



Uranium Equities Limited and its
controlled entities

31 December 2015 interim
financial report

ABN 74 009 799 553

Uranium Equities Limited and its Controlled Entities

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Uranium Equities Limited and its Controlled Entities

Directors' report

For the half-year ended 31 December 2015

The directors present their report together with the condensed financial report for the half-year ended 31 December 2015 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	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 5,000km² of prospective ground in the ARUF.

In August-September 2015, the Company completed an RC and diamond drilling program on the Nabarlek project for a total advance of 3,452m. The program was focused on two main objectives:

- To test for a depth extension of the Nabarlek mine (Nabarlek Offset target) a 6-hole RC precollar/diamond drilling program was completed on the Nabarlek Mining Lease MLN962 (UEL 100%); and
- To test two high priority aircore/RAB geochemical pathfinder and alteration anomalies located along strike of the N147 prospect uranium mineralisation a 6-hole RC program was completed on the West Arnhem joint venture (WAVJ; UEL 40% earning 100%).

The results of the drilling program are discussed below.

Drilling at the Nabarlek Offset target successfully intersected a prominent structural zone within the basement Cahill Formation schists which shows strong to intense alteration and faulting on two 150m-spaced drill sections. Although no significant uranium mineralisation was intersected, the identification of a prominent structure with prospective illite-haematite-sulphide alteration extending below the Oenpelli Dolerite (250m thick) is interpreted to show the ore-hosting structure is continuous at depth and may extend along strike into untested areas. Modelling of this structure has indicated that this target is essentially untested over a 2.0km strike extent northwest and southeast of the recent drilling. The Company considers this target to be a high priority target for follow-up exploration in 2016 subject to suitable financing.

Exploration drilling at GC-11 prospect on the WAVJ targeted a coincident pathfinder geochemical and alteration anomaly and two drill holes intersected significant uranium mineralisation (see below).

NAR7535:

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

NAR7537:

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

Uranium mineralisation is associated with extensive chlorite and haematite altered dolerite, and shows strong lithium (Li) and vanadium (V) anomalism consistent with the original geochemical targeting criteria. In addition to opening up over 2.5km of strike of potentially mineralised dolerite west of N147 prospect, the significant

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Directors' report

For the half-year ended 31 December 2015

intersections confirm the combined geological and geochemical targeting approach, and the results of the Company's research and development programs in the region.

One drill hole NAR7534 drilled about 200m south of the uranium drill intersections reported above (holes NAR7535 and NAR7537) intersected a unique alteration package within the Kombolgie Sandstone comprising, from the top, illite clay alteration (replaced background kaolinite within the sandstone), silicification, and, across a redox front, illite-chlorite and finally sudoitic chlorite alteration on the unconformity. The alteration assemblages are consistent with those mapped over "classical" Athabasca style unconformity hosted uranium deposits and suggests drill hole NAR7534 has drilled into the outer margin of a uranium related alteration halo.

Ongoing project activities include a new program of target generation throughout the Nabarlek Mineral Lease and surrounding WAJV Exploration Licences to allow prioritising of areas and targets for the upcoming field season. Datasets for geophysics, geology, drilling and geochemistry are being integrated with public datasets to allow a project-wide compilation and review.

Corporate

In August 2015 the Company completed an underwritten 1-for-3 non-renounceable rights issue to eligible shareholders at 0.8 cents for each new share to raise \$1,214,370 before issue costs.

During the September period the Company advised that it had received a Certificate for Finding from Innovation Australia under Section 27J of the Industry Research and Development Act 1986 ("IR&D Act") regarding its R&D tax incentive claim for the 2011/12, 2012/13 and 2013/14 income years.

Innovation Australia claimed that certain R&D tax incentive claims in relation to the West Arnhem, Frome and Marla projects made by the Company in these years were non-compliant, and as such, required repayment to the extent of approximately \$439,000. The Company and its advisor strongly disagree with the findings and believe all tax incentives received pursuant to the IR&D Act meet the eligibility requirements.

Uranium Equities intends to take all necessary steps to dispute these findings of which the first step has been to requisition that the Board of Innovation Australia reconsider the decision and commence a review under Division 5 of the IR&D Act (being an internal review of the finding). As of the date of this report the Company is awaiting the outcome.

On December 22nd 2015 the Company announced that it has agreed with Cameco Australia Pty Ltd to extend the period to earn a 100% interest in the West Arnhem Joint Venture from 10th September 2016 until 31st December 2017. As of 31st December 2015 the Company has incurred expenditure of \$1.52 million, with a further \$0.48 million remaining to meet the full expenditure commitment of \$2 million pursuant to the terms of the joint venture agreement.

Finance

At 31 December 2015 the Group had net assets of \$21,215,346 (30 June 2015: \$20,177,206) and an excess of current liabilities over current assets of \$151,304 (30 June 2015: \$369,706). At 31 December 2015, cash at bank totalled \$368,545 (30 June 2015: \$284,783).

The Group reported a net loss for the period of \$171,803 (31 December 2014: \$246,259).

Due to ongoing difficulties in equity markets, the non-executive directors have agreed to continue to accrue all or part of fees owing until further notice. Mr T Goyder placed his director's fees on hold from 1 January 2015 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 a 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 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, and Note 1(e) to the condensed financial statements.

Uranium Equities Limited and its Controlled Entities

Directors' report

For the half-year ended 31 December 2015

EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no significant events after the balance 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 5 and forms part of this directors' report for the half-year ended 31 December 2015.

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 14th March 2016.



Tim Goyder
Chairman

This information in relation to drilling results at the Nabarlek Project are extracted from ASX Announcements entitled 'RC and Diamond Drilling Results Nabarlek Project' created on 7th October 2015. This information is available to view at www.uel.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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 2015, 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
14 March 2016

L Di Giallonardo
Partner

Uranium Equities Limited and its Controlled Entities
Condensed consolidated statement of comprehensive income
For the half-year ended 31 December 2015

	Note	31 Dec 2015	31 Dec 2014
Total revenue			-
Other income	3	-	195,000
Exploration rent reimbursed		-	58,525
Exploration and evaluation expenditure written off		-	(3,134)
Corporate and administration expenses	4	(125,981)	(488,817)
Loss on disposal of a fixed asset		-	(2,605)
Loss from operating activities		(125,981)	(241,031)
Finance income		29,321	34,768
Finance costs		(29,872)	(39,996)
Net finance income		(551)	(5,228)
Loss before income tax		(126,532)	(246,259)
Income tax benefit		-	-
Loss for the period attributable to owners of the Company		(126,532)	(246,259)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Net change in fair value of available-for-sale financial assets		8,004	(136,075)
Total other comprehensive income/(loss)		8,004	(136,075)
Total comprehensive loss for the period attributable to owners of the Company		(118,528)	(382,334)
Earnings per share			
Basic loss per share attributable to ordinary equity holders (cents per share)		(0.02)	(0.06)
Diluted loss per share attributable to ordinary equity holders (cents per share)		(0.02)	(0.06)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 11 to 16.

Uranium Equities Limited and its Controlled Entities
Condensed consolidated statement of financial position
As at 31 December 2015

	Note	31 Dec 2015	30 Jun 2015
Current assets			
Cash and cash equivalents		368,545	284,783
Trade and other receivables		160,869	109,126
Total current assets		529,414	393,909
Non-current assets			
Restricted cash	5	1,602,099	1,614,273
Available-for-sale assets	6	867,170	859,166
Exploration and evaluation assets	7	20,121,092	19,231,361
Property, plant and equipment		79,167	85,810
Other		325,465	325,000
Total non-current assets		22,994,993	22,115,610
Total assets		23,524,407	22,509,519
Current liabilities			
Trade and other payables		202,693	239,600
Provisions	8	478,025	523,750
Employee benefits		-	265
Total current liabilities		680,718	763,615
Non-current liabilities			
Provisions	8	1,628,343	1,568,698
Total non-current liabilities		1,628,343	1,568,698
Total liabilities		2,309,061	2,332,313
Net assets		21,215,346	20,177,206
Equity			
Issued capital	9	49,826,124	48,669,456
Reserves		509,309	501,305
Accumulated losses		(29,120,087)	(28,993,555)
Total equity		21,215,346	20,177,206

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 16.

Uranium Equities Limited and its Controlled Entities
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2015

Attributable to equity holders of the Group

	Note	Issued capital \$	Fair value reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2015		48,669,456	501,305	(28,993,555)	20,177,206
Total comprehensive loss for the period					
Loss for the period		-	-	(126,532)	(126,532)
Net change in fair value of available-for-sale financial assets	6	-	8,004	-	8,004
Total comprehensive loss for the period		-	8,004	(126,532)	(118,528)
Transactions with owners, recorded directly to equity					
Rights issue	9	1,214,370	-	-	1,214,370
Issue of shares in lieu of directors' fees	9	45,270	-	-	45,270
Less share issue costs	9	(102,972)	-	-	(102,972)
Total contributions by and distributions to owners		1,156,668	-	-	1,156,668
Balance at 31 December 2015		49,826,124	509,309	(29,120,087)	21,215,346

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 11 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	Issued capital \$	Share-based payments reserve \$	Fair value reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2014		47,242,083	5,299,871	573,344	(33,385,118)	19,730,180
Total comprehensive income for the period						
Loss for the period		-	-	-	(246,259)	(246,259)
Net change in fair value of available for sale financial assets	6	-	-	(136,075)	-	(136,075)
Total comprehensive loss for the period		-	-	(136,075)	(246,259)	(382,334)
Transactions with owners, recorded directly to equity						
Rights issue and placement	9	1,463,129	-	-	-	1,463,129
Issue of shares in lieu of directors' fees	9	60,839	-	-	-	60,839
Less share issue costs	9	(89,108)	-	-	-	(89,108)
Other share-based payment transactions	9	-	(8,576)	-	-	(8,576)
Transfer from reserve		-	(5,291,295)	-	5,291,295	-
Total contributions by and distributions to owners		1,434,860	(5,299,871)	-	5,291,295	1,426,284
Balance at 31 December 2014		48,676,943	-	437,269	(28,340,082)	20,774,130

Uranium Equities Limited and its Controlled Entities
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2015

	31 Dec 2015	31 Dec 2014
Cash flows from operating activities		
Cash receipts from operations	-	260,000
Cash paid to suppliers and employees	(153,794)	(593,128)
Interest paid	-	(297)
Interest received	27,721	27,828
Net cash used in operating activities	(126,073)	(305,597)
Cash flows from investing activities		
Payments for investments	-	(90,931)
Payments for mining exploration, evaluation and rehabilitation	(906,250)	(727,447)
Proceeds from sale of property, plant and equipment	-	2,272
Net cash used in investing activities	(906,250)	(816,106)
Net proceeds from issue of shares	1,103,912	1,374,021
Bond return	15,560	-
Increase in restricted cash	(3,386)	-
Net cash from financing activities	1,116,086	1,374,021
Net increase in cash and cash equivalents	83,763	252,318
Cash and cash equivalents at 1 July	284,782	312,539
Cash and cash equivalents at 31 December	368,545	564,857

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 16.

Uranium Equities Limited and its Controlled Entities

Notes to the condensed financial statements

For the half-year ended 31 December 2015

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 2015 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. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(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 2015.

(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 2015. 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 2015.

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 or realise its existing assets 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 2015

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.

	Exploration and Evaluation		Corporate		Total	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	\$	\$	\$	\$	\$	\$
Proceeds from the sale of tenements	-	-	-	195,000	-	195,000
Exploration rent reimbursed	-	58,525	-	-	-	58,525
Impairment of exploration and evaluation assets	-	-	-	-	-	-
Exploration and evaluation expenses written off	-	(3,134)	-	-	-	(3,134)
Corporate and administrative expenses	-	-	(125,981)	(488,817)	(125,981)	(488,817)
Loss on disposal of fixed assets	-	-	-	(2,605)	-	(2,605)
Other	-	-	-	-	-	-
Segment net gain/ loss after tax	-	55,391	(125,981)	(296,422)	(125,981)	(241,031)
Unallocated income/(expenses)						
Net financing income					(551)	(5,228)
Loss before income tax					(126,532)	(246,259)
	Exploration and Evaluation		Corporate		Total	
	31 December 2015	30 June 2015	31 December 2015	30 June 2015	31 December 2015	30 June 2015
	\$	\$	\$	\$	\$	\$
Segment assets:						
Exploration and evaluation assets	20,446,557	21,207,011	-	-	20,446,557	21,207,011
Other	1,647,903	-	120,301	86,227	1,768,204	86,227
	22,094,460	21,207,011	120,301	86,227	22,214,761	21,293,238
Unallocated assets					1,309,646	1,216,281
Total assets					23,524,407	22,509,519
Segment liabilities	2,145,746	2,145,947	163,315	186,366	2,309,061	2,332,313

Uranium Equities Limited and its Controlled Entities

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2015

3. Other income

	31 Dec 2015 \$	31 Dec 2014 \$
Management fees	-	195,000
	-	195,000

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

4. Loss before income tax expense

	31 Dec 2015 \$	31 Dec 2014 \$
Corporate administrative expenses		
Depreciation and amortisation	(3,189)	(6,391)
Insurance	(6,550)	(10,920)
Legal fees	-	(7,090)
Corporate service charge	(33,000)	(16,500)
Personnel expenses	(27,998)	(274,040)
Regulatory and compliance	(35,006)	(107,578)
Other	(20,238)	(66,298)
	(125,981)	(488,817)

5. Restricted cash

	31 Dec 2015 \$	30 Jun 2015 \$
Bank guarantees and cash deposits in relation to rehabilitation obligations	1,592,099	1,588,713
Bank guarantee in relation to business credit cards	10,000	10,000
Bank guarantee in relation to office premises	-	15,560
	1,602,099	1,614,273

Bank/deposit 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 (\$58,237).

6. Available-for-sale investments

	31 Dec 2015 \$	30 Jun 2015 \$
PhosEnergy Limited shares	691,074	691,074
Enterprise Uranium Limited (ASX: ENU)	176,096	168,092
	867,170	859,166

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 2015 was 2.2 cents per share. The investment has been fair valued entirely under Level 1 of the IFRS 13 Fair Value Hierarchy at \$176,096 with an increase in value of \$8,004 recorded to the fair value reserve (2014: decrease of \$136,075).

Uranium Equities Limited and its Controlled Entities

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2015

7. Exploration and evaluation assets

	6 months to 31 Dec 2015 \$	Year to 30 June 2015 \$
Cost brought forward at beginning of period	19,231,362	18,376,954
Expenditure incurred during the period	889,730	893,366
Acquisitions	-	(94,350)
Write down and reimbursement brought through the statement of comprehensive income	-	55,391
Total	20,121,092	19,231,361

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

8. Provisions

	31 Dec 2015 \$	30 Jun 2015 \$
Current		
Rehabilitation	39,275	85,000
Income tax payable	438,750	438,750
	478,025	523,750
Non-current		
Rehabilitation	1,628,343	1,568,698
	1,628,343	1,568,688

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.

9. Issued capital

	31 Dec 2015 No.	30 Jun 2015 No.
Issued and fully paid ordinary shares	618,502,191	455,388,518

	6 months to 31 Dec 2015		Year to 30 Jun 2015	
	No.	\$	No.	\$
Balance at 1 July	455,388,518	48,669,456	303,938,778	47,242,083
Share issues	151,796,173	1,214,370	146,312,926	1,463,129
Share issues – in lieu of directors' fees	11,317,500	45,270	5,136,814	60,839
Less share issue costs		(102,972)		(96,595)
Balance at end of period	618,502,191	49,826,124	455,388,518	48,669,456

During the half-year the Company issued 151,796,173 shares under a rights issue at 0.8 cents per share.

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

Uranium Equities Limited and its Controlled Entities
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2015

10. Share Options and Performance Rights

	6 months to 31 Dec 2015 No.	Year to 30 Jun 2015 No.
Movements in unlisted options over ordinary shares on issue:		
At 1 July	-	1,800,000
Options expired or forfeited	-	(1,800,000)
At balance date	-	-
Movements in unlisted performance rights over ordinary shares on issue:		
At 1 July	-	1,506,406
Performance rights lapsed	-	(1,506,406)
At balance date	-	-

11. 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 2015, executive personnel received total compensation of \$118,515 (six months ended 31 December 2014: \$191,886) and non-executive directors received total compensation of \$35,916 (six months ended 31 December 2014: \$29,666).

Directors' fees outstanding shares issued

To preserve cash within the Company, each director agreed to continue accruing all or part of their respective directors' fees until further notice. Each 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 2015:

Director	Shares Issued No.
Tim Goyder	9,801,000
Bryn Jones	758,250
Richard Hacker	758,250
Total	11,317,500

Shareholders approved the above issue of shares at the Annual General Meeting held on 24 November 2015.

The issue price of 0.8 cents per share was based on the August 2015 non-renounceable rights issue.

It was also agreed at the board meeting on 24 September 2015 to continue to accrue all or part of non-executive directors' fees from 1 October 2015 until further notice. At 31 December 2015 the balance of directors' fees owing was \$3,032. Mr T Goyder placed his director's fees on hold from 1 January 2015 until further notice.

Uranium Equities Limited and its Controlled Entities

Notes to the condensed consolidated financial statements

For the half-year ended 31 December 2015

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. 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 \$33,000 (six months ended 31 December 2014: \$16,500). An amount of \$16,500 (six months ended 31 December 2014: \$5,000) was outstanding and payable at the end of the period and has subsequently been settled.

12. Events after balance date

There were no significant events after the balance date.

13. Capital commitments

There have been no changes to the capital commitments as disclosed in the Annual Report for the year ended 30 June 2015.

Uranium Equities Limited and its Controlled Entities

Directors' Report

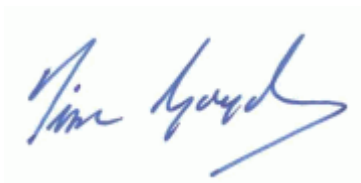
For the half-year ended 31 December 2015

In the opinion of the directors of Uranium Equities Limited:

1. the interim financial statements and notes set out on pages 6 to 16, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the group as at 31 December 2015 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 company will be able to pay its debts as and when they become due and payable.

Dated at Perth on 14th March 2016.

Signed in accordance with a resolution of the directors:

A handwritten signature in blue ink, appearing to read 'Tim Goyder', is written over a light blue rectangular background.

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 2015, 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 Group 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 Group's financial position as at 31 December 2015 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 Group's financial position as at 31 December 2015 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 company 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. If the company is unable to raise further funds or realise its existing assets, 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



L Di Giallonardo
Partner

Perth, Western Australia
14 March 2016