

Other transactions with key management personnel

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

A number of those entities transacted with the consolidated entity during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

8. Dividends

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

9. Events subsequent to reporting date

Except as mentioned below, in the opinion of the directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

On 18 July 2014 the Company announced a share placement and a partially underwritten non-renounceable 1 for 3 rights issue at 1 cent per share to raise up to $1.47 million before costs. As at the date of this report, a total of $1.20 million, before costs, has been raised. The directors have until 19 November 2014 to place the shortfall.

10. Likely developments

The Company will continue activities in the exploration, evaluation and development of uranium projects with the objective of establishing a significant uranium production business.

11. Directors' interests

Securities

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

	Ordinary shares	Options over ordinary shares	Performance Rights over ordinary shares
T R B Goyder	104,051,710	-	-
B L Jones	2,574,456	-	-
R K Hacker	1,000,000	-	-

12. Options & Performance Rights

Options granted to directors and officers of the Company

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

Unissued shares under options

At the date of this report, 500,000 unissued ordinary shares of the Company are under option on the following terms and conditions:

Expiry date	Exercise price	Number of shares
24-Nov-14	$0.247	500,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Performance Rights

At the date of this report, 1,504,406 Performance Rights have been issued on the following terms and conditions:

Expiry date	Exercise price	Number of rights
30-Jun-16	Nil	1,506,406

These Performance Rights do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options and Performance Rights

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

13. Indemnification and insurance of directors and officers

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

During the financial year the Company has paid insurance premiums of $13,702 in respect of Directors' and Officers' liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the Company and directors and executive officers and secretaries of its controlled entities. The insurance premiums relate to:

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

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

14. Non-audit services

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

15. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for financial year ended 30 June 2014.

This report is made with a resolution of the directors:

Tim Goyder
Executive Chairman

Dated at Perth this the 4th day of September 2014.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Uranium Equities Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Darren Ball
Partner

Adelaide

4 September 2014

Uranium Equities Limited and its controlled entities

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2014

	Note	2014	2013
Total revenue		**-**	**-**
Other income	3	810,000	-
Impairment losses on exploration and evaluation assets	15	(1,519,593)	(1,791,452)
Corporate and administration expenses	4(a)	(1,415,128)	(997,003)
Loss on disposal of fixed assets		(47,192)	(9,538)
Results from operating activities		**(2,171,913)**	**(2,797,993)**
Finance income	7	81,951	114,624
Finance costs	7	(134,114)	(35,826)
Net finance income		**(52,163)**	**78,798**
Gain on loss of control	4(b)	218,990	-
Reversal of impairment/(Impairment loss) on equity accounted investee	4(e)	74,561	(435,188)
Share of equity accounted investee losses	4(c)	-	(1,254,299)
Gain on dilution of equity accounted investee	4(d)	-	1,146,654
Loss before income tax		(1,930,525)	**(3,262,028)**
Income tax benefit	8	449,544	649,718
Loss for the period attributable to owners of the Company		**(1,480,981)**	**(2,612,310)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Net change in fair value of available for sale financial assets		573,344	-
Foreign currency translation differences for foreign operations		-	97,204
Total other comprehensive income		**573,344**	**97,204**
Total comprehensive loss for the period attributable to owners of the Company		**(907,637)**	**(2,515,106)**
Earnings per share			
Basic loss per share attributable to ordinary equity holders (cents per share)	9	(0.49)	(0.99)
Diluted loss per share attributable to ordinary equity holders (cents per share)	9	(0.49)	(0.99)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Uranium Equities Limited and its controlled entities

Consolidated statement of changes in equity

For the year ended 30 June 2014

		Attributable to equity holders of the Group					
	Note	Share capital $	Share-based payments reserve $	Fair value reserve $	Translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2013		**48,125,907**	**5,293,580**	**-**	**218,990**	**(31,904,137)**	**21,734,340**
Total comprehensive income/(loss) for the period							
Loss for the period		-	-	-	-	(1,480,981)	(1,480,981)
Other comprehensive income/(loss)							
Net change in fair value of available for sale financial assets		-	-	573,344	-	-	573,344
Total other comprehensive income/(Loss)		-	-	573,344	-	-	573,344
Total comprehensive income/(loss) for the period		**-**	**-**	**573,344**	**-**	**(1,480,981)**	**(907,637)**
Transactions with owners, recorded directly to equity							
In-specie distribution of PhosEnergy Limited shares to shareholders		(988,396)	-	-	(218,990)	-	(1,207,386)
Issue of shares in lieu of director's fees	21	104,572	-	-	-	-	104,572
Other share-based payment transactions	20	-	6,291	-	-	-	6,291
Total Contributions by and distributions to owners		**(883,824)**	**6,291**	**-**	**(218,990)**	**-**	**(1,096,523)**
Balance at 30 June 2014		**47,242,083**	**5,299,871**	**573,344**	**-**	**(33,385,118)**	**19,730,180**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Consolidated statement of changes in equity (continued)

For the year ended 30 June 2014

	Note	Share capital $	Share-based payments Reserve $	Translation reserve $	Accumulated losses $	Total $
		Attributable to equity holders of the Group				
Balance at 1 July 2012		**46,903,731**	**5,289,833**	**121,786**	**(29,291,827)**	**23,023,523**
Total Comprehensive Income/(loss) for the period						
Loss for the period		-	-	-	(2,612,310)	(2,612,310)
Other Comprehensive Income/(loss)						
Foreign Currency Translation differences for foreign operations		-	-	97,204	-	97,204
Total Other Comprehensive Income/(Loss)		-	-	97,204	-	97,204
Total Comprehensive Income/(Loss) for the period		**-**	**-**	**97,204**	**(2,612,310)**	**(2,515,106)**
Transactions with owners, recorded directly to equity						
Issue of ordinary shares		1,034,176	-	-	-	1,034,176
Share-based payment transactions		188,000	3,747	-	-	191,747
Total Contributions by and distributions to owners		**1,222,176**	**3,747**	**-**	**-**	**1,225,923**
Balance at 30 June 2013		**48,125,907**	**5,293,580**	**218,990**	**(31,904,137)**	**21,734,340**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Uranium Equities Limited and its controlled entities

Consolidated statement of financial position

For the year ended 30 June 2014

	Note	2014	2013
Current assets			
Cash and cash equivalents	10	312,539	855,736
Trade and other receivables	11	194,294	185,388
Total current assets		**506,833**	**1,041,124**
Non-current assets			
Restricted Cash	12	1,604,273	1,736,329
Other investments	13	992,359	-
Equity accounted investees	14	-	1,832,613
Exploration and evaluation assets	15	18,701,954	19,123,530
Property, plant and equipment	16	136,371	203,543
Total non-current assets		**21,434,957**	**22,896,015**
Total assets		**21,941,790**	**23,937,139**
Current liabilities			
Trade and other payables	17	454,297	357,307
Borrowings	18	-	-
Provisions	19	9,547	48,600
Employee benefits	20	112,592	207,097
Total current liabilities		**576,436**	**613,004**
Non-current liabilities			
Provisions	19	1,629,287	1,564,623
Employee benefits	20	5,887	25,172
Total non-current liabilities		**1,635,174**	**1,589,795**
Total liabilities		**2,211,610**	**2,202,799**
Net assets		**19,730,180**	**21,734,340**
Equity			
Share capital	21	47,242,083	48,125,907
Reserves		5,873,215	5,512,570
Accumulated losses		(33,385,118)	(31,904,137)
Total equity		**19,730,180**	**21,734,340**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Uranium Equities Limited and its controlled entities

Consolidated statement of cash flows

For the year ended 30 June 2014

	Note	2014	2013
Cash flows from operating activities			
Cash receipts from operations		815,000	-
Cash paid to suppliers and employees		(1,468,208)	(701,674)
Interest paid		(34,100)	(34,457)
Interest received		102,252	101,544
Income tax received		449,544	649,718
Net cash from/(used) in operating activities	28	**(135,512)**	**15,131**
Cash flows from investing activities			
Payments for investments		-	(1,305,002)
Proceeds from sale of investments		500,000	-
Payments for mining exploration and evaluation and rehabilitation		(646,837)	(1,058,458)
Acquisition of exploration and evaluation assets		(325,000)	-
Acquisition of property, plant and equipment		(13,829)	(961)
Loan to PhosEnergy Ltd		(50,000)	-
Net cash used in investing activities		**(535,666)**	**(2,364,421)**
Cash flows from financing activities			
Net proceeds from issue of shares		(4,075)	1,040,601
Proceeds from short term borrowings		-	200,000
Repayment of short term borrowings		-	(200,000)
Movement in restricted cash		132,056	49,850
Net cash from financing activities		**127,981**	**1,090,451**
Net increase/(decrease) in cash and cash equivalents		(543,197)	(1,258,839)
Cash and cash equivalents at 1 July		855,736	2,114,575
Cash and cash equivalents at 30 June	10	**312,539**	**855,736**

The consolidated statement of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

1. Significant accounting policies

Uranium Equities Limited is a company domiciled in Australia at 22B Beulah Road, Norwood, South Australia. The consolidated financial report of the Company for the financial year ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity').

The financial report was authorised for issue by the directors on 4 September 2014.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with for-profit Australian Accounting Standards ('AASBs') including Australian Interpretations adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report of the consolidated entity complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of Preparation

The financial report is presented in Australian dollars, the Company's functional currency, and is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available for sale.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of operations. As at 30 June 2014, the consolidated entity had accumulated losses of $33.4m (2013: $31.9m), net assets of $19.7m (2013; $21.7m), and a net deficiency of current assets over current liabilities of $69,603. It is the intention of the Board to continue to explore the consolidated entity's areas of interest for which rights of tenure are current and minimum expenditure commitments for these tenements total $0.55m (2013: $2.1m) for the 12 months ending 30 June 2015.

The Board considers that the consolidated entity will fund its forecast expenditure through a combination of using existing cash and cash equivalents of $0.31m, access to the capital markets, realisation of existing assets, and entering farm in arrangements, if necessary. The directors have both the ability and intention to curtail expenditure, to ensure the entity can meet its obligations as and when required. Note 30 indicates that, subsequent to balance date, the company has received $1.20m from capital raisings.

The Directors have reviewed the operating outlook for the consolidated entity and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the consolidated entity will achieve the matters set out above. In the event the consolidated entity is unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this financial report.

New and amended standards adopted by the consolidated entity

The consolidated entity has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

AASB 10 *Consolidated Financial Statements* (2011) (see (i))

AASB 11 *Joint Arrangements* (see (ii))

AASB 13 Fair Value Measurement (see (iii))

AASB 119 *Employee Benefits* (2011) (see (iv))

Annual Improvements to Australian Accounting Standards 2009–2011 Cycle (see (v)).

The nature and the effect of the changes are further explained below.

(i) Subsidiaries

As a result of AASB 10 (2011), the consolidated entity has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the consolidated entity has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the consolidated entity consolidate investees that it controls on the basis of de facto circumstances.

The directors of the Company have assessed the classification of the consolidated entity's investments in subsidiaries and other entities in accordance with AASB 10. The directors have concluded that there is no change to the recognition of its subsidiaries.

(ii) Joint arrangements

As a result of AASB 11, the consolidated entity has changed its accounting policy for its interests in joint arrangements. Under AASB 11, the consolidated entity classifies its interests in joint arrangements as either joint operations or joint ventures depending on the consolidated entity's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the consolidated entity considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The consolidated entity does not have any joint arrangements as defined by AASB 11 and accordingly there has been no impact on the recognised assets, liabilities and comprehensive income of the consolidated entity.

(iii) Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. The consolidated entity has included additional disclosures in notes 13 and 22.

In accordance with the transitional provisions of AASB 13, the consolidated entity has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the consolidated entity's assets and liabilities.

(iv) Employee benefits

AASB 119 (2011) now requires that if the consolidated entity does not expect all annual leave to be taken within 12 months of the respective service being provided, annual leave obligations are to be measured as long term benefits. This change had no significant impact on the consolidated entity's measurement of its annual leave obligations.

(v) Segment information

The amendment to AASB 134 clarifies that the consolidated entity needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the consolidated entity's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. As a result of this amendment, the consolidated entity has included additional disclosure of segment liabilities (see note 2).

Early adoption of standards

The consolidated entity has not elected to early adopt any accounting standards or amendments.

Use of Estimates and Judgements

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

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

The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

(i) Recoverability of exploration expenditure

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

(ii) Share-based payment transactions

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

(iii) Rehabilitation provision

Estimates and assumptions of the appropriate discount rate at which to discount the liability, the timing of cash flows, the application of relevant environmental legislation and the future expected costs of rehabilitation are all used in determining the carrying value of the rehabilitation provision. The carrying amount of the provision is set out in note 19.

Except as detailed above, the accounting policies described below have been applied consistently to all periods presented and to all entities in the consolidated entity.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. Transaction costs that the consolidated entity incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Dilution gains and losses on increases in non-controlling interests of subsidiaries are recorded directly to equity rather than the consolidated statement of comprehensive income, reflecting the view that non-controlling interests are equity interests.

(ii) Associates

Associates are those entities in which the consolidated entity has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the consolidated entity has joint control, whereby the consolidated entity has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the consolidated entity's share of the income and expenses and equity movements of equity accounted investees, after adjustment to align the accounting policies with those of the consolidated entity, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the consolidated entity has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Common control transactions

Transfers of investments in associates between companies under common control are recorded at book value.

d) Foreign currency translation

Items included in the financial statements of each of the consolidated entity's controlled entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as part of the net investment in a foreign operation.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to shareholders' equity. When a foreign operation is sold, a proportionate share of such exchange differences is recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Segment reporting

The Company determines and presents operating segments based on the information that internally is provided to the Executive Chairman, who is the consolidated entity's chief operating decision maker.

An operating segment is a component of the consolidated entity 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 consolidated entity's other components.

Segment results that are reported to the Managing Director included items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's corporate office), corporate office expenses, and income tax assets and liabilities.

(f) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (m)). The cost of assets includes the cost of materials, direct labour, and where appropriate, an appropriate proportion of overheads.

(ii) Leased assets

Leases in terms of which the consolidated entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. The plant and equipment acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy (m)).

(iii) Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(g) Depreciation

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

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

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

(h) Exploration, evaluation, development and tenement acquisition costs

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

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

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

Exploration and evaluation expenditures are assessed for impairment when facts and circumstances suggest that their carrying amount exceeds the recoverable amount and where this is the case an impairment loss is recognised. Should a project or an area of interest be abandoned, the expenditure will be written off in the period in which the decision is made. Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, and reclassified to development, before being amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(i) Investments

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

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

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

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

(j) Trade and other receivables

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

(k) Cash and cash equivalents

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

(l) Restricted Cash

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

(m) Impairment

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

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. A cash generating unit is the smallest group of assets that generate cashflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical and commercial feasibility or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted or planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit which is no larger than the area of interest.

(n) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Share capital

(i) Ordinary share capital

Ordinary shares and partly paid shares are classified as equity.

(ii) Transaction costs

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

(p) Leases

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

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

(q) Employee benefits

(i) Share-based payment transactions

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

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

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

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

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

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

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

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

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

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

(ii) Wages, salaries, annual leave and non-monetary benefits

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

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

(r) Provisions

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

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

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

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

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

(s) Trade and other payables

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

(t) Revenue

(i) Other income - sales of assets and investments

Income from the sale of assets and investments is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to external parties.

(ii) Option fees

Revenue from option fees is recognised in the statement of profit or loss and other comprehensive income in proportion to the stage of completion of the transaction at the reporting date. Any balance not taken to the statement of comprehensive income is recorded as deferred income in the statement of financial position.

(iii) Management fees

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

(u) Expenses

(i) Operating lease payments

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

(ii) Finance lease payments

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

(iii) Net financing costs

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

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

(v) Income tax

Income tax in the statement of profit or loss and other comprehensive income for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(i) Current tax

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

(ii) Deferred tax

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

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

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

(iii) Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(w) Goods and Services Tax

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

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

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

2. Segment reporting

Business segments

During the period the consolidated entity comprised the following two reportable segments:

(i) PhosEnergy – development of uranium extraction technology from phosphoric acid (demerged 13 September 2013)
(ii) Exploration – brownfields and greenfields mineral exploration

The PhosEnergy Process is being developed in Australia with business development being pursued internationally with a particular emphasis on USA. Exploration activities are based in Australia, mainly in the Northern Territory, South Australia and Western Australia.

There was no segment revenue or result for PhosEnergy between the start of the period and the demerger of PhosEnergy Process assets on 13 September 2013 – see note 21.

	PhosEnergy		Exploration		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Segment revenue	-	-	-	-	-	-
Other income					810,000	-
Total revenue					810,000	-
Segment result	-	8,598	(1,519,593)	(1,791,452)	(1,519,593)	(1,782,854)
Other income					810,000	-
Corporate administrative expenses					(1,392,713)	(953,942)
Depreciation & amortisation					(22,415)	(43,061)
Net financing income					(52,163)	78,798
Other					246,359	(560,969)
Loss before income tax					(1,930,525)	(3,262,028)
Segment assets	-	1,086,998	20,359,543	20,900,790	20,359,543	21,987,788
Unallocated assets					1,582,246	1,949,351
Total assets					21,941,790	23,937,139
Segment liabilities	-	-	1,638,834	1,613,223	1,638,834	1,613,223
Unallocated liabilities					572,776	589,576
Total liabilities					2,211,610	2,202,799

3. Other income

	2014 $	2013 $
Management fees	810,000	-
	810,000	-

The Company provided management services to Urtek LLC, the US based company which owns the PhosEnergy Process technology, throughout the reporting period under a services agreement.

Following the demerger of PhosEnergy assets from the consolidated entity (see note 21), management fees to Urtek are now disclosed as other income. Management fees of $936,000 were offset against corporate administrative expenses during the prior period as Urtek was a related party.

4. Loss before income tax expense

(a) Corporate administrative expenses

	Note	2014	2013
Accounting fees		80,449	79,118
Annual report costs		10,923	16,398
ASX fees		24,178	24,907
Audit fees	6	38,500	51,500
Depreciation and amortisation		22,415	43,061
Insurance		34,290	37,203
Legal fees		31,153	59,868
Marketing		4,069	17,383
Other		367,020	126,688
Personnel expenses	5	659,154	418,059
Printing and stationery		5,715	6,821
Recruitment		6,300	8,502
Rent and outgoings		77,335	15,621
Share registry		18,737	28,294
Travel and accommodation		34,890	63,580
		1,415,128	997,003

The increase in corporate administration expenses is attributable to management fees received from Urtek, LLC being disclosed as other income for the first time – see note 3 for more details. In prior periods the fees were netted off against expenses. Comparable prior year total expenses were $1,933,003 once $936,000 of management fees is added back. Underlying expenses in the current period have therefore reduced by $517,875 over the corresponding period.

(b) Gain on loss of control

	2014	2013
PhosEnergy Limited	218,990	-
	218,990	-

On 13 September 2013 the Company completed a demerger of its PhosEnergy Process assets by way of an in-specie distribution of the majority of the issued shares in PhosEnergy Limited to shareholders. At the balance date the consolidated entity holds approximately 9.1% of PhosEnergy Limited equity which has been classified as a available for sale financial asset.

The gain on loss of control represents the recycling of foreign currency translation reserves held against the PhosEnergy assets. See note 21 for further information.

(c) Share of equity accounted investee losses

	2014	2013
UFP Investments LLC (UFP)	-	(1,130,100)
Energia Minerals Limited (ASX: EMX)	-	(124,199)
	-	(1,254,299)

As mentioned above, the Company's interests in the PhosEnergy Process were demerged during the current reporting period and as such no equity accounting adjustments have been made – see note 21 for further information. During the year the Company and Cameco Corporation were developing the PhosEnergy Process via Urtek LLC, a USA based company. The share of equity accounted investee losses represented the consolidated entity's equity accounted share of the movement in UFP's net assets. Principally, UFP's investment in Urtek was impaired, reflecting research and development expenditure made within Urtek.

The consolidated entity sold its interest in Energia Minerals Limited on 30 October 2013 and accordingly no equity accounting adjustments have been made in the current period – see note 4(e) below for further information. The share of equity accounted investee losses in the prior period represents the consolidated entity's equity accounted share of the movement in Energia's net assets from acquisition, adjusted to align accounting policies on treatment of exploration and evaluation expenditure.

(d) **Gain on dilution of equity accounted investee**

	2014	2013
UFP Investments LLC	-	1,146,654
	-	1,146,654

A gain on dilution of the consolidated entity's interest in UFP Investments LLC from 47% to 30% was recorded in the prior year upon Cameco Corporation investing a further US$4 million into the PhosEnergy Process.

(e) **Reversal of impairment/(impairment loss) on equity accounted investees**

	2014	2013
Energia Minerals Limited (ASX: EMX)	74,561	(435,188)
	74,561	(435,188)

The consolidated entity sold its interest in Energia Minerals Limited on 30 October 2013 for a combination of $500,000 cash and 8,004,393 ordinary shares in listed uranium explorer Enterprise Uranium Limited (ASX: ENU) with a fair value of $320,176 at the date of sale.

The reversal of impairment of $74,561 represents the difference between the total consideration of $820,176 and the carrying amount of Energia Minerals shares at 30 June 2013 of $745,615. The impairment loss in the previous year of $435,188 represents the difference between the equity accounted balance of the investment in Energia Minerals Limited at 30 June 2013 of $1,180,803 and the fair value of the investment of $745,615 (at 2.0c per share) on the same date.

5. Personnel expenses

	Note	2014	2013
Wages and salaries		595,713	181,223
Directors' fees		95,417	190,000
Other associated personnel expenses		39,261	43,885
Superannuation fund contributions		36,262	22,410
Decrease in liability for annual leave		(55,870)	(47,899)
Increase/(decrease) in provision for long service leave		(57,920)	24,693
Equity-settled transactions	20	6,291	3,747
		659,154	418,059

The increase in wages and salaries is attributable to management fees received from Urtek, LLC being disclosed as other income for the first time – see note 3 and 4(a).

In December 2012 the Board resolved as a cash conservation measure to accrue rather than pay the majority of non-executive director fees until further notice. Of the $95,417 director's fees reported above, $82,292 was owing at 30 June 2014 (2013: $110,833). A further $23,750 in wages and salaries payable to the Executive Chairman has been accrued (2013: nil).

6. Auditor's remuneration

Audit services

	2014	2013
Auditors of the Company		
KPMG Australia:		
Audit and review of financial reports	38,500	51,500

7. Net financing income

	2014	2013
Interest income	81,951	114,624
Unwind of discount on rehabilitation provision	(97,137)	-
Net foreign exchange gain/(loss)	(2,877)	(1,369)
Interest expense	(34,100)	(34,457)
Total financial expenses	(134,114)	(35,826)
Net financing income	(52,163)	78,798

8. Income Tax

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

	2014	2013
Current tax benefit	449,544	649,718
Total income tax benefit reported in the statement of profit or loss and other comprehensive income	449,544	649,718

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

	2014	2013
Loss before tax	1,930,525	3,262,028
Income tax benefit using the domestic corporation tax rate of 30% (2013: 30%)	579,157	978,608
Decrease in income tax benefit due to:		
Non-deductible expenses	(2,094)	(1,850)
Tax benefit/(expense) on PhosEnergy result not recognised	-	34,127
Over/(under) provision in prior period	422,935	671,568
Current and deferred tax expense/(benefit) not recognised	(550,454)	(1,032,735)
Income tax benefit on loss before tax	449,544	649,718

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

	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
Exploration and evaluation assets	-	-	5,513,086	5,737,059	5,513,086	5,737,059
Capital raising costs	(42,574)	(52,073)	-	-	(42,574)	(52,073)
Rehabilitation provision	(491,650)	(483,967)	-	-	(491,650)	(483,967)
Other items	(42,594)	(78,231)	-	6,090	(42,594)	(72,141)
	(576,818)	(614,271)	5,513,086	5,743,149	4,936,268	5,128,878
Tax losses used to offset net deferred tax liability					(4,936,268)	(5,128,878)
Net deferred tax assets and liabilities					-	-

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

	2014	2013
Unrecognised tax losses – Revenue	8,842,320	7,681,252
Unrecognised tax losses – Capital	484,826	-
Unrecognised tax losses – Total	9,327,146	7,681,252
Unrecognised deferred tax asset on unused tax losses	2,798,144	2,304,375

The unrecognised benefit from temporary differences on capital items amounts to $172,003 (2013: $988,568)

9. Earnings per share

Basic and diluted earnings/(loss) per share

The calculation of basic and diluted loss per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of the parent entity of $1,480,981 (2013: $2,612,310).

The weighted average number of ordinary shares outstanding during the financial years ended 30 June comprised the following:

	2014	2013
Ordinary shares on issue at 1 July	298,657,373	252,312,961
Effect of rights issues	-	3,634,060
Effect of joint venture settlement	-	2,947,945
Effect of placements	-	5,000,000
Effect of issue of shares in lieu of director's fees	3,082,025	-
Weighted average number of ordinary shares on issue at 30 June (basic and diluted)	301,739,398	263,894,967

At 30 June 2014 there were 1,800,000 options (2013: 6,475,000) and 1,506,406 Performance Rights (2013: 6,102,500) excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

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

10. Cash and cash equivalents

	2014	2013
Bank balances	266,811	260,027
Term deposits	45,728	595,709
Cash and cash equivalents in the statement of cash flows	312,539	855,736

The effective interest rate earned on deposits during the year was 2.66% (2013: 3.35%).

11. Trade and other receivables

	2014	2013
Current		
Other trade receivables	117,921	148,891
Loan to PhosEnergy Limited	52,329	-
Prepayments	24,044	36,497
	194,294	185,388

The loan to PhosEnergy Limited was made in September 2013 as part of the demerger of the Company's PhosEnergy Process assets – see note 21 for further information. The loan expires on 31 December 2014 has an interest rate of 8.5% per annum.

12. Restricted cash

	2014	2013
Bank guarantees in relation to rehabilitation obligations	1,588,713	1,704,291
Bank guarantee in relation to office premises	15,560	32,038
	1,604,273	1,736,329

The effective interest rate earned on deposits during the year was 3.86% (2013: 3.52%).

Bank guarantees in relation to rehabilitation obligations are held by the Northern Territory Department of Mines and Energy (DME) for rehabilitation obligations on the Nabarlek Mineral Lease ($1,533,862) and by the Northern Land Council and DME on the Nabarlek tenements held in joint venture with Cameco Australia Pty Ltd (totalling $54,851). Following changes to the Mining Management Act in the Northern Territory, 10% ($170,429) of the bank guarantee held by the Department of Mines and Energy was released during the year.

13. Other investments

	2014	2013
PhosEnergy Limited	600,144	-
Enterprise Uranium Limited (ASX:ENU)	392,215	-
	992,359	-

On 13 September 2013 the Company completed a demerger of its PhosEnergy Process assets by way of an in-specie distribution of the majority of the issued shares in PhosEnergy Limited to shareholders. At the balance date the consolidated entity holds approximately 9.1% of PhosEnergy Limited (3 million shares) as available for sale. The investment has been fair valued entirely under Level 2 of the IFRS 13 Fair Value Hierarchy at $600,144 with the increase in value of $501,305 recorded to the fair value reserve. PhosEnergy Limited is an unlisted public company and as such there is no active market for its shares. PhosEnergy however launched a capital raising in June 2014 at a price of 20 cents per share and at 30 June 2014 had received applications totalling $274,699. The valuation has been based on this transaction.

On 30 October 2013 the consolidated entity was issued 8,004,393 ordinary shares in Enterprise Uranium Limited as part consideration for its sale of Energia Minerals Limited shares. The shares were issued at 4.0 cents per share, totalling $320,176.

The closing price of Enterprise Uranium shares on 30 June 2014 was 4.9 cents per share. The investment has been fair valued entirely under Level 1 of the IFRS 13 Fair Value Hierarchy at $392,215 with the increase in value of $72,039 recorded to the fair value reserve.

14. Equity accounted investees

	2014	2013
UFP Investments LLC (UFP)	-	1,086,998
Energia Minerals Limited (ASX:EMX)	-	745,615
	-	1,832,613

The Company demerged its interest in the PhosEnergy Process assets, including its interest in UFP Investments LLC, and sold its shares in Energia Minerals Limited during the year – see notes 4 and 21 for further information.

15. Exploration and evaluation expenditure

	Note	2014	2013
Cost brought forward		19,123,530	19,820,909
Expenditure incurred during the year		773,017	1,094,073
Exploration and evaluation assets acquired	26	325,000	-
Impairment losses		(1,519,593)	(1,791,452)
		18,701,954	19,123,530

The impairment losses in the year relate to the Company's decision to relinquish all Marla and Oodnadatta exploration licences following the withdrawal of Chalice Gold Mines Ltd from the farm-in joint venture.

16. Property, plant and equipment

	2014	2013
At cost	590,690	847,519
Less: accumulated depreciation	(454,319)	(643,976)
	136,371	203,543
Plant and equipment		
Carrying amount at beginning of financial year	203,543	269,215
Additions	13,829	961
Disposals/written-off	(47,428)	(9,538)
Depreciation	(33,573)	(57,095)
Carrying amount at end of financial year	136,371	203,543
Total property, plant and equipment	136,371	203,543

17. Trade and other payables

	2014	2013
Trade payables	259,211	140,615
Other creditors and accrued expenses	195,086	216,692
	454,297	357,307

18. Loans and Borrowings

	2014	2013
Current		
Carrying amount at beginning of financial year	-	-
Drawdown	-	200,000
Repayment	-	(200,000)
Carrying amount at end of financial year	-	-

In December 2012, agreement was reached between the Company and Plato Prospecting Pty Ltd as trustee for the Goyder Family Trust whereby Plato Prospecting provided a debt facility of up to $750,000 to cover short term working capital requirements. Mr Tim Goyder is the sole director of Plato Prospecting Pty Ltd and a director of the Company. The facility was on commercial terms no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis. $200,000 was drawdown on the facility during the year and subsequently repaid.

Interest of $606, representing an 8.5% per annum interest rate, was paid on the facility in the prior year. The facility expired on 30 June 2013.

19. Provisions

	2014	2013
Current		
Rehabilitation	9,547	48,600
	9,547	48,600
Non-current		
Rehabilitation	1,629,287	1,564,623
	1,629,287	1,564,623

The Company assumed all obligations for rehabilitation at the Nabarlek Mineral Lease following the acquisition of Queensland Mines Pty Ltd in 2008. During the year infrastructure remediation and revegetation planning and water monitoring were undertaken on the lease.

20. Employee benefits

	2014	2013
Current		
Liability for annual leave	75,740	131,610
Provision for long service leave	36,852	75,487
	112,592	207,097
Non-current		
Provision for long service leave	5,887	25,172
	5,887	25,172

Share based payments

(a) Long Term Incentive Plan

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

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

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

The value of Performance Rights with a market condition granted in the year is the fair value calculated at grant date using a binomial option-pricing model. The value of each Performance Right with a non-market condition such as the achievement of strategic objectives is based on the underlying share price at the grant date. The total value attached to these rights takes into account the Company's best estimate at the grant date of the number of rights that will vest.

There were no Performance Rights issued to employees during the financial year.

The following table gives the assumptions made in determining the fair value of the Performance Rights granted in the years to 30 June.

Assumptions (weighted average)	2014	2013
Share price at grant date	-	$0.027
Exercise price	-	$0.070
Expected volatility (expressed as weighted average volatility used in the modelling under binominal option-pricing model)	-	89%
Right life (expressed as weighted average life used in the modelling under binominal option-pricing model)	-	2.1 years
Expected dividends	-	-
Risk-free interest rate	-	2.56%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

The capital reduction associated with the demerger of the PhosEnergy Process assets increased the number of shares to be issued on vesting of each Performance Right by a factor of 1.119 on 13 September 2013.

(b) Employee and Consultant Share Option Plan

The Company also has an Employee and Consultant Share Option Plan (ESOP) in place which was most recently approved at the annual general meeting held on 22 November 2011.

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

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

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

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

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

	Weighted average exercise price 2014	Number of options 2014	Weighted average exercise price 2013	Number of options 2013
Outstanding at the beginning of the period	$0.246	6,475,000	$0.293	11,925,000
Forfeited during the period	-	-	-	-
Expired during the period	$0.241	(4,675,000)	$0.348	(5,450,000)
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the period	$0.247	1,800,000	$0.246	6,475,000
Exercisable at the end of the period	$0.247	1,800,000	$0.246	6,475,000

The options outstanding at the end of the period have an exercise price of $0.247 and a weighted average contractual life of 3 years.

The capital reduction associated with the demerger of the PhosEnergy Process assets reduced the exercise price on all outstanding unlisted options by 0.3 cents per share on 13 September 2013.

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

(c) Employee Expenses

	2014	2013
Share options granted in 2012 - equity settled	-	1,461
Performance Rights granted in 2013 – equity settled	6,291	2,286
Total expense recognised as employee costs (Note 4)	6,291	3,747

21. Capital and reserves

(a) Share capital

	Ordinary Shares	
	2014	2013
On issue at 1 July	298,657,373	252,312,961
Rights issues	-	34,011,079
Joint venture settlement	-	4,000,000
Placement	-	8,333,333
Issue of shares in lieu of director's fees	5,281,405	-
On issue at 30 June	303,938,778	298,657,373

PhosEnergy Demerger

The Company separated its exploration and PhosEnergy Process assets (demerger) on 13 September 2013 following approval by shareholders on 29 August 2013. The demerger has created two independently focussed companies that allows different funding and development strategies to be applied to the substantially different businesses.

The demerger was implemented by:
(a) transferring the PhosEnergy Process assets into the Company's wholly owned subsidiary, PhosEnergy Limited (PEL) in return for shares in PEL; and
(b) distributing 30 million of the 33 million issued shares in PEL to shareholders (for no cash outlay) on an approximately 1 for 10 basis.

The in-specie distribution of PEL shares was an equal capital reduction under section 256C of the Corporations Act. The capital reduction was $988,396 or approximately 0.3 cents per Uranium Equities Limited share. The impact of the demerger on the Consolidated Statement of Financial Position is summarised as follows:

	Note	$
Cash and cash equivalents		(50,001)
Trade and other receivables		50,000
Other investments – PhosEnergy Limited		98,839
Equity accounted investees – UFP Investments LLC	14	(1,086,998)
Property, plant and equipment		(236)
Net assets		988,396
Issued capital		(988,396)
Reserves – Foreign currency translation reserve		(218,990)
Accumulated losses		218,990
Total equity		(988,396)

The Company made a short term loan to PEL of $50,000 upon completion of the demerger. This loan remains outstanding at the balance date.

Foreign currency translation reserves of $218,990 held against the assets were recycled to profit and loss and disclosed as a gain on loss of control in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The capital reduction also had the effect of reducing the exercise price on unlisted options by an equivalent amount (0.3 cents per share) and adjusting the number of shares that will be issued on any unlisted performance rights that vest.

Ordinary shares

In November 2013 shareholders approved the issue of 5,281,405 ordinary fully paid shares, valued at $104,572, to a director and two former directors in lieu of director's fees accrued between December 2012 and June 2013. The price of the issue was based on a 30 day Volume Weighted Average Price (VWAP) up to and including 26 September 2013 of 1.980 cents per share (see note 29).

All shares were issued and fully paid during the year.

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

(b) Share Options

	Unlisted Share Options	
	2014	2013
On issue at beginning of year	6,475,000	11,925,000
Options issued during the year	-	-
Options forfeited or expired during the year	(4,675,000)	(5,450,000)
On issue at end of year	1,800,000	6,475,000

At 30 June 2014, the Company had 1,800,000 unlisted options on issue under the following terms and conditions.

Number	Expiry Date	Exercise Price
1,300,000	7-Jul-14	$0.247
500,000	24-Nov-14	$0.247

(c) Performance Rights

	Unlisted Performance Rights	
	2014	2013
On issue at beginning of year	6,102,500	-
Performance Rights issued during the year	-	6,102,500
Performance Rights lapsed during the year	(4,596,094)	-
On issue at end of year	1,506,406	6,102,500

At 30 June 2014, the Company had 1,506,406 unlisted Performance Rights on issue under the Company's Employee Long Term Incentive Plan. Vesting of the Performance Rights is subject to the Company and employee meeting certain performance hurdles during the performance period ending 30 June 2014 and subject to the employee remaining employed at 1 July 2015.

(d) Reserves

The Share Based Payments Reserve represents the value of employee equity-settled compensation. There was an increase of $6,291 in 2014 (2013: $3,747).

The Fair Value Reserve established during the year represents the change in fair values of available for sale financial assets being investments in PhosEnergy Limited and Enterprise Uranium Limited – see note 13.

The Translation Reserve represents exchange differences arising from the translation of net investments in foreign operations. The balance was reduced to nil during the year as a result of the demerger of the Company's foreign investment in the PhosEnergy Process – see note 21(a).

22. Financial instruments

Risk Management Framework

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

The consolidated entity has exposures to the following risks:

(a) Capital risk management

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

The capital structure of the Company and consolidated entity consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses, is disclosed in note 21 and the Consolidated Statement of Changes in Equity. The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company and the consolidated entity will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

(b) Market risk exposures

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

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

Equity prices
Equity investments held for sale are recorded at their fair value being either the quoted price or last known traded price on the balance date (see note 13). There is a risk that changes in prices effect the fair value of investments held by the consolidated entity – a +- 10% change in equity prices from the year end valuation would impact equity by +-$99,236.

Interest rate risk
Interest rate risk is the risk that changes in bank deposit rates affect the consolidated entity's income and future cashflow from interest income. The short term debt facility referred to in note 18 expired on 30 June 2013 so there are no exposures relating to that facility going forward.

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

		Fixed interest maturing in:					
30 June 2014	**Note**	**1 year or less $**	**Over 1 to 5 years $**	**Floating interest $**	**Non-interest bearing $**	**Total $**	**Weighted average int. rate**
Financial assets							
Bank balances	10	-	-	266,811	-	266,811	1.20%
Term deposits (1)	10/12	1,650,000	-	-	-	1,650,000	3.86%
Trade and other receivables	11	52,329	-	-	141,965	194,294	1.23%
Other investments	13	-	-	-	992,359	992,359	-
Financial liabilities							
Trade payables and accrued expenses	17	-	-	-	454,297	454,297	-

30 June 2013	Note	Fixed interest maturing in: 1 year or less $	Over 1 to 5 years $	Floating interest $	Non-interest bearing $	Total $	Weighted average int. rate
Financial assets							
Bank balances	9	-	-	260,027	-	260,027	2.81%
Term deposits [1]	9/11	2,300,000	-	-	-	2,300,000	3.52%
Trade and other receivables	11	-	-	-	185,388	185,388	-
Financial liabilities							
Loans and borrowings		-	-	-	-	-	8.50%
Trade payables and accrued expenses	17	-	-	-	357,307	357,307	-

(1) Including restricted cash

A change of 100 basis points in interest rates on bank balances and term deposits over the reporting period would have increased / (decreased) the consolidated entity's profit and loss by $22,384 (2013:$33,335).

(c) Credit risk exposure

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

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

(d) Liquidity risk exposure

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

The consolidated entity has non-derivative financial liabilities which include trade and other payables of $454,297 (2013: $357,307) all of which are due within 60 days.

(e) Net fair values of financial assets and liabilities

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

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

Except for Other Investments disclosed in note 13 the carrying amounts of all financial assets and liabilities approximate their net fair values and are disclosed as level 3 fair values.

23. Operating leases

Leases as lessee
Non-cancellable operating lease rentals are payable as follows:

	2014	2013
Less than one year	19,426	95,477
Between one and five years	-	-
More than five years	-	-
	19,426	95,477

The consolidated entity leases an office under operating lease in Norwood, South Australia. The lease runs for a further period of approximately 2 years and seven months with a penalty-free break clause from February 2015. Lease payments are increased at 3% every year. The lease doesn't include any contingent rentals.

During the financial year ended 30 June 2014, $50,097 was recognised in the statement of profit or loss and other comprehensive income in respect of operating leases (2013: $13,396).

24. Capital and other commitments

Exploration expenditure commitments

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

	2014	2013
Within one year	554,705	2,148,882
One year or later and no later than five years	343,875	812,636
Later than five years	-	-
	898,580	2,961,518

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

Bank Guarantees

As at 30 June 2014 the consolidated entity had a bank guarantees with face values of $1,533,862, $14,851 and $40,000 representing performance bonds with the Northern Territory Department of Mines and Energy and Northern Land Council respectively for rehabilitation obligations on the Nabarlek Project. A further bank guarantee of $15,560 was held by the office lessor for rental obligations (see note 12).

25. Controlled entities

	Note	Country of Incorporation	Ownership interest 2014	Ownership interest 2013
Parent entity				
Uranium Equities Limited		Australia		
Subsidiaries				
G E Resources Pty Ltd		Australia	100%	100%
Uranium Services Pty Ltd		Australia	100%	100%
UEQ Investments Pty Ltd		Australia	100%	100%
Queensland Mines Pty Ltd		Australia	100%	100%
Arnhem Minerals Pty Ltd	26	Australia	100%	0%

PhosEnergy Limited and PhosEnergy Inc. were also controlled entities up until 13 September 2013 when they were demerged from the consolidated entity – see note 21.

26. Acquisition of subsidiary

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

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

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

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

As the acquisition of Arnhem Minerals does not constitute a business combination under IFRS 3, the transaction has been accounted for as an asset acquisition. The impact of the acquisition on the Consolidated Statement of Financial Position is summarised as follows:

	Note	**$**
Cash and cash equivalents		(325,000)
Exploration and evaluation assets		325,000
Net assets		-

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

27. Parent entity disclosures

The parent entity of the group was Uranium Equities Limited throughout the years ended 30 June 2014 and 30 June 2013.

	Company	
	2014	**2013**
Result of the parent entity		
Loss for the period	(653,336)	(2,617,593)
Other comprehensive income	501,305	-
Total comprehensive loss for the period	**(152,031)**	**(2,617,593)**
Financial Position of the parent entity at year end		
Current assets	488,875	1,037,143
Total assets	20,368,786	21,388,308
Current liabilities	569,842	540,063
Total liabilities	575,278	565,235
Total equity of the parent entity comprising of:		
Share capital	47,242,083	48,125,907
Reserves	5,801,176	5,293,581
Accumulated losses	(33,249,750)	(32,596,415)
Total equity	**19,793,509**	**20,823,073**

There were no parent entity contingencies or capital commitments for the purchase of property, plant and equipment as at 30 June 2014.

28. Reconciliation of cash flows from operating activities

	2014	2013
Loss for the period	(1,480,981)	(2,612,310)
Cash flows from operating activities		
Adjustments for:		
Depreciation and amortisation	22,415	43,061
Loss on disposal of fixed assets	47,192	9,538
Write-off of exploration and evaluation expenditure	1,519,593	1,791,452
(Reversal of impairment)/Impairment loss on equity accounted investee	(74,561)	435,188
Share of equity accounted investee losses	-	1,254,299
Gain on dilution of equity accounted investee	-	(1,146,654)
Gain on loss of control	(218,990)	-
Interest charge / (unwind) on fair value of rehabilitation provision	97,137	-
Equity-settled share-based payment expenses	6,290	3,747
Operating profit/(loss) before changes in working capital and provisions	**(81,905)**	**(221,679)**
(Increase)/decrease in trade and other receivables	25,354	(11,538)
Increase in trade payables and accruals	34,829	271,554
(Decrease)/increase in provisions	(113,790)	(23,206)
Net cash provided by/(used in) operating activities	**(135,512)**	**15,131**

29. Related Parties Disclosures

(a) Key management personnel

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

Non-executive directors
R K Hacker (appointed 28 November 2013)
B L Jones (Managing Director until 28 March 2014, non-executive for balance of year)
A W Kiernan (resigned 28 November 2013)
T C Pool (resigned 1 October 2013)
Executive directors
T R B Goyder (Executive Chairman from 28 March 2014, non-executive for balance of year)

Executives
R A Heinrich (Chief Financial Officer & Company Secretary)

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

	2014	2013
Short-term employee benefits	663,686	656,361
Post-employment benefits	45,376	51,034
Share based payments	-	3,377
	709,062	710,772

Shares issued to directors in lieu of fees

Commencing on 1 December 2012 and to preserve cash within the Company, each non-executive director agreed to accrue in full or in part their respective directors' fees until further notice. Each non-executive director agreed with the Company, that subject to shareholder approval, they will take Shares in full satisfaction of their respective outstanding fees as at 30 June 2013. At the Annual General Meeting on 28 November 2013, shareholders approved the following issue of shares:

	Director's Fees Outstanding	Shares Issued
Director		
Tim Goyder	$32,110.09	1,621,721
Former Directors		
Anthony Kiernan	$37,461.77	1,892,008
Tom Pool	$35,000.00	1,767,676
Total	**$104,571.87**	**5,281,405**

The issue price of 1.980 cents per share was calculated by taking the volume weighted average share price for Uranium Equities Limited ordinary shares for the 30 days up to and including 26 September 2013.

At 30 June 2014 the balance of director's fees owing was $82,292.

Individual directors and executives compensation disclosures

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

Loans to key management personnel and their related parties

No loans were made to key management personnel and their related parties.

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

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

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

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

Key management persons	**Transaction**	**Note**	**2014**	**2013**
A W Kiernan	Corporate advisory fees	(i)	(10,000)	(60,000)
B L Jones R A Heinrich	Process engineering consultancy fees	(ii)	(420,313)	(376,315)
T Goyder	Corporate advisory fees	(iii)	(35,000)	-
	Short term debt facility	(iv)	-	(200,606)

(i) The Company used the corporate advisory services of Anthony Kiernan until 30 August 2013.

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

(iii) The Company used the corporate advisory services of Tim Goyder between 1 September 2013 and 31 March 2014. These fees have been accrued as a cash conservation measure.

(iv) In December 2012, agreement was reached between the Company and Plato Prospecting Pty Ltd as trustee for the Goyder Family Trust whereby Plato Prospecting provided a debt facility of up to $750,000 to cover short term working capital requirements. Mr Tim Goyder is the sole director of Plato Prospecting Pty Ltd and a director of the Company. $200,000 was drawdown on the facility during the 2013 year and subsequently repaid along with interest of $606, representing an 8.5% per annum interest rate. The facility expired on 30 June 2013.

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

	2014	**2013**
Assets and liabilities arising from the above transactions		
Accrued expenses	35,000	-
Trade payables	34,700	5,000
	69,700	5,000

(b) Non-key management personnel disclosures

Identity of related parties

The consolidated entity has a related party relationship with its subsidiaries (see Note 25) and associates in the prior year (see Note 14).

Other related party transactions

Subsidiaries

Loans are made by the Company to wholly owned subsidiaries. Loans outstanding between the Company and its controlled entities have no fixed date of repayment and are non-interest bearing. At 30 June 2014, such loans to subsidiaries totalled $16,966,036 (2013: $18,165,396)

30. Subsequent Events

Except as mentioned below, in the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

On 18 July 2014 the Company announced a share placement and a partially underwritten non-renounceable 1 for 3 rights issue at 1 cent per share to raise up to $1.47 million before costs. As at the date of this report, a total of $1.20 million, before costs, has been raised. The directors have until 19 November 2014 to place the shortfall.

Directors' declaration

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

(a) the financial statements and notes, set out on pages 15 to 46 and the Remuneration Report in the Directors' Report, set out on pages 3 to 13, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and

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

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

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

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer (or equivalent) and chief financial officer (or equivalent) for the financial year ended 30 June 2014.

Dated at Perth the 4th day of September 2014.

Signed in accordance with a resolution of the directors:

Tim Goyder
Executive Chairman

KPMG

Independent auditor's report to the members of Uranium Equities Limited

Report on the financial report

We have audited the accompanying financial report of Uranium Equities Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2014, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 30 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group 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. These Auditing 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the consolidated entity's financial position and of its performance.

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the consolidated entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as 30 June 2014 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in section 7 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Uranium Equities Limited for the year ended 30 June 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Darren Ball
Partner

Adelaide

4 September 2014

Corporate Governance Statement

Uranium Equities is committed to a high level of corporate governance in accordance with the Corporations Act and ASX Listing Rules. The Company's Corporate Governance Statement details the principles and practices adopted and can be found on the Company website (http://www.uel.com.au/invest/corporate-profie/governance.html).

The following information is supplementary to the Corporate Governance Statement and addresses the principles which are not met:

Directors & Management

Details of each director's qualifications, experience and special responsibilities, their attendance at board meetings and the Company Secretary's qualifications and experience are disclosed on pages 3 and 4. Information on the principles and structure of remuneration for executive directors, non-executive directors and senior executives is disclosed in the Remuneration Report (Section 7 of the Director's Report).

During the year the Company undertook reviews of the Board composition and executive management in accordance with sections 1.1 and 1.2 of the Corporate Governance Statement. Following Mr Jones' resignation as Managing Director, Mr Goyder has resumed the role of chief executive officer as Executive Chairman.

Mr Hacker is considered an independent non-executive director as specified in the ASX Corporate Governance Principles. Although the Board does not comprise a majority of independent directors, the Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. If a director has a conflict of interest the director is excluded from any Board meeting or discussion concerning that matter.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of an independent non-executive chairman or additional independent non-executive directors.

Committees

With the exception of the Audit Committee, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of any other separate or special committees, such as a nomination committee or remuneration committee, at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Audit Committee met on two occasions during the year. The external auditors attended both of these meetings. A copy of the Audit Committee Charter can be found on the Company website (www.uel.com.au) under the Governance section. The Audit Committee currently consists of all Board members such that the number of Audit Committee members under its Charter is met.

Risk Management

The Managing Director and Chief Financial Officer have assured the Board that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Management has also reported to the Board that the Company's management of material business risks is effective.

Diversity

The Company has adopted a Diversity Policy which recognises managing diversity as a means of enhancing the Company's performance – a copy can be found on the Company's website. The Board considers that the Company is not currently of a size to justify setting measurable objectives for gender diversity. The proportion of women at various levels within the Company during the year was as follows:

	Women	Men
Board	0%	100%
Executives	0%	100%
Professionals	51%	49%
Support staff	13%	88%
Total	**27%**	**73%**

ASX Corporate Governance Council Recommendations

			Comply	CGS Reference*
Principle 1: Lay solid foundations for management and oversight				
	1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	✓	1.1
	1.2	Companies should disclose the process for evaluating the performance of senior executives.	✓	1.1
	1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	✓	
Principle 2: Structure the Board to add value				
	2.1	A majority of the Board should be independent directors.	×	1.2
	2.2	The chair should be an independent director.	×	1.2
	2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	×	1.2
	2.4	The Board should establish a nomination committee.	×	1.3
	2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	✓	1.1
	2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	✓	
Principle 3: Promote ethical and responsible decision-making				
	3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the Company' integrity. • the practices necessary to take into account their legal obligations and the reasonable expectations of their Shareholders. • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓	2.1 2.2
	3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	✓	2.4
	3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	×	
	3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✓	
	3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	✓	
Principle 4: Safeguard integrity in financial reporting				
	4.1	The board should establish an audit committee.	✓	1.3
	4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members	 × × × ✓	1.3
	4.3	The audit committee should have a formal charter.	✓	1.3
	4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	✓	

			Comply	CGS Reference*
Principle 5: Make timely and balanced disclosure				
	5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	✓	3.1
	5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	✓	
Principle 6: Respect the rights of shareholders				
	6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	✓	3.2
	6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	✓	
Principle 7: Recognise and manage risk				
	7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	✓	4.1
	7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	✓	4.2
	7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	4.2
	7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	✓	
Principle 8: Remunerate fairly & responsibly				
	8.1	The board should establish a remuneration committee.	×	1.3
	8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	×	
	8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	✓	5, Rem. Report
	8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	✓	

* Refer Corporate Governance Statement (CGS) on the Company's website

ASX additional information

As at 26 August 2014

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

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associated interests as at 26 August 2014 were:

Shareholder	Number of ordinary shares held	Percentage of capital held %
Timothy R B Goyder	104,051,710	24.54

Class of Shares and Voting Rights

At 26 August 2014 there were 1,165 holders of the ordinary shares of the Company.

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

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

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

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

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

Distribution of equity security holders as at 26 August 2014:

	Number of equity security holders		
Category	Ordinary Shares	Unlisted Share Options	Unlisted Performance Rights
1 – 1,000	30	-	-
1,001 – 5,000	76	-	-
5,001 – 10,000	91	-	-
10,001 – 100,000	634	-	-
100,001 and over	334	6	2
Total	**1,165**	**6**	**2**

The number of shareholders holding less than a marketable parcel at 26 August 2014 was 572. As at the date of this report there is no on-market buy back of the Company's shares.

ASX additional information

As at 26 August 2014

Twenty largest Ordinary Fully Paid Shareholders as at 26 August 2014

Name	Number of ordinary shares held	Percentage of capital held %
Mr Timothy R B Goyder	104,051,710	24.54
Calm Holdings Pty Ltd <Clifton Superfund A/C>	17,777,780	4.19
Balfes (Qld) Pty Ltd <Balfes Super Fund A/C>	15,000,000	3.54
J P Morgan Nominees Australia Pty Ltd	12,290,561	2.90
Resolute (Treasury) Pty Ltd	11,364,000	2.68
Banarway Pty Ltd	8,000,000	1.89
Opeka Dale Pty Ltd <Opeka Dale P/L S/F No2 A/C>	8,000,000	1.89
Trebble Sum Pty Ltd <Trebble Sum Super Fund A/C>	8,000,000	1.89
Lagoon Creek Resources Pty Ltd	6,983,218	1.65
Trebble Sum Pty Ltd <Trebble Sum A/C>	5,866,667	1.38
Mr Anthony William Kiernan	5,243,111	1.24
Octifil Pty Ltd	4,750,000	1.12
Ginostra Capital Pty Ltd <Pullini Investment A/C>	4,500,000	1.06
Merrill Lynch (Australia) Nominees Pty Ltd	4,077,391	0.96
Cauldron Energy Limited	4,000,000	0.94
Claw Pty Ltd <Corp Super Fund A/C>	4,000,000	0.94
Corporate Property Services Pty Ltd <K W Share A/C>	3,750,000	0.88
Fosdike Securities Pty Ltd	3,333,333	0.79
Fullsack Enterprises Pty Ltd	3,333,333	0.79
HSBC Custody Nominees (Australia) Ltd	3,090,154	0.73
Total	**237,411,258**	**55.99**