



Uranium Equities Limited and its  
controlled entities

31 December 2014 interim  
financial report

ABN 74 009 799 553

Uranium Equities Limited and its Controlled Entities

**Contents**

	<b>Page</b>
<b>Directors' report</b>	<b>2</b>
<b>Auditor's independence declaration</b>	<b>4</b>
<b>Condensed consolidated statement of comprehensive income</b>	<b>5</b>
<b>Condensed consolidated statement of changes in equity</b>	<b>6</b>
<b>Condensed consolidated statement of financial position</b>	<b>8</b>
<b>Condensed consolidated statement of cash flows</b>	<b>9</b>
<b>Notes to the condensed consolidated financial statements</b>	<b>10</b>
<b>Directors' declaration</b>	<b>17</b>
<b>Independent auditor's review report</b>	<b>18</b>

# Uranium Equities Limited and its Controlled Entities

## Directors' report

For the half-year ended 31 December 2014

The directors present their report together with the condensed financial report for the half-year ended 31 December 2014 for Uranium Equities Limited ("the Company") and its controlled entities ("the group") and the auditor's review report thereon.

### Directors

The names of the directors who held office during the half-year and until the date of this report are as below.

Timothy R B Goyder	Executive chairman
Richard Hacker	Non-executive director
Bryn Jones	Non-executive director

### Review of operations

During the period the Company continued to focus exploration activities on its core projects in the Alligator Rivers Uranium Field, (ARUF) in the Northern Territory. The ARUF is a world-class uranium province comparable to the Athabasca Basin in Canada in terms of its geological setting and endowment. The Company has expanded its land holding in the region and, combined with its existing tenure, now controls over 5,000km<sup>2</sup> of prospective ground in the ARUF.

In July 2014, the Company completed a Reverse Circulation (RC) drilling program on the Nabarlek Mineral Lease and West Arnhem JV (UEQ earning 100%) areas. High grade uranium intersections were encountered at the U40 prospect confirming the potential for the ARUF to host high grade uranium mineralisation.

In addition the Company developed a number of Research and Development (R&D) related initiatives which have led to improved understanding of the geological controls to uranium mineralisation in the region. These initiatives have involved applications of new technologies and methods developed in targeting for other deposit types including:

- Spectral analysis of new and existing drill data to characterise fundamental alteration patterns adjacent to known mineralisation in the region. This has led to the identification of previously unrecognised vectors to mineralisation within the broader Nabarlek Project area. Subject to financing, these new concepts will be tested in the coming field season.
- Completion of a regional structural study focussed on 'mineral-systems' based targeting to identify key structural features related to uranium mineralisation on the Company's newly expanded land holding in the ARUF. This study has identified several new high priority target areas which will be the focus of permitting work in the coming period.

### Corporate

In July 2014, the Company completed a fully underwritten entitlement issue and raised \$1,013,129. The raising was undertaken through a 1-for-3 pro-rata non-renounceable rights issue to existing shareholders at 1 cent per share. In addition, the Company also raised \$450,000 from a share placement to sophisticated investors at 1 cent per share.

### Finance

At 31 December 2014 the Group had net assets of \$20,774,130 (30 June 2014: \$19,730,180) and an excess of current assets over current liabilities of \$412,630 (30 June 2014: \$(69,603)). At 31 December 2014, cash at bank totalled \$564,857 (30 June 2014: \$312,539).

The Group reported a net loss for the period of \$246,259 (31 December 2013: \$264,736).

Due to ongoing difficulties in equity markets, the directors have agreed to continue to accrue all or part of fees owing until further notice.

The Company has forecast that it may need to seek additional funding in order to meet its operating and exploration expenditure for the next 12 months from the date of this report. Given the current weak equity markets for resource companies, there is material uncertainty as to whether the Group will be able to continue as a going concern if it is unable to either raise additional capital or realise its existing assets. As a result, the

# Uranium Equities Limited and its Controlled Entities

## **Directors' report**

**For the half-year ended 31 December 2014**

Company's auditors have included in their Review Report an "Emphasis of Matter" paragraph. Refer to page 18 for the Independent Auditor's Review Report.

### **EVENTS SUBSEQUENT TO THE REPORTING DATE**

There were no significant events after the balance sheet date.

### **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Dated at Perth 12th March 2015.



Tim Goyder  
Chairman

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

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Uranium Equities Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
12 March 2015



**W M Clark**  
Partner

Uranium Equities Limited and its Controlled Entities

**Condensed consolidated statement of comprehensive income**

For the half-year ended 31 December 2014

	Note	31 Dec 2014	31 Dec 2013
<b>Total revenue</b>		-	-
Other income	3	195,000	420,000
Exploration rent reimbursed		58,525	-
Exploration and evaluation expenditure written off	8	(3,134)	(235)
Corporate and administration expenses	4	(488,817)	(821,407)
Loss on disposal of a fixed asset		(2,605)	(24,970)
<b>Loss from operating activities</b>		<b>(241,031)</b>	<b>(426,612)</b>
Finance income		34,768	41,452
Finance costs		(39,996)	(93,198)
<b>Net finance income</b>		<b>(5,228)</b>	<b>(51,746)</b>
Reversal of impairment on equity accounted investees	4	-	74,561
Gain on loss of control	4	-	218,989
<b>Loss before income tax</b>		<b>(246,259)</b>	<b>(184,808)</b>
Income tax benefit	5	-	449,544
<b>(Loss)/profit for the period attributable to owners of the Company</b>		<b>(246,259)</b>	<b>264,736</b>
<b>Other comprehensive income</b>			
<b>Items that may subsequently be reclassified to profit and loss:</b>			
Net change in fair value of available-for-sale financial assets		(136,075)	16,009
<b>Total other comprehensive income</b>		<b>(136,075)</b>	<b>16,009</b>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>		<b>(382,334)</b>	<b>280,745</b>
<b>Earnings per share</b>			
Basic gain/(loss) per share attributable to ordinary equity holders (cents per share)		(0.06)	(0.010)
Diluted gain/(loss) per share attributable to ordinary equity holders (cents per share)		<b>(0.06)</b>	<b>(0.010)</b>

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 10 to 16.

Uranium Equities Limited and its Controlled Entities  
**Condensed consolidated statement of changes in equity**  
For the half-year ended 31 December 2014

Attributable to equity holders of the Group

	Note	Share capital \$	Share-based payments reserve \$	Fair value reserve \$	Translation reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2014</b>		<b>47,242,083</b>	<b>5,299,871</b>	<b>573,344</b>	<b>-</b>	<b>(33,385,118)</b>	<b>19,730,180</b>
<b>Total comprehensive loss for the period</b>							
Loss for the period		-	-	-	-	(246,259)	(246,259)
Net change in fair value of available-for-sale financial assets	7	-	-	(136,075)	-	-	(136,075)
<b>Total comprehensive loss for the period</b>		<b>-</b>	<b>-</b>	<b>(136,075)</b>	<b>-</b>	<b>(246,259)</b>	<b>(382,334)</b>
<b>Transactions with owners, recorded directly to equity</b>							
Rights issue and placement	10	1,463,129	-	-	-	-	1,463,129
Issue of shares in lieu of directors' fees	10	60,839	-	-	-	-	60,839
Less share issue costs	10	(89,108)	-	-	-	-	(89,108)
Other share-based payment transactions		-	(8,576)	-	-	-	(8,576)
Transfer from reserve		-	(5,291,295)	-	-	5,291,295	-
<b>Total contributions by and distributions to owners</b>		<b>1,434,860</b>	<b>(5,299,871)</b>	<b>-</b>	<b>-</b>	<b>5,291,295</b>	<b>1,426,284</b>
<b>Balance at 31 December 2014</b>		<b>48,676,943</b>	<b>-</b>	<b>437,269</b>	<b>-</b>	<b>(28,340,082)</b>	<b>20,774,130</b>

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 10 to 16.

Uranium Equities Limited and its Controlled Entities

**Condensed consolidated statement of changes in equity**

For the half-year ended 31 December 2013

Attributable to equity holders of the Group

	Note	Share capital \$	Share-based payments reserve \$	Fair value reserve \$	Translation reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2013</b>		48,125,907	5,293,581	-	218,989	(31,904,137)	21,734,340
<b>Total comprehensive income for the period</b>							
Profit for the period		-	-	-	-	264,736	264,736
Net change in fair value of available for sale financial assets	7	-	-	16,009	-	-	16,009
<b>Total comprehensive income for the period</b>		-	-	<b>16,009</b>	-	<b>264,736</b>	<b>280,745</b>
<b>Transactions with owners, recorded directly to equity</b>							
In-specie distribution of PhosEnergy Limited shares to shareholders	10	(988,396)	-	-	(218,989)	-	(1,207,385)
Issue of shares in lieu of directors' fees	10	104,572	-	-	-	-	104,572
Other share-based payment transactions		-	17,335	-	-	-	17,335
<b>Total contributions by and distributions to owners</b>		<b>(883,824)</b>	<b>17,335</b>	-	<b>(218,989)</b>	-	<b>(1,085,478)</b>
<b>Balance at 31 December 2013</b>		<b>47,242,083</b>	<b>5,310,916</b>	<b>16,009</b>	-	<b>(31,639,401)</b>	<b>20,929,607</b>



Uranium Equities Limited and its Controlled Entities  
**Condensed consolidated statement of financial position**  
For the half-year ended 31 December 2014

	Note	31 Dec 2014	30 Jun 2014
<b>Current assets</b>			
Cash and cash equivalents		564,857	312,539
Trade and other receivables		112,835	194,294
<b>Total current assets</b>		<b>677,692</b>	<b>506,833</b>
<b>Non-current assets</b>			
Restricted cash	6	1,604,273	1,604,273
Other investments	7	947,215	992,359
Exploration and evaluation assets	8	19,337,138	18,701,954
Property, plant and equipment		120,314	136,371
<b>Total non-current assets</b>		<b>22,008,940</b>	<b>21,434,957</b>
<b>Total assets</b>		<b>22,686,632</b>	<b>21,942,790</b>
<b>Current liabilities</b>			
Trade and other payables		254,191	454,297
Provisions	9	29,547	9,547
Employee benefits		1,325	112,592
<b>Total current liabilities</b>		<b>285,063</b>	<b>576,436</b>
<b>Non-current liabilities</b>			
Provisions	9	1,627,439	1,629,287
Employee benefits		-	5,887
<b>Total non-current liabilities</b>		<b>1,627,439</b>	<b>1,635,174</b>
<b>Total liabilities</b>		<b>1,912,502</b>	<b>2,211,610</b>
<b>Net assets</b>		<b>20,774,130</b>	<b>19,730,180</b>
<b>Equity</b>			
Issued capital	10	48,676,943	47,242,083
Reserves		437,269	5,873,215
Accumulated losses		(28,340,082)	(33,385,118)
<b>Total equity</b>		<b>20,774,130</b>	<b>19,730,180</b>

The consolidated interim statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 10 to 16.

Uranium Equities Limited and its Controlled Entities  
**Condensed consolidated statement of cash flows**

For the half-year ended 31 December 2014

	Note	31 Dec 2014	31 Dec 2013
<b>Cash flows from operating activities</b>			
Cash receipts from operations		260,000	420,000
Cash paid to suppliers and employees		(593,128)	(755,491)
Interest paid		(297)	(17,408)
Interest received		27,828	60,747
Income tax received		-	449,544
<b>Net cash from/(used) in operating activities</b>		<b>(305,597)</b>	<b>157,392</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments	4	-	500,000
Payments for investments		(90,931)	-
Payments for mining exploration and evaluation and rehabilitation		(727,447)	(396,038)
Acquisition of property, plant and equipment		-	(11,829)
Proceeds from sale of property, plant and equipment		2,272	-
Loan to PhosEnergy Limited		-	(50,000)
<b>Net cash from/(used) in investing activities</b>		<b>(816,106)</b>	<b>42,133</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of shares		1,374,021	(4,076)
Decrease in restricted cash		-	(40,000)
<b>Net cash from/(used) in financing activities</b>		<b>1,374,021</b>	<b>(44,076)</b>
Net increase in cash and cash equivalents		252,318	155,449
Cash and cash equivalents at 1 July		312,539	855,736
<b>Cash and cash equivalents at 31 December</b>		<b>564,857</b>	<b>1,011,185</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 10 to 16.

# Uranium Equities Limited and its Controlled Entities

## Notes to the condensed financial statements

For the half-year ended 31 December 2014

### 1. Significant accounting policies

#### (a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Uranium Equities Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

#### (b) Basis of preparation

The interim report has been prepared on a historical cost basis except for certain other investments which have been stated at market value. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

#### (c) Significant accounting judgments and key estimates

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

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2014.

#### (d) Adoption of new and revised Accounting Standards

The accounting policies and methods of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2014.

The Group has adopted all of the new and revised Standards and Interpretations effective for the current year that are relevant to the Group. The directors note that there is no significant impact on the financial reports as a result.

#### (e) Going Concern

The Company has forecast that it may need to seek additional funding in order to meet its operating expenditure and planned exploration expenditure for the next 12 months from the date of signing these half-yearly financial statements and note the difficulties being faced by smaller exploration companies seeking to raise additional capital in the current market. If the Company is unable to raise further funds within the next 12 months, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business. As a result, the Company's auditors have included in their Review Report an "Emphasis of Matter" paragraph. Refer to page 18 for the Independent Auditor's Review Report.

# Uranium Equities Limited and its Controlled Entities

## Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2014

### 2. Segment reporting

#### Geographical segments

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

The operating segments have changed from the prior years due to the demerger of PhosEnergy in September 2013. The revised reportable segments have been identified as Exploration and Evaluation and Corporate costs.

Comparatives have been restated to reflect the change in reportable segments.

	Exploration and Evaluation		Corporate		Total	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	\$	\$	\$	\$	\$	\$
Proceeds from the sale of tenements	-	-	195,000	420,000	195,000	420,000
Exploration rent reimbursed	58,525	-	-	-	58,525	-
Impairment of exploration and evaluation assets	-	(235)	-	-	-	(235)
Exploration and evaluation expenses written off	(3,134)	-	-	-	(3,134)	-
Corporate and administrative expenses	-	--	(488,817)	(821,407)	(488,817)	(821,407)
Loss on disposal of fixed assets	-	-	(2,605)	-	(2,605)	-
Other	-	-	-	268,580	-	268,580
<b>Segment net gain/ loss after tax</b>	<b>55,391</b>	<b>(235)</b>	<b>(296,422)</b>	<b>(132,827)</b>	<b>(241,103)</b>	<b>(133,062)</b>
<b>Unallocated income/(expenses)</b>						
Net financing income					(5,228)	(51,746)
<b>Loss before income tax</b>					<b>(246,259)</b>	<b>(184,808)</b>
	Exploration and Evaluation		Corporate		Total	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	\$	\$	\$	\$
<b>Segment assets:</b>						
Exploration and evaluation assets	19,337,138	18,701,954	-	-	19,337,138	18,701,954
Other	1,652,801	1,657,589	126,077	225,020	1,778,878	1,882,609
	<b>20,989,939</b>	<b>20,359,543</b>	<b>126,077</b>	<b>225,020</b>	<b>21,116,016</b>	<b>20,584,563</b>
Unallocated assets					1,570,616	1,357,227
<b>Total assets</b>					<b>22,686,632</b>	<b>21,941,790</b>
<b>Segment liabilities</b>	<b>1,694,324</b>	<b>1,638,834</b>	<b>218,178</b>	<b>572,776</b>	<b>1,912,501</b>	<b>2,211,610</b>

# Uranium Equities Limited and its Controlled Entities

## Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2014

### 3. Other income

	31 Dec 2014 \$	31 Dec 2013 \$
Management fees	195,000	420,000
	195,000	420,000

The Company provided management services to Urtek LLC, the US based company which owns the PhosEnergy Process technology, up until to September 2014 under a services agreement.

### 4. Loss before income tax expense

	31 Dec 2014 \$	31 Dec 2013 \$
<b>(a) Corporate administrative expenses</b>		
Depreciation and amortisation	(6,391)	(12,891)
Insurance	(10,920)	(9,393)
Legal fees	(7,090)	(20,072)
Corporate service charge	(16,500)	-
Office costs	(7,016)	(7,636)
Personnel expenses	(274,040)	(578,481)
Regulatory and compliance	(107,578)	(146,471)
Other	(59,282)	(46,463)
	<b>(488,817)</b>	<b>(821,407)</b>

	31 Dec 2014 \$	31 Dec 2013 \$
<b>(b) Gain on loss of control</b>		
PhosEnergy Limited	-	218,989
	-	218,989

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 31 December 2014 the consolidated entity holds approximately 9.1% of PhosEnergy Limited.

The gain on loss of control represents the recycling of foreign currency translation reserves held against the PhosEnergy assets.

	31 Dec 2014 \$	31 Dec 2013 \$
<b>(c) Reversal of impairment on equity accounted investees</b>		
Energia Minerals Limited (ASX: EMX)	-	74,561
	-	74,561

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) valued at \$320,176.

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.

# Uranium Equities Limited and its Controlled Entities

## Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2014

### 5. Income tax

	31 Dec 2014 \$	31 Dec 2013 \$
Current tax benefit	-	449,544
Total income tax benefit reported in the statement of comprehensive income	-	449,544

The income tax benefit of \$449,544 represents a research and development tax refund relating to the 2013 financial year. The refund was received in December 2013.

### 6. Restricted cash

	31 Dec 2014 \$	30 Jun 2014 \$
Bank guarantees in relation to rehabilitation obligations	1,588,713	1,588,713
Bank guarantee in relation to office premises	15,560	15,560
	1,604,273	1,604,273

Bank guarantees in relation to rehabilitation obligations are held by the Northern Territory Department of Mines and Energy for rehabilitation obligations on the Nabarlek Mineral Lease (\$1,533,862) and by the Northern Land Council on the Nabarlek tenements (\$54,851).

### 7. Other investments

	31 Dec 2014 \$	30 Jun 2014 \$
PhosEnergy Limited shares	691,074	600,144
Enterprise Uranium Limited (ASX: ENU)	256,141	392,215
	947,215	992,359

As the shares in PhosEnergy Limited are unlisted and there is a limited market for potential investors the shares are measured based on the last capital raising in June 2014.

The closing price of Enterprise Uranium shares on 31 December 2014 was 3.2 cents per share. The investment has been fair valued entirely under Level 1 of the IFRS 13 Fair Value Hierarchy at \$256,141 with a decrease in value of \$136,075 recorded to the fair value reserve (2013: increase of \$16,009).

### 8. Exploration and evaluation assets

	6 months to 31 Dec 2014 \$	Year to 30 June 2014 \$
Cost brought forward at beginning of period	18,701,956	19,123,530
Expenditure incurred during the period	579,792	773,017
Acquisitions	-	325,000
Write down and reimbursement brought through the statement of comprehensive income	55,390	-
Impairment losses	-	(1,519,593)
Total	19,337,138	18,701,954

# Uranium Equities Limited and its Controlled Entities

## Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2014

### 9. Provisions

	31 Dec 2014 \$	30 Jun 2014 \$
<b>Current</b>		
Rehabilitation	29,547	9,547
	29,547	9,547
<b>Non-current</b>		
Rehabilitation	1,627,439	1,629,287
	1,627,439	1,629,287

The provision represents an estimate of the cost of meeting obligations for rehabilitation at the Nabarlek Mineral Lease assumed by the Company upon the acquisition of Queensland Mines Pty Ltd in 2008.

### 10. Issued capital

	31 Dec 2014 No.	30 Jun 2014 No.
Issued and fully paid ordinary shares	455,388,518	303,938,778

	6 months to 31 Dec 2014		Year to 30 Jun 2014	
	No.	\$	No.	\$
Balance at 1 July	303,938,778	47,242,083	298,657,373	48,125,907
Capital reduction	-	-	-	(988,396)
Share issues	146,312,926	1,463,129	-	-
Share issues – in lieu of directors' fees	5,136,814	60,839	5,281,405	104,572
Less share issue costs	-	(89,108)	-	-
Balance at end of period	455,388,518	48,676,943	303,938,778	47,242,083

During the half-year the Company issued 45,000,000 shares to sophisticated investors at 1 cent per share and 101,312,926 shares under a 1:3 rights issue also at 1 cent per share.

Following shareholder approval at the 2014 Annual General Meeting, the Company issued 5,136,814 fully paid ordinary shares to current and former Directors in full satisfaction of unpaid directors' fees of \$60,839 as at 30 September 2014 (see note 12).

### 11. Share Options and Performance Rights

	6 months to 31 Dec 2014 No.	Year to 30 Jun 2014 No.
Movements in unlisted options over ordinary shares on issue:		
At 1 July	1,800,000	6,475,000
Options expired	(1,800,000)	(4,675,000)
At balance date	-	1,800,000
Movements in unlisted performance rights over ordinary shares on issue:		
At 1 July	1,506,406	6,102,500
Performance rights lapsed	(1,506,406)	(4,596,094)
At balance date	-	1,506,406

Uranium Equities Limited and its Controlled Entities  
**Notes to the condensed consolidated financial statements**  
For the half-year ended 31 December 2014

**12. Related party transactions**

**Key Management personnel**

Key management personnel including non-executive directors receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payment awards. For the six months ended 31 December 2014, executive personnel received total compensation of \$191,886 (six months ended 31 December 2013: \$284,660) and non-executive directors received total compensation of \$29,666 (six months ended 31 December 2013: \$43,250).

**Directors' fees outstanding shares issued**

Commencing on 1 July 2013 and to preserve cash within the Company, each director agreed to accrue their respective directors' fees until further notice. Each director and former director listed below agreed with the Company, that subject to shareholder approval, they will take shares in full satisfaction of their respective outstanding fees as at 30 September 2014:

<b>Director</b>	Directors' Fees Outstanding \$	Shares Issued No.
Bryn Jones	6,252	527,877
Richard Hacker	10,420	879,795
<b>Former Directors</b>		
Anthony Kiernan	29,167	2,462,642
Tom Pool	15,000	1,266,500
<b>Total</b>	<b>60,839</b>	<b>5,136,814</b>

The shareholders approved the above issue of shares at the Annual General Meeting held on 26 November 2014.

The issue price of 1.184 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 10 October 2014.

It was also agreed at the board meeting on 26 September 2014 to continue to accrue directors' fees from 1 October 2014 until further notice. At 31 December 2014 the balance of directors' fees owing was \$143,350, of this, \$137,086 is still owing to Mr Tim Goyder for the period from 1 July 2013 to 31 December 2014.

**Other related parties transactions**

The group receives corporate services including office rent and facilities, accounting and company secretarial services under a Corporate Services Agreement with Chalice Gold Mines Limited. Mr Goyder is the Managing Director of Chalice Gold Mines Limited. Mr Hacker is the Chief Financial Officer of Chalice Gold Mines Limited and was the Company Secretary up until 15 October 2014. Amounts billed are based on a proportionate share of the cost to Chalice Gold Mines Limited of providing the services and have normal payment terms. The total amount paid during the period was \$16,500 (six months ended 31 December 2013: Nil). An amount of \$5,000 (six months ended 31 December 2013: Nil) was outstanding and payable at the end of the period.

The Company used the process engineering consultancy services of Inception Consulting Engineers Pty Ltd in relation to PhosEnergy, from February 2012 until 30 September 2014. Mr Jones had a 25% beneficial interest during this period. The total amount paid during the period was \$144,300 (six months ended 31 December 2013: \$178,000).

Lotaka Pty Ltd, a company associated with Mr Tim Goyder, partially underwrote the 1-for-3 non-renounceable rights issue during the half-year. Lotaka Pty Ltd was paid a fee of 3.5% of the



# Uranium Equities Limited and its Controlled Entities

## **Notes to the condensed consolidated financial statements**

### **For the half-year ended 31 December 2014**

underwritten amount, and the underwriting was on customary terms. The total amount paid during the period was \$11,500 (six months ended 31 December 2013: Nil).

#### **13. Events after balance sheet date**

There were no significant events after the balance sheet date.

#### **14. Contingent liabilities**

During the period, AusIndustry advised the Company that it is considered to have a “high risk” of non-compliance with the eligibility requirements of the Research and Development (“R & D”) Tax Incentive Scheme operated by the Australian government. Therefore, in accordance with section 27F of the Industry R & D Act 1986, an examination of the Company’s R & D Tax Incentive registration will take place for the 2011/12 and 2012/13 financial years.

At reporting date, there has been no formal finding against the Company, however, there is a possibility that some or all of the R & D incentive claims may be found to be non-compliant and as such, may require repayment. The Company strongly believes that all tax incentives received pursuant to the R & D Incentive Scheme meet the eligibility requirements and will continue to assist AusIndustry with its examination.

#### **15. Capital commitments**

There have been no changes to the capital commitments as disclosed in the Annual Report for the year ended 30 June 2014.

# Uranium Equities Limited and its Controlled Entities

## **Directors' Report**

**For the half year ended 31 December 2014**

In the opinion of the directors of Uranium Equities Limited:

1. the interim financial statements and notes set out on pages 5 to 16, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. 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.

Dated at Perth on 12<sup>th</sup> March 2015.

Signed in accordance with a resolution of the directors:



Tim Goyder  
Chairman

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Uranium Equities Limited

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Uranium Equities Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

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

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### *Independence*

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

*Conclusion*

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Emphasis of Matter*

Without modifying our conclusion, we draw attention to Note 1(e) in the half-year report, which indicates that the Group may need to seek additional funding in order to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing the half-year report. Should the need arise and should additional funding not be obtained, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise assets and extinguish its liabilities in the normal course of business.



**HLB Mann Judd**  
**Chartered Accountants**



**W M Clark**  
**Partner**

**Perth, Western Australia**  
**12 March 2015**