# Uranex Limited

**ABN 26 115 111 763**

# Annual Report

## For the year ended 30 June 2012

# CORPORATE DIRECTORY

**ABN 26 115 111 763**

**Directors**

| | |
|---|---|
| J C Jooste-Jacobs | (Non-Executive Chairman) |
| S B Hunt | (Non-Executive Director) |
| F Poullas | (Non-Executive Director) |
| A R Clayton | (Executive Director) |

**Chief Executive Officer**
R J Chittenden

**Company Secretary**
J M Nethersole

**Registered Office**
Level 3, 15 Queen Street
Melbourne VIC 3000
Australia
Tel +61 3 9621 1533
Fax +61 3 9621 1544

**Tanzania Office**
No 1, Pecanwood Apartments
Plot No. MS/MAS/511
Masaki, Dar es Salaam, Tanzania
Tel +255 222 602 664
Fax +255 222 601 179

**Internet Address**
www.uranex.com.au

**Email Address**
info@uranex.com.au

**Share Register**
Link Market Services
Level 1, 333 Collins Street
Melbourne VIC 3000
Australia
Tel 1300 554 474
Fax +61 3 9287 0303

**Auditors**
Ernst & Young
8 Exhibition Street
Melbourne VIC 3000
Australia

**Bankers**
National Australia Bank Ltd
330 Collins Street
Melbourne VIC 3000
Australia

**Lawyers**
Herbert Geer
Level 20
385 Bourke Street
Melbourne VIC 3000
Australia

**ASX**
Uranex shares (code UNX) are listed on the Australian Securities Exchange (ASX)

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# CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

Your Company's activities, during the last twelve months, were concentrated on its tenements in Southern Tanzania. The principal achievement from these activities was the maiden resource estimate (prepared by CSA Global Pty Ltd) at Likuyu North that assessed an Indicated and Inferred Uranium Resource of 6.1 million pounds at a grade of 237ppm. We consider this to be a base that confirms to us the region's uranium prospectivity. We still have a large unexplored tenement package in Tanzania and the challenge for the Company is to efficiently obtain geological information about it.

In Australia, we recently announced an upgrade at the Thatcher Soak deposit following a new study completed by SRK Australia. The new grade is 425 ppm $eU_3O_8$ for a slightly decreased contained resource of 10.8 million pounds. This deposit is being offered for sale and we believe the upgrade provides added attractiveness to potential buyers of the asset.

In terms of the general Uranium industry, the past 12 months has been challenging, but the fundamental drivers in this sector remain strong. In 2011, investment sentiment was affected by news of the Fukushima Daiichi nuclear accident, particularly in the short term as governments in many countries revisited their nuclear power policies and plans. However, in 2012 it is clear that nuclear power will be a key part of the future energy mix and global uranium demand will continue to increase.

Several governments have initiated plans for new nuclear power plant construction, with the most significant developments occurring in China, India, South Korea and Russia. China alone has 26 new reactors under construction as part of a strategic plan to increase renewable energy from 9.5 % (2011) to 15% of energy consumption by 2020. Japan has also elected to continue its nuclear power program, with several reactors now resuming operations following rigorous regulatory approvals processes.

According to a recent report from the OECD Nuclear Energy Agency (NEA) and the International Atomic Energy Agency (IAEA),[1] world nuclear electricity generating capacity is now projected to grow from 375 GWe net to between 540 GWe net (in the low demand case) and 746 GWe net (in the high demand case), increases of 44% and 99% respectively, by 2035. Accordingly, world annual reactor-related uranium requirements are projected to rise from 63 875 tonnes of uranium metal (tU) at the end of 2010 to between 98 000 tU and 136 000 tU by 2035.

It is also anticipated that there will be a shortage in uranium supplies within the next two years, coinciding with an unprecedented drop in supply. The "Megatons to Megawatts" program – which extracts uranium from de-commissioned nuclear warheads and accounts for a significant amount of the supply side – is scheduled to end in 2013. This represents a deficit in excess of 11000 tU per year from of a total requirement of approximately 65000 tU per year. The shortage of supply coming directly from uranium mines is expected to lead to a sustained increase in the price of uranium.

As global energy markets continue to grow – and most significantly in the developing world – the need for decarbonisation of electricity supplies continues to be paramount. Nuclear energy remains the only viable alternative to coal for providing large scale base-load power. Thus as China, India and other nations turn increasingly towards nuclear power, it is anticipated that the demand for uranium and the need for energy security will lead to significant growth in the uranium sector.

Thus, in conclusion it is evident that our Company is well positioned in an industry sector which is predicted to enjoy significant growth over the next decade.

Finally, I take this opportunity to thank Rod Chittenden and his management team for the efforts they put in over the last year. Also, my thanks go to the other Directors who have supported and guided me over the period.

Yours sincerely,

**Johann Jooste-Jacobs**
**Non – Executive Chairman**

[1] Uranium 2011: Resources, Production and Demand, OECD Nuclear Energy Agency (NEA) and the International Atomic Energy Agency (IAEA)

# DIRECTORS' REPORT

The Board of Directors of Uranex Limited present their annual report of the Company for the year ended 30 June 2012.

## DIRECTORS

The names and particulars of the qualifications, experience and special responsibilities of the Directors in office during and since the end of the financial year, unless otherwise stated, are as follows:

**Johann C Jooste-Jacobs (Non – Executive Chairman - Age 58)**

**B.Acc, MBL, FCA, FAICD**

Appointed 27 August 2010

Johann has more than 30 years experience in the resource sector where he has managed established companies, acquisitions, expansions and start-up mining operations in Australia, South Africa and Indonesia. His more recent roles have included the Chairmanship of IMX Resources Limited and Coalworks Limited, and a number of executive roles in ASX listed companies. In addition, he holds various directorships in private resource focused companies active in Australia.

***Current and former directorships of listed companies in last three years:***
IMX Resources Limited
Sphere Resources Inc.
Coalworks Limited

***Special responsibilities:***
He is a member of both the Audit and the Remuneration Committee.

**Alastair Clayton (Executive Director – Age 38)**

**B.Sc. (Hons) Geology, UWA**

Non-Executive Director appointed 15 March 2012 and elected 30 April 2012. Executive Director effective from 21 May 2012.

Alastair Clayton, who is based in London, has a wealth of experience in the resources sector having held senior executive and board positions with a range of successful resource companies over a 16 year career.

Previously, Alastair was a Non-Executive Director of a major Namibian focused uranium company Extract Resources Ltd (ASX: EXT). In addition, he was previously Chairman of Bannerman Resources Limited (ASX: BMN), a uranium exploration company focused in Namibia and was extensively involved in the optimisation and construction of the Murrin Murrin project in Western Australia

***Current and former directorships of listed companies in last three years:***
Extract Resources Ltd
Bannerman Resources Limited

***Special responsibilities:***
He is a member of the Sustainability Committee (appointed 24 July 2012).

**Stephen B Hunt (Non-Executive Director – Age 50)**

**B.Bus (Marketing)**

Appointed 27 August 2010

Stephen Hunt has significant minerals marketing experience gained from more than 16 years with BHP. In addition, Stephen has been a Director of Australian Zircon NL and more recently has been a Director of his own minerals trading business, Standout Enterprises Ltd, as well as iron ore producer, IMX Resources Ltd.

***Current and former directorships of listed companies in last three years:***
IMX Resources Limited

***Special responsibilities***
He is Chairman of the Remuneration Committee and a member of Audit Committee (appointed 24 July 2012).

**Frank Poullas (Non-Executive Director – Age 34)**

Appointed 10 September 2010

Frank Poullas is an information technology consultant and in his personal capacity, a professional investor specialising in the uranium sector. For the last eight years he has been involved in various ventures increasing shareholder value in the uranium sector.

***Current and former directorships of listed companies in last three years:***
None

***Special responsibilities***
He is Chairman of the Audit Committee and a member of Remuneration Committee and Sustainability Committee.

**Mark S Chalmers (Non-Executive Director – Age 54)**

**BSc, PE, SME**

Appointed 10 September 2010. Resigned 4 January 2012.

Mark Chalmers, a Mining Engineer, is currently Operations Manager, Paladin Limited, with responsibility for mining in Africa. Prior to that appointment, he was principal of Uranium Associates Pty Ltd, a uranium industry consulting/advisory company. Mark was Managing Director of Uranium Equities Limited (ASX: UEQ) a uranium explorer and uranium technology development company and Managing Director of Urtek LLC, a global leader in uranium recovery technology from phosphoric acid. Currently he chairs the Australian Government's Uranium Council, an initiative focused on removing impediments to the advancement of the uranium industry in Australia. Previously, Mark has held a number of executive positions including; Senior Vice President and General Manager of Heathgate Resources Limited, the operator of the Beverley ISL uranium mine in Australia, Vice President - Operations of Cameco Corporation's USA uranium operations. Over the course of his career, he has been involved with over a dozen uranium producing projects.

***Former directorships of listed companies in last three years:***
Uranium Equities Limited

***Special responsibilities***
He was Chairman of the Sustainability Committee and a member of the Audit and Remuneration Committees until his resignation as a director (4 January 2012).

**Matthew G Gauci (Managing Director – Age 38)**

**B.Sc., MBA. (University of WA)**

Appointed 27 August 2010. Resigned 30 April 2012.

Matthew Gauci has broad resources experience particularly in the uranium sector. He was a founding member of the Australian Uranium Association. Also, Matthew was a founding Director of Scimitar Resources Limited and Epsilon Energy Limited. More recently, he acted as a consultant to uranium companies in Australia and Africa.

***Former directorships of listed companies in last three years:***
Quest Minerals Ltd.
Epsilon Energy Ltd.

***Special responsibilities:***
Managing Director and Chief Executive Officer.
He was a member of the Sustainability Committee until his resignation as a director (30 April 2012).

## COMPANY SECRETARY

**John M Nethersole (Company Secretary and Chief Financial Officer – Age 57)**

**B.Bus, CA.**

John was appointed as Company Secretary on 28 May 2008. He has in excess of 30 years experience in accounting and finance in a broad range of industries including 17 years in resource related companies. He has previously held the position of secretary for several publicly listed companies.

## SHARE OPTIONS GRANTED TO DIRECTORS AND KEY MANAGEMENT PERSONNEL, SENIOR MANAGEMENT AND OTHERS

During and since the end of the financial year, an aggregate of 7,750,000 share options have been granted to Directors and other employees as part of their remuneration as follows:

| Directors and Senior Management | Number of Options Granted | Issuing Entity | Number of Ordinary Shares under option |
|---|---|---|---|
| J C Jooste-Jacobs | 1,500,000 | Uranex Limited | 1,500,000 |
| S B Hunt | 1,000,000 | Uranex Limited | 1,000,000 |
| F Poullas | 1,000,000 | Uranex Limited | 1,000,000 |
| M S Chalmers (resigned) | 1,000,000 | Uranex Limited | 1,000,000 |
| M G Gauci (resigned) | 1,500,000 | Uranex Limited | 1,500,000 |
| R J Chittenden | 500,000 | Uranex Limited | 500,000 |
| S Muller | 500,000 | Uranex Limited | 500,000 |
| A Muir (resigned) | 500,000 | Uranex Limited | 500,000 |
| G Nyelo | 250,000 | Uranex Limited | 250,000 |

A further 4,000,000 options were granted by members at a general meeting held on 30 April 2012 to A R Clayton during the year but these were not issued upon the Company appointing him to an executive role. A remuneration package that included options, subject to member approval, has been agreed. Refer to the Remuneration Report for details.

## INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares and options of Uranex Limited were:

| Directors | Fully Paid Ordinary Shares | Options |
|---|---|---|
| J C Jooste-Jacobs | 412,857 | 2,000,000 |
| S B Hunt | 142,857 | 1,500,000 |
| F Poullas | 1,791,191 | 1,500,000 |

## REMUNERATION OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

Information about the remuneration of directors and other key management personnel is set out in the Remuneration Report of this Directors' Report on pages 18 to 23.

## CORPORATE INFORMATION

Uranex Limited is a Company limited by shares that is incorporated and domiciled in Australia. The shares are listed on the Australian Securities Exchange ("ASX") under the ASX code UNX.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was prospecting and exploration for minerals. There was no significant change in the nature of that activity during the year.

## EMPLOYEES

Uranex Limited had seven employees as at 30 June 2012 (2011: seven employees).

| Category of employee | Total | Gender | | Total (%) |
|---|---|---|---|---|
| | | Male | Female | |
| All Employees and Board | 11 | 9 | 2 | 22% |
| Senior Executives | 5 | 4 | 1 | 20% |
| Board | 4 | 4 | - | 0% |

## REVIEW OF OPERATIONS

During the year, Uranex has continued to advance projects in Tanzania and Australia with a view to economic development of these projects in the near term.

### TANZANIA

### MKUJU URANIUM PROJECT (URANEX 100%)

The Mkuju Uranium Project area has been the main focus of the company during the 2012 financial year. The project located in Southern Tanzania, 500 km southwest of Dar es Salaam and comprises 12 granted licences (100% Uranex) plus applications, combined, covering a total area of over 4,000 km$^2$.

The Mkuju Uranium Project is in an area known to contain significant uranium resources. Nearby to the Uranex tenements are the Mkuju River Project, operated by Uranium One Inc, that is approximately 30 kms north of the Uranex tenements and the Kayelekera uranium operation, owned and operated by Paladin Energy Limited, that is 300 km to the northwest in Malawi.

**Geology and mineralisation.**

Mineralization at Mkuju is exclusively within the sediments of the Karoo Supergroup and is located adjacent to a north-easterly striking crustal scale fault which has juxtaposed Triassic-aged sediments against the younger Upper Mbarangandu Series.

The Company has identified five key radiometric anomalies: Likuyu North (5 km$^2$), Likuyu South (36 km$^2$), the Matemanga cluster (60 km$^2$), Mteramwahi North (68 km$^2$), and Mteramwahi South (57 km$^2$) comprising a total of 226 km$^2$ of uranium anomalies within the 4,000km$^2$ area of the combined granted licenses and applications.

**Likuyu North Prospect**

The Likuyu North Prospect covers a total area of 5 km$^2$ representing less than 2.5% of the total area of uranium anomalies at Mkuju. Drilling to date has defined a mineralised zone which extends over 2.6 km$^2$ of the 5 km$^2$ uranium anomaly

During 2011 there were 221 drill holes were completed with a total of 26,887m drilled. This drilling resulted in a maiden resource estimate (MRE) being modelled for the deposit of 6.1 million pounds of uranium at a grade of 237ppm. The cut-off grade used was 100ppm. The MRE modelling was completed by CSA Global Pty Ltd and full details of the resource can be seen in Table 1.

**Table 1 Mineral Resource Estimate as at 25th April 2012**

| Uranex Ltd - Mkuju Uranium Project - Likuyu North Prospect<br>Mineral Resource Estimate as at 25th April, 2012<br>Reported at a cut-off grade of 100 ppm $U_3O_8$ | | | | |
|---|---|---|---|---|
| | Tonnage (million tonnes) | Grade ($U_3O_8$ ppm) | Contained $U_3O_8$ (million pounds) | In-Situ Dry Bulk Density |
| Indicated Resource | 4.3 | 266 | 2.5 | 1.84 |
| Inferred Resource | 7.2 | 220 | 3.5 | 1.84 |
| Total Resource | 11.6 | 237 | 6.1 | 1.84 |

***Note: Columns may not add up due to rounding.***

The MRE includes 2.5m lbs at 266 ppm $U_3O_8$ classified as Indicated Resource (Figure 1). The MRE is based on a block model generated within constraining wireframes on a 100 ppm gamma derived equivalent $U_3O_8$ cut-off. Minimum mining thickness was set to 3m, so in cases where the mineralisation was less than 3m thick, the interpretation has included dilution. The grades were estimated using Ordinary Kriging on an estimation panel size of 25 x 25 x 3m. A top-cut of 3,000ppm $U_3O_8$ was applied to the data and an average dry In-Situ bulk density of 1.84 tonnes per cubic metre used to estimate the tonnage.

Exploration halted on this deposit in December 2011 due to the onset of the wet season which makes access to the area very difficult. Activities restarted in April 2012 with field activities and preparation for the drilling campaign which commenced in May 2012 following the end of the wet season and the arrival of drill rigs to site.

The 2012 drilling was focused on investigating a potential down dip extension to the south of the MRE zone and potential extensions to the NE and SW of the deposit along the mineralisation trend. To assist in targeting the drilling, the company engaged an experienced team from SRK consulting to undertake a combined surface geology mapping survey and surface radiometric survey over the Likuyu North Prospect.

The surface radiometric survey used a differential spectrometer that measures not only the daughter products of uranium but also those of thorium and potassium to cull false targets.

Drilling to the end of June 2012 comprised 1421 metres of diamond core testing the deeper extension of the mineralisation down dip and 1805 metres of air core drilling testing the near surface extensions of the MRE zone. Results of the drilling are expected to be published during Q3 2012.

**Metallurgical test work**

Metallurgical test work studies were conducted at ANSTO Minerals in Sydney. A total of 580 kg of core samples were received by ANSTO with 140 kg of core samples used to make the LN1 composite. The LN 1 composite was considered by Uranex and CSA Global to be representative of the Likuyu North ore although slightly higher grade than the MRE average $U_3O_8$ grade. Analysis of the composite head sample gave a result of 376ppm $U_3O_8$.

Due to ANSTO experience with a similar ore, the sample was scrubbed and then separated into fine and coarse fractions using a 125 micron screen. This was due to the potential for the clay component of the fines to act as a preg-robbing material. The test work did prove the fines to have a preg-robbing capability which indicates the need for a resin in pulp processing route.

The results of the test work can be seen in Table 2. The results showed a composite uranium leach extraction was 86.8%, while the leach test conditions showed an acid addition of 15.1kg/t and Oxidant ($H_2O_2$ equivalent) addition of 0.43kg/t. The test work to date has covered scrubbing and beneficiation potential, comminution power requirements, leach extraction, reagent requirements and preg-robbing potential of the fine material. All results to date indicate that this ore can be easily treated and will have relatively low process plant operating costs.

### Table 2 LN1 composite metallurgical test results

| | Weight kg from scrubbing | Weight % | Head grade $U_3O_8$ ppm | Residue Solids grade $U_3O_8$ ppm | % Uranium Extraction | Acid addition kg/t | Oxidant - $H_2O_2$ equivalent kg/t |
|---|---|---|---|---|---|---|---|
| Fines <125 micron (with resin) | 13.1 | 32.75 | 689 | 83 | 87.95 | 31.3 | 1.15 |
| Coarse >125 micron | 26.9 | 67.25 | 223 | 33 | 85.20 | 7.2 | 0.08 |
| Combined | 40.0 | 100 | **375** | **49.4** | **86.85** | **15.1** | **0.43** |

**Mkuju regional exploration**

Following the release of the Likuyu North MRE the Company undertook a detailed review of its 2012 exploration program and determined that the objective of the 2012 plan would be to identify higher grade anomalies, exceeding 400ppm $U_3O_8$, with less emphasis on drilling to increase the maiden resource.

As such, a programme of ground based exploration commenced on the other areas of the Mkuju Uranium Project area in May 2012.

Some key aspects of this programme were completed:

- Surface radiometric surveys were conducted by SRK during May and June. As described above this work involved the use of a differential spectrometer to look for true anomalies which will then be targets for follow up exploration;

- Surface geological mapping has been completed. This data is currently being reviewed by the geology team in Tanzania to enable us to discriminate between airborne radiometric anomalies associated with granitic and metamorphic source rocks for the Karoo deposits of interest;

- SRK completed the above surveys over the Likuyu South, Grand Central, Mterimwahi and Matemanga areas. There are still large areas of the tenements to be surveyed however these areas are difficult to access and will be scheduled for 2013.

- A key component of the SRK work was training of the Uranex geology team in the use of GIS based field logging computers. This will allow for more effective field surveys to be carried out by the Uranex team in the future.

- A radon in soil survey was conducted by RadonEx Ltd of Canada. These surveys were mainly conducted over the Likuyu North, Likuyu South and Grand Central areas. The exploration team in Tanzania believe that these surveys have been successful and provide further information on where to target drill holes. Any further radon surveys will be conducted in 2013.

Air core drilling is underway to test targets generated by the SRK and Radonex surveys at both Grand Central and Likuyu South. At the end of the quarter approximately 600 metres of air core drilling had been completed. A small diamond core drilling programme of approximately 400 metres is planned for July at Grand Central to provide core samples for analysis to determine any disequilibrium in this area and thus allow for the correct correlation of down-hole gamma logging to uranium grades.

There are substantial areas of the Mkuju tenements that were not accessed during the above work phase. Surveys of these areas are planned when the Uranex geological team becomes available after the drilling halts or in 2013.

## SONGEA COAL PROJECT (URANEX 100%)

The Songea Coal Project covers a total area of 2,606 km$^2$ in the southern part of the Karoo age Ruhuhu Basin, in south-west Tanzania. To date, the most important coal deposits in Tanzania occur in the coalfields of the Ruhuhu Basin Eleven (11) coalfields are recognised within the basin, including the Mchuchuma-Ketewaka Coalfield and Ngaka Coalfield which occur in a similar geological setting within 70km of the Songea Coal Project.

In all but one of the coalfields, the better developments of coal are found in the Lower Permian age Mchuchuma Formation (K2) in the lower part of the Karoo sequence and close to the contacts with gneissic rocks (basement). The K2 has been sub-divided into two distinct facies with the lower (and more important) or sandstone-coal facies containing thick coal seams with relatively low sulphur and ash. Regionally, the succession consists of thick high-energy sandstone and arkoses separated by coal seams ranging in thickness from less than 1m to 7.5m with good continuity.

In November 2011 a programme of 7 RC drill holes and 1 diamond drill hole was completed. Coal intersections were recorded in 4 of the locations drilled. The first pass drilling programme was designed to test the presence and quality of coal in the Lumecha area.

The single diamond hole was drilled next to one of the successful RC holes to provide core samples for analysis. The analytical results for these samples have returned high ash content in the coal bearing intervals. Due to access issues, the 2011 drilling was only conducted in the southern portion of the Uranex tenement area. Significant prospectivity remains in the larger unexplored area of Uranex tenements to the North and North East.

During 2012 activities have been restricted due to the focus on the uranium exploration in the first half of 2012. Work done however includes some gamma-gamma logging of the holes and a review of the tenements by a consultant geologist.

### MANYONI URANIUM PROJECT (URANEX 100%)

The Manyoni Uranium Project located in central Tanzania is host to 29M lbs $U_3O_8$ at 100ppm cut off. This project is under review by the Uranex geology team. The review is to determine the potential for deeper mineralisation in the various Mbugas that form this project and the nearby Bahi tenements. Following this review further drilling will be considered if there is significant potential.

Some further metallurgical work has been undertaken at ANSTO to review the extraction on samples from one of the Mbugas to determine why there is variability in that particular area. The results of this work are still under review.

## AUSTRALIA

### THATCHER SOAK PROJECT (URANEX 100%)

The Thatcher Soak Project is located within the main Yilgarn calcrete province in Western Australia. Other deposits in this province include Yeelirrie, Lake Way, Centipede and Lake Maitland.

In a study completed by SRK Consulting ("SRK'), a major improvement in the grade of a previously defined inferred resource has been reported, the results of which are presented in Table 3 below. Also, detailed in the table is a comparison between the 150ppm cut-off resource estimate from the original 2008 statement and that recently completed by SRK that shows a 46% improvement in grade, a 31% reduction of containing tonnes but with only a minor reduction of contained uranium.

SRK Consulting was able to both construct a comprehensive geological model showing good continuity of higher grade ore zones and develop revised grade shells and resource block models using advanced modelling techniques to constrain its resource estimation.

**Table 3 - Mineral Resource Estimate at 25 June 2012 and comparison of 2008 and 2012 resource estimates.**

| **Uranex Ltd - Thatcher Soak Deposit**<br>Comparative mineral resource estimates<br>Reported at a cut-off grade of 150ppm $eU_3O_8$ | | | |
|---|---|---|---|
| | **Tonnage (Mt)** | **Grade ($eU_3O_8$ ppm)** | **Contained $eU_3O_8$ (Mlb)** |
| **150ppm (2008)** | **17** | **290** | **11** |
| **150ppm SRK (2012)** | **11.6** | **425** | **10.8** |

The main difference between the 2008 estimate and the revision is the lower grade threshold employed to constrain the estimates. The previous estimate used a wireframe shell of 50ppm $eU_3O_8$ whilst the current estimate uses a higher and more selective 150ppm eU3O8 shell.

Further, the original 50ppm wire frames were simplified and contained at least 15 - 20% samples below the 50 ppm threshold grade. This unnecessarily lowered the overall head grade of the original estimates. It should be realised that in choosing an increased threshold grade that a slightly higher level of risk is associated with the new estimate. Using the 150ppm grade shell bounded block model, inferred resources have been estimated at further cut-off grades:

Table 4 shows the varying resource grades at different cut-off grades using the new block model analysis.

**Table 4 – Block model cut-off analysis.**

| Uranex Ltd - Thatcher Soak Deposit<br>Mineral Resource Estimate as at 25th June 2012 | | | |
|---|---|---|---|
| **Cut-off grade** | **Tonnage (Mt)** | **Grade ($U_3O_8$ ppm)** | **Contained $U_3O_8$ (Mlb)** |
| **150ppm** | **11.6** | **425** | **10.8** |
| **250ppm** | **11.1** | **431** | **10.6** |
| **300ppm** | **9.9** | **448** | **9.8** |
| **400ppm** | **5.7** | **510** | **6.5** |
| **500ppm** | **2.3** | **609** | **3.1** |

Apart from the resource evaluation by SRK described below, work carried out on this project in the year was some desktop financial modelling.

### BREMER BASIN (URANEX 100%)

The Bremer Basin project covers 1,740 $km^2$ and is located in southern Western Australia. Previous drilling at the prospect identified uranium mineralisation in targeted sedimentary, redox related deposits within palaeochannels. Results included an intersection of 2m @ 185ppm $U_3O_8$ (including 1m @ 248ppm $U_3O_8$).

Work conducted through the year included some desktop modelling and the completion of an independent geological report by SRK consulting.

### ALLIGATOR RIVERS (URANEX 100%)

The Alligator Rivers project is located in the Northern Territory Pine Creek geosyncline, which hosts world class uranium deposits such as Ranger, Nabarlek and Jabiluka. The Company's tenements incorporate a number of key geological elements considered favourable for the formation of unconformity-style mineralisation that typify the above major uranium deposits.

Activity for the year on this tenement was limited to planning and permitting of a drill programme that is scheduled for September 2012.
A joint venture agreement with a third party for non-uranium minerals covering the Swim Creek tenement is near to completion.

### SUSTAINIBILITY

Uranex is committed to best practice in the areas of health, safety, environment and community. Uranex is also committed to ensuring that contributions made to the community are used in sustainable projects that can benefit many people.

Highlights for the year included

- The commencement of a preliminary environmental and social assessment for the Likuyu North uranium project. Digby Wells Environmental completed a report which assessed the environmental and social aspects of the project area as well as providing a scope for stakeholder communication. A scope for baseline studies was also completed.

- In the area of health, Uranex facilitated a community contribution to the Likuyu Dispensary in October 2011. This local medical facility provides assistance and health education to approximately 6,000 people from communities in the Likuyu area. Uranex delivered a donation of medical supplies and furniture to support the important work achieved by local medical staff at this facility
- Uranex was instrumental in the sponsorship of the Namtumbo District Soccer Competition. This event was a great success, with over 1,000 people in attendance. Uranex contributed soccer gear to the top three teams. The winning team, Namtumbo Heroes, will now go on to represent the District at the Regional Level. If successful they even have the chance to compete in the National competition. This important Competition was widely reported in the press including one of the Tanzanian television channels.
- Continued community development work with sponsorship of a local garden project. This sustainable business has been supplying fresh vegetables to both the local community and the camp managers for Uranex.
- In 2012, Uranex also commenced sponsorship of a chilli growing project. This venture has two key benefits for elephant conservation. Chillies are used to deter elephants from crops and villages, thus improving the protection of elephants, people and livelihoods in the local area. In addition to this, the goal of this project is also to establish a long-term income for a community based wildlife conservation group, through the sale of chillies.

Recently Uranex commenced an awareness programme to inform the community as to our current activities. This programme will encompass the regional and district levels of government as well as continuing with our local community consultation and development programmes. These consultations follow on from previous good work by the team in Tanzania and will cover all the regions where we are operating.

## CORPORATE

### DIVESTMENT OF NON CORE ASSETS

Uranex Limited (ASX:UNX) signed on 22 August 2011, a Heads of Agreement with Shanghai Zhongfu Group (Zhongfu) to sell its Australian uranium assets.

The Heads of Agreement had a condition precedent that Zhongfu, following due diligence investigation, must be at its sole and absolute discretion, satisfied. Subsequent to the due diligence Zhongfu advised Uranex that it would not be proceeding with the sale transaction. The $500,000 non-refundable deposit was retained by Uranex as per the agreement.

In February 2012, a letter of intent was signed and then subsequently cancelled by United Uranium Ltd in respect to a joint venture arrangement on the Bremer Basin tenements.

**Divestment situation at year end**

As of June 2012, the Australian assets of Thatcher Soak, Bremer basin and Alligator Rivers are part of a sale process being managed by KPMG. Expressions of interest are now being sought. The start of this process was delayed while the resource evaluation was being completed by SRK.

A tenement boundary runs through the Thatcher Soak uranium deposit with the adjoining tenement being under lease to Gold Road Resources (ASX: GOR). KPMG have also been engaged by GOR to manage the sale of their portion of the Thatcher Soak uranium resources (along with other GOR uranium assets) in a joint sale process with the Uranex assets.

**Manyoni**

An attempt to divest or sell the Manyoni assets during 2011 did not meet with success. However, recent discussions have been held with groups interested in a joint venture of the Manyoni Uranium Project in Central Tanzania. At year end these discussions are still in preliminary stages.

**Songea Coal tenements**

The company has received a number of proposals from groups interested in a Joint Venture arrangement over the Songea coal tenements. Since the announcement made on 26 June 2012 regarding this subject, several other groups have expressed interest in a possible Joint Venture. These discussions remain at a preliminary stage.

Whilst Uranex has people with significant experience in coal exploration, the Company believes that additional experience from other coal focussed companies is required to unlock the potential of this coal field in the near term and thus create the best value for shareholders. This strategic approach will also allow Uranex to maintain focus on the Mkuju Uranium Project.

## COMPANY DIRECTORS AND MANAGEMENT

On 4January 2012 Mr Mark Chalmers resigned as a director of the company. Mr Alastair Clayton was appointed as Non-Executive Director on 15 March 2012 to replace Mr Chalmers.

On the 19 April 2012, Mr Matthew Gauci resigned from the role of Managing Director and CEO. Mr Rodney Chittenden was appointed as the acting CEO on the 30 April 2012.

On the 21 May 2012, Mr Alastair Clayton, accepted the position of Executive Director with the Company. In his capacity as an Executive Director Mr Clayton will assist the CEO on a number of technical, business development and shareholder initiatives. At the same time, Mr Rodney Chittenden accepted the role of Chief Executive Officer and the Company has suspended its search for a new Managing Director.

## HEALTH AND SAFETY

Uranex has continued to strengthen and build on employee knowledge and awareness of OH&S principles and practices. To lay the foundations for a solid understanding in this area, this year all permanent field staff in Tanzania completed a two week OH&S training course in addition to senior first aid training. The results of this training have been increased levels of staff contribution to safety meetings, increased involvement in continuous improvement initiatives and reduced risks of accidents and incidents in the field. This year the Uranex Emergency Response system was also reviewed and updated with an emphasis on developing and maintaining emergency preparedness for staff working in remote locations.

## ENVIRONMENT

During the year, Uranex implemented a large scale environmental audit program to inspect and assess the condition of former drill sites and exploration areas, to determine the outcomes following rehabilitation and closure. Over 50 former drill sites were inspected with positive overall outcomes including rapid revegetation rates, consistent with high rainfall conditions in former exploration areas. Uranex is committed to the principles of biodiversity, conservation and sound environmental management.

## RADIATION MANAGEMENT

All Uranex exploration activities are conducted in accordance with site specific radiation management plans. In accordance with Uranex radiation management plans employees are inducted and trained in radiation safety and occupational and environmental monitoring is conducted to ensure that radiation exposures are kept "As Low As Reasonably Achievable." This year radiation monitoring results have continued to verify that exposures are very low (similar to normal background radiation) and our exploration practices continue to be highly protective of people and environments.

## Operating Results for the Year

The Group incurred an operating loss after tax of $11,757,348 (2011:$11,103,431). Refer to Note 1 of the financial statements for accounting policies used. Summarised segment operating results are as follows:

| | 2012 | |
|---|---|---|
| | Income $ | Results $ |
| Australia | 1,284,301 | (12,193,972) |
| East Africa | 14,727 | (8,137,905) |
| Intersegment elimination | (105,000) | 8,574,529 |
| Income and losses before tax | 1,194,028 | (11,757,348) |

## Review of Financial Condition

**Liquidity and Capital Resources**

The statement of cash flows shows an increase in cash and cash equivalents for the year ended 30 June 2012 of $3,410,181 (2011:$1,442,758). During the year the Group raised $12,145,800 (2011:$ 1,960,000) before costs from a share placement, $1,526,400 (2011: $nil) from the sale of forfeited shares, a rights issue of $nil (2011:$5,780,311), $100,000 (2011:$1,346,500) from options exercised and $nil (2011:$63,000) from partly paid shares in 2012 to add further liquidity to the Group. At year end the Group has liquid funds of $6,813,612 (2011:$3,399,791) available for future operational use.

The Group has no borrowings (2011: $Nil).

**Share Issues**

During the year the Company raised funds from equity as follows:

- $12,145,800 (2011:$1,960,000) from a share placement of 37,540,470 (2011:14,000,000) ordinary fully paid shares.
- $nil (2011:$5,780,311) from a rights issue of nil (2011: 41,278,809) ordinary fully paid shares.
- $100,000 (2011:$1,346,500) from the exercise of options and subsequent issue of 500,000 (2011:4,400,000) ordinary fully paid shares.
- $nil (2011:$63,000) from a call paid on nil (2011:100,000) partly paid shares.
- $1,526,400 (2011:$Nil) from the sale of forfeited shares and subsequent issue of 4,240,000 (2011: Nil) ordinary fully paid shares.

**Capital Expenditure**

Capital expenditure on property, plant and equipment during the year was $229,607 (2011: $56,471).

## Group Performance

**Annual Net Income**

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|
| Consolidated loss after tax | 11,757,348 | 11,103,431 | 10,230,585 | 7,120,989 | 6,042,232 |

**Shareholder Returns**

| | 2012 | 2011 |
|---|---|---|
| Basic loss per share (cents) | 6.27 | 7.41 |
| Diluted loss per share (cents) | 6.27 | 7.41 |

**Dividends**

No dividends have been paid during the year (2011:$nil). The Directors do not recommended the payment of a dividend for this financial year.

## Risk Management

The Board is responsible for ensuring that risks are identified on a timely basis and that the Group's activities manage the risks identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process. The Board has not established a separate risk management committee but reviewed the major risks to the business with management and has the following processes in place to monitor it:

- The Board has undertaken strategic reviews of its activities and conveyed to management and shareholders its objectives.
- The Board approved operating budgets and at its meetings monitors actual expenditure to budget.
- The Board reviews sovereign, operating and environmental risks with management and from time to time external consultants provide reports on its practices.
- The Board assesses political and sovereign risks relating to its international assets by monitoring local media and politics. Group representatives liaise with all levels of Government to maintain awareness as to matters that may affect the Company.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company or the Group during the financial year.

## Significant Events After the Reporting Date

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

## Likely Developments and Expected Results

In the opinion of the Directors, there are no other matters or developments that are in the interest of the Group to provide additional information, except as reported in the Directors' report, relating to likely developments in the operations of the Group and the expected results of those operations in financial periods subsequent to 30 June 2012.

## Environmental Regulation and Performance

The Group's exploration activities, both in Australia and overseas, are subject to environmental regulations and guidelines operating in the licence areas. Failure to meet environmental conditions attaching to the group's mineral tenements could lead to forfeiture of the tenements. No environmental breaches have occurred or have been notified by any government agencies during the year ended 30 June 2012.

## Shares Under Option or issued on Exercise of Options

Details of unissued shares or interests under option as at 21 August 2012 in Uranex Limited are:

| Number of Ordinary Shares under Option | Class of Shares | Exercise Price of option $ | Expiry Date of Option |
|---:|---|---:|---:|
| 1,500,000 | Ordinary | 0.20 | 19 Nov 2015 |
| 500,000 | Ordinary | 0.47 | 15 Mar 2015 |
| 250,000 | Ordinary | 0.501 | 28 Mar 2014 |
| 250,000 | Ordinary | 0.601 | 28 Mar 2014 |
| 1,750,000 | Ordinary | 0.63 | 26 Aug 2014 |
| 1,750,000 | Ordinary | 0.84 | 26 Aug 2014 |
| 100,000 | Ordinary | 0.45 | 11 Jul 2014 |
| 150,000 | Ordinary | 0.54 | 11 Jul 2014 |
| 500,000 | Ordinary | 0.57 | 15 Mar 2015 |
| 250,000 | Ordinary | 0.61 | 11 Jul 2014 |
| 250,000 | Ordinary | 0.51 | 11 Jul 2014 |

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Note: Subject to member approval, it has been proposed that the Company grant and issue the following options to A R Clayton.

| Number of Shares issued | Class of Shares | Exercise Price of Option $ | Expiry Date of Option |
|---|---|---|---|
| 1,000,000 | Ordinary | 0.25 | 20 May 2015 |
| 1,000,000 | Ordinary | 0.30 | 20 May 2015 |
| 1,000,000 | Ordinary | 0.40 | 20 May 2015 |
| 1,000,000 | Ordinary | 0.45 | 20 May 2015 |

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

| Issuing Entity | Number of Shares issued | Class of Shares | Amount Paid for Shares $ | Amount unpaid on Shares $ |
|---|---|---|---|---|
| Uranex Limited | 500,000 | Ordinary | 0.20 | NIL |

## Directors' Benefits

During or since the financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the consolidated accounts, by reason of a contract entered into by the Company or an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit with:

- a Director, or
- a firm of which a Director is a member, or
- an entity in which a Director has substantial financial interest

except the usual professional fees for their services paid by the Company to;

a) Strong Solution Pty Ltd, being a company in which F. Poullas is beneficially interested;

b) Uranium Associates Pty Ltd, being a company in which M S Chalmers is beneficially interested; and

c) FinMin Pty Ltd, being a company in which J.C. Jooste-Jacobs is beneficially interested.

Full details are provided in Note 17 - Key Management Personnel.

## Indemnification and Insurance of Directors and Officers

During or since the financial year, the Company has paid premiums insuring all the Directors of Uranex Limited against costs incurred in defending proceedings for conduct involving:

(a) all loss for which the Director or Officer is not indemnified by the Company; or

(b) a contravention of sections 182 or 183 of the Corporations Act 2001,

as permitted by section 199B of the Corporations Act 2001.

The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

## DIRECTORS MEETINGS

The number of Directors meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

| | Directors' Meeting | | Audit Committee | | Remuneration Committee | | Sustainability Committee | |
|---|---|---|---|---|---|---|---|---|
| | **A** | **B** | **A** | **B** | **A** | **B** | **A** | **B** |
| **Number of meetings attended:** | | | | | | | | |
| J C Jooste-Jacobs | 11 | 11 | 4 | 4 | 3 | 3 | * | * |
| S B Hunt | 10 | 11 | * | * | 3C | 3 | * | * |
| F Poullas | 11 | 11 | 4 C | 4 | 3 | 3 | - | - |
| A R Clayton | 2 | 2 | * | * | * | * | * | * |
| M G Gauci | 10 | 10 | 3 | 3 | * | * | 1 | 1 |
| M S Chalmers | 4 | 6 | 1 | 1 | * | * | 1C | 1 |

**Notes**
**A** Number of meetings attended.
**B** Number of meetings held during the year whilst the director held office.
***** Not a member of the relevant committee.
**C** Chairman of committee.

The Audit Committee comprised of F Poullas (Chairman), J C Jooste-Jacobs, M S Chalmers (resigned 4 January 2012) and S .B Hunt (Appointed 24 July 2012). The Remuneration Committee comprised of S B Hunt (Chairman), J.C.Jooste-Jacobs and F Poullas. The Sustainability Committee comprised of F. Poullas (Chairman – Appointed 4 January 2012), A. Clayton (Appointed 24 July 2012), M. S. Chalmers (Chairman - resigned 4 January 2012), M G Gauci (resigned 30 April 2012), R Chittenden (Chief Executive Officer - Appointed 24 July 2012), S I Lawley (Sustainability Manager).

## AUDITOR INDEPENDENCE

The Directors received the following auditor's independence declaration as required under section 307C of the Corporations Act 2001.

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

## Auditor's Independence Declaration to the Directors of Uranex Limited

In relation to our audit of the financial report of Uranex Limited for the financial Year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
21 August 2012

## NON-AUDIT SERVICES

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

- Taxation compliance services - Australia $20,000; Tanzania $46,293.

In the opinion of the Directors of the Company, the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The nature and scope of each type of non-audit service provided means auditor independence was not compromised.

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and executives.

## REMUNERATION POLICY

The Board recognises that the performance of the Group depends upon the quality of its Directors and executives. To achieve its operating and financial activities the Group must attract, motivate and retain highly skilled Directors and executives.

The Group's policy for determining the nature and amount of emoluments of Board members and executives of the Company is assessed annually at the end of each calendar year and are set by reference to the mineral exploration industry market place and are directly linked to the Group's performance. The Remuneration Committee submits its recommendation to the Board for its consideration.

All Directors receive a superannuation contribution which is currently 9% and do not receive any other retirement benefits. All remuneration paid to Directors and executives is valued at the cost to the Group and expensed.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities based on recommendations from the Remuneration Committee. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. McDonald & Partners (Australia) Pty Ltd, human resource consultant, provides independent external advice in respect to remuneration of directors and management at a cost of $9,750. Furthermore, the Remuneration Committee ensures its remuneration recommendations are free from undue influence either by or to whom its recommendations may relate through the establishment of on an agreed set of protocols to be followed by McDonald & Partners, committee members and Key Management Personnel. Having followed these protocols, the Board is satisfied that no such undue influence was exerted upon the Committee.

The current maximum aggregate of Non-Executive Directors fees payable is $400,000; having been approved by members on 14 November 2008. Presently, Non-Executive Directors receive annual fees of $50,000 and the Non-Executive Chairman $100,000. An additional $5,000 per annum is paid to Directors who act as Chairman of Committees.

Any increase in the maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting. Fees for Non-Executive Directors are not linked to the performance of the group. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

## DIRECTOR AND OTHER EXECUTIVES DETAILS

Listed on pages 3 and 4 of the Directors Report are persons who acted as a director of the Company during or since the end of the financial year.

For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and senior or key management. In addition to the Directors, the following were Key Management Personnel during the financial year:

Rod Chittenden - Chief Executive Officer (Appointed 21 May 2012); Interim Chief Executive Officer (Appointed 1 May 2012); Project Development Manager (Appointed 11 July 2011).

Sean Muller - Exploration Manager Tanzania (Appointed 5 March 2012).

Brendan Borg - Manager Exploration (Resigned 2 December 2011).

## PERFORMANCE BASED REMUNERATION

The Group currently has a performance based remuneration component built into the Chief Executive Officer's remuneration package. Bonuses may be payable at the Board's discretion following the annual performance review. The Company does not have policies regarding risk management of flexible components of remuneration packages.

## COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTORS AND EXECUTIVES REMUNERATION

In accordance with the remuneration policy noted above, the Group includes the following principles in its remuneration framework:

- Competitive rewards are set to attract high calibre executives;
- Executive rewards are linked to shareholder value;

For executives the Group's policy is to position total employment costs within a peer group determined by the remuneration consultants. The mix of fixed and variable components of employment costs is derived from data assessing market rate labour costs by position.

There are no financial measures that are included in the assessment but the Remuneration Committee considers the growth in market capitalisation an important parameter. For non-financial measures a range of factors are considered; market position, relationship with a range of stakeholders, risk management, leadership and team contribution.

## EMPLOYEE SHARE OPTION PLAN

Uranex Limited operates an ownership-based scheme for Directors and Employees of the consolidated entity. In accordance with the provisions of the plan the trustee of the Uranex Option Share Trust (UOST) acquire options for employees from the Company. The UOST then allots its certificate, on the same terms as the option, to the employee.

During the financial year the UOST acquired and was issued with 7,750,000 options on varying terms and conditions for allotment to Directors and Employees (refer to Remuneration Report for details).

## PERFORMANCE INCOME AS A PROPORTION OF TOTAL COMPENSATION

The Company performance as measured by the share price for the opening and closing of the financial year was $0.38 and $0.14 respectively (63.2% decrease). In addition, the Board recapitalised the Company, amounting to $13.772 million, changed strategic focus to concentrate its exploration activities in Southern Tanzania. The Company announced its maiden resource estimate at the Mkuju Uranium Project of 6.1mlbs at 237ppm uranium on 30 April 2012.

The options issued to Directors and Employees were not tailored to performance targets because exploration company's inherent assets are highly variable in value and are, in effect, unknown until exploration has been completed. As asset values are the key in corporate growth, it is not feasible in these circumstances to set up a fair performance measure.

A performance based bonus of $85,000 was paid to Matthew Gauci, the Managing Director but to no other executives during the financial year.

*Service agreements*

The agreements relating to remuneration are set out below:

Alastair Clayton - Executive Director (appointed 21 May 2012)

- Term of agreement expires on 30 June 2014;
- Remuneration is $254,500 per annum[1] (no Director's fees payable upon appointment) plus 4,000,000[2] options at nil cost;
- The agreement and the employment created by it may be terminated by either Uranex Limited or A R Clayton giving the other party 6 months notice;
- The agreement is subject to annual review.

Rodney Chittenden – Chief Executive Officer (appointed 21 May 2012)

- No agreement expiry date;
- Remuneration is $260,000 per annum plus statutory superannuation guarantee of 9%;
- The agreement and the employment created by it may be terminated by either Uranex Limited or Mr Chittenden giving the other party 1 month notice. The agreement also includes a 6 month 'non-compete' clause on Mr Chittenden;
- The agreement is subject to annual review.

Sean Muller – Manager Exploration (appointed 5 March 2012)

- Term of agreement[3] is 2 years from date of employment, extended by mutual agreement;
- Remuneration is $234,834 (USD240,000) per annum plus $11,742 (USD12,000[4]) superannuation;
- The agreement and the employment created by it may be terminated by either Uranex Limited or Mr Muller giving the other party 3 months notice;
- The agreement is subject to annual review.

Matthew Gauci – Managing Director (resigned 30 April 2012)

- Term of agreement expires on 3 October 2012;
- Remuneration was $260,000 per annum including statutory superannuation guarantee of 9% plus 2,000,000 options at nil cost;
- The agreement and the employment created by it may be terminated by either Uranex Limited or Mr Gauci giving the other party 3 months notice;
- The agreement is subject to annual review.

Brendan Borg – Manager Exploration (resigned 2 December 2011)

- Remuneration was $215,000 per annum plus statutory superannuation guarantee of 9%;
- The agreement and the employment created by it may be terminated by either Uranex Limited or Mr Borg by that party giving the other 1 month notice.

**Payments applicable to outgoing executives**

In addition to the above terms and conditions, Matthew Gauci received $87,444 in accordance with the terms of a Deed of Settlement and Release Agreement which sum included accumulated entitlements.

[1] 100 days work. $2,000/day for each additional days work.
[2] Granting subject to member approval.
[3] Sean Muller has 2 agreements with the company: to arrange exploration on tenements in Tanzania and to globally source tenements, excluding Tanzania.
[4] Superannuation is not payable on all earnings.

**.Table 1: Remuneration for the year ended 30 June 2012**

| | Salary & Fees | Other Cash Benefits | Non Monetary Benefits# | Other Employment Benefits^ | Share Based Payments Options | Total~ |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| **Non Executive Directors** | | | | | | |
| J C Jooste-Jacobs* | 109,000 | - | 1,082 | - | 246,750 | 356,832 |
| S B Hunt* | 59,950 | - | 603 | - | 164,500 | 225,053 |
| M S Chalmers (resigned)* | 30,632 | - | 308 | - | 164,500 | 195,440 |
| F Poullas | 55,000 | - | 603 | 4,950 | 164,500 | 225,053 |
| **Executive Directors** | | | | | | |
| A R Clayton (appointed)* | 38,973 | - | 387 | - | 80,993 | 120,353 |
| M G Gauci (resigned) | 221,701 | 172,444[5&6] | 3,307 | 25,420 | 246,750 | 669,622 |
| **Key management personnel** | | | | | | |
| R J Chittenden | 156,210 | - | 1,713 | 33,444 | 82,250 | 273,617 |
| S C Muller* | 78,502 | - | 830 | 7,240 | 77,250 | 163,822 |
| B J Borg (resigned) | 89,458 | - | 974 | (2,133) | - | 88,299 |
| | **839,426** | **172,444** | **9,807** | **68,921** | **1,227,493** | **2,318,091** |

**Table 2: Remuneration for the year ended 30 June 2011**

| | Salary & Fees | Short Term Termination Benefits | Non Monetary Benefits# | Post Employment Superannuation | Share Based Payments Options | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| **Non Executive Directors** | | | | | | |
| A E Daley* | 17,180 | - | 222 | - | - | 17,402 |
| B Manzi | 7,949 | - | 112 | 715 | - | 8,776 |
| N Cusworth | 7,812 | - | 110 | 703 | - | 8,625 |
| R G Udovenya* | 9,347 | - | 121 | - | - | 9,468 |
| J C Jooste-Jacobs* | 92,202 | - | 1,193 | - | 62,000 | 155,395 |
| S B Hunt* | 49,536 | - | 641 | - | 62,000 | 112,177 |
| M S Chalmers* | 43,460 | - | 562 | - | 62,000 | 106,022 |
| F Poullas | 44,583 | - | 629 | 4,013 | 62,000 | 111,225 |
| **Executive Directors** | | | | | | |
| J W Cottle | 67,163 | 115,850 | 1,081 | 16,357 | - | 200,451 |
| M G Gauci | 200,584 | - | 2,829 | 18,052 | 240,450 | 461,915 |
| **Key management personnel** | | - | | | | |
| J M Nethersole | 160,000 | - | 2,256 | 14,400 | 48,165 | 224,821 |
| A Querzoli | 166,944 | - | 2,354 | 15,000 | 39,895 | 224,193 |
| B J Borg | 170,000 | - | 2,397 | 15,300 | 39,895 | 227,592 |
| S I Lawley | 170,000 | - | 2,397 | 15,300 | 32,110 | 219,807 |
| | **1,206,760** | **115,850** | **16,904** | **99,840** | **648,515** | **2,087,869** |

# Non monetary benefits consist of Directors and Officers liability insurance premium cost paid by the company.
*Part of fees were paid to related entities. Refer to Note 17 – Key Management Personnel disclosure for further details.
^Includes superannuation and movements in employee entitlements.
~Other than where indicated no remuneration was performance based.
No director or key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

[5] Includes a Performance Bonus of $85,000
[6] Comprises $57,444 (In Lieu of Notice) and $30,000 (Termination Payment)

**Compensation options granted and vested**

During the financial year, the following share-based payments were in existence:

| Options Issued | Grant Date and Vesting Date | Expiry Date | Grant Date Fair Value $ | Number | Exercise Price $ |
|---|---|---|---|---|---|
| Nov 2010 | 19 Nov 2010 | 19 Nov 2015 | 0.3050 | 2,650,000 | 0.20 |
| Nov 2010 | 19 Nov 2010 | 19 Nov 2015 | 0.2708 | 650,000 | 0.25 |
| Nov 2010 | 19 Nov 2010 | 19 Nov 2015 | 0.2509 | 700,000 | 0.31 |
| Jun 2011 | 28 Mar 2011 | 28 Mar 2014 | 0.1654 | 525,000 | 0.5011 |
| Jun 2011 | 28 Mar 2011 | 28 Mar 2014 | 0.1557 | 625,000 | 0.6013 |
| Aug 2011 | 26 Aug 2011 | 26 Aug 2014 | 0.1554 | 3,000,000 | 0.84 |
| Aug 2011 | 26 Aug 2011 | 26 Aug 2014 | 0.1736 | 3,000,000 | 0.63 |
| Sep 2011 | 5 Sept 2011 | 11 Jul 2014 | 0.1390 | 150,000 | 0.54 |
| Sep 2011 | 5 Sept 2011 | 11 Jul 2014 | 0.1480 | 100,000 | 0.45 |
| Sep 2011 | 5 Sept 2011 | 11 Jul 2014 | 0.1680 | 250,000 | 0.51 |
| Sep 2011 | 5 Sept 2011 | 11 Jul 2014 | 0.1610 | 250,000 | 0.61 |
| Mar 2012 | 16 Mar 2012 | 15 Mar 2015 | 0.1490 | 500,000 | 0.57 |
| Mar 2012 | 16 Mar 2012 | 15 Mar 2015 | 0.1600 | 500,000 | 0.47 |

There are no further service or performance criteria that need to be met in relation to the options granted before the beneficial interest vests with the recipient. All options may be exercised anytime from the date of grant to the expiry date whilst the holder remains employed by the Company.

The following grants of share-based payment compensation to directors and other key management personnel relate to the current financial year. There were no service or performance criteria affecting these grants:

| | | | During the Financial Year | | | | |
|---|---|---|---|---|---|---|---|
| Name | Options Issued | Grant Date | No. Granted | No. Vested | % of Grant Vested | % of Grant Forfeited | % of Compensation for the year consisting of Options |
| J C Jooste-Jacobs | Aug 2011 | 26 Aug 2011 | 1,500,000 | 1,500,000 | 100 | N/A | 69.2 |
| S B Hunt | Aug 2011 | 26 Aug 2011 | 1,000,000 | 1,000,000 | 100 | N/A | 73.1 |
| F Poullas | Aug 2011 | 26 Aug 2011 | 1,000,000 | 1,000,000 | 100 | N/A | 73.1 |
| A R Clayton[7] | N/A | 30 Apr 2012[8] | 4,000,000 | N/A | N/A | N/A | - |
| M S Chalmers | Aug 2011 | 26 Aug 2011 | 1,000,000 | 1,000,000 | 100 | 100% | 84.2 |
| M G Gauci | Aug 2011 | 26 Aug 2011 | 1,500,000 | 1,500,000 | 100 | N/A | 36.8 |
| R J Chittenden | Jul 2011 | 11 Jul 2011 | 500,000 | 500,000 | 100 | N/A | 30.1 |
| S C Muller | Mar 2012 | 16 Mar 2012 | 500,000 | 500,000 | 100 | N/A | 47.2 |

During the year, one director and no senior management exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of Uranex Limited.

[7] These options were not issued and were cancelled upon A. Clayton accepting an Executive Directorship with a remuneration package containing options. These latter options require Shareholder approval before issue.

[8] Granted

The following table summarises the value of options granted, exercised or lapsed during the financial year to directors and other key management personnel and other employees:

| Name | Value of options granted at grant date (i) $ | Value of options exercised at the exercise date $ | Value of options lapsed at the date of lapse (ii) $ |
|---|---|---|---|
| J C Jooste-Jacobs | 246,750 | - | - |
| S B Hunt | 164,500 | - | - |
| F Poullas | 164,500 | - | - |
| M G Gauci | 246,750 | - | - |
| M S Chalmers | 164,500 | 152,500 | 329,000 |
| R J Chittenden | 82,250 | - | - |
| S C Muller | 77,250 | - | - |
| B J Borg | - | - | 39,895 |

(i) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

(ii) The value of options lapsing during the period due to the failure to satisfy a vesting condition is determined assuming the vesting condition has been satisfied.

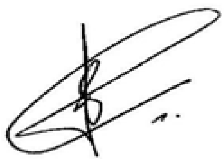
**Shares Issued on exercise of rights (consolidated)**

| 30 June 2012 | Shares issued no. | Paid per share | Unpaid |
|---|---|---|---|
| Non executive director: | | | |
| M S Chalmers | 500,000 | $0.20 | - |

## 2011 REMUNERATION REPORT

The Remuneration Report received positive shareholder support from members (77.6%) at the 2011 Annual General Meeting.

Signed in accordance with a resolution of the Directors.



J.C Jooste-Jacobs
**Non - Executive Chairman**

Melbourne, 21 August 2012

## COMPETENT PERSONS STATEMENT

### Thatcher Soak Project

The work reported herein relating to the Thatcher Soak Project was undertaken by Peter Gleeson, MAIG, who is a full-time employee of SRK Australia. Peter Gleeson is a Competent Person as defined by the 2004 JORC Code, and takes responsibility for all components of the Thatcher Soak Mineral Resource Estimate, including the assessment of data quality, the geological model, and the geostatistical estimation. He has more than five years' experience relevant to the style of mineralisation and type of deposit described in the Report, and is a Member of the Australian Institute of Geoscientists.

This Mineral Resource Statement is reported in accordance with the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code). The summarised Resource Estimates in Table 1 have been compiled as of the final 2008 close of the drill hole database by Uranex and the new resource is effective as of the completion of the revised modelling and estimation on 21 June 2012. The classification of the mineral resource estimates into the Inferred category is a function of the confidence in the historical data, recent confirmation data and data analysis, geological interpretation, mineralisation geometry and geological context within which the estimation has taken place. The classification of resources is consistent with the Australasian Guidelines and Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (revised 2004) as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (JORC).

Mr Peter Gleeson (who is a full time employee of SRK Australia) accepts responsibility for classifying the current Thatcher Soak Mineral Resource Estimate as Inferred and the data upon which the estimates are based, including the geological interpretation.

The $eU_3O_8$ grades used in the resource estimation are based on data obtained from previous explorers, by a range of drilling methodologies, with analyses undertaken at a range of laboratories and geophysical probe utilising various analytical methodologies and was supplied to SRK by Uranex. To the best of its knowledge, SRK has reviewed all such information and accepts it as reliable and free from any material error.

### Mkuju Uranium Project Uranium Exploration results, Mineral Resources/Ore Reserves

Information in this report relating to the Mkuju Uranium Project uranium exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Malcolm Titley who is a Member of the Australasian Institute of Mining and Metallurgy, a Director with CSA Global Pty Ltd and is acting as an independent technical consultant to the Company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Titley consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to the Exploration Target Range and Prospectivity at the Mkuju Uranium Project is based on information compiled by Mr Sean Muller who is a Member of the American Institute of Professional Geologists and Registered Member of the Society of Mining Engineers that is fully recognized by JORC and Exploration Manager and full time employee of the Company. Mr Muller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Muller consents to the inclusion of the data in the form and context in which it appears.

### Coal Exploration results

Information in this report relating to Coal Exploration results, is based on information compiled by Dr Gerard McCaughan who is a Member of the Australasian Institute of Mining and Metallurgy, a Senior Consultant (Coal Geology) with SRK Consulting acting as an independent technical consultant to the Company. Dr McCaughan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr McCaughan consents to the inclusion of the data in the form and context in which it appears.

# CORPORATE GOVERNANCE STATEMENT

The Company's Board of Directors ('Board') is responsible for the overall corporate governance of the Company and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision-making. To the extent that they are relevant to the organisation, the Company has, subject to the exceptions set out below, had regard to the eight ASX Corporate Governance Council 'Corporate Governance Principles and Recommendations'(2nd Edition) ('ASX Principles').

## THE BOARD OF DIRECTORS

The Board is responsible for the corporate governance of the Company. The Board has developed strategies for the Company, review strategic objectives, and monitor the performance against those objectives. The overall goals of the corporate governance process are to:

- drive shareholder value;
- assure a prudential and ethical base to the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory obligations.

Consistent with these goals, the Board commits to the following responsibilities:

- to review the corporate, commercial and financial performance of the Company on a regular basis;
- to act on behalf of, and be accountable to, the shareholders;
- to identify business risks and implement actions to manage those risks; and
- develop and implement management and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.

The role and functions of the Board as set out above is consistent with ASX Principle 1.

## COMPOSITION OF THE BOARD

Election of Board Members is substantially at the behest of the shareholders in general meetings. However, subject thereto, the Company commits to the following principles:

- that the Board should comprise directors with a blend of skills, experience and attributes appropriate for the Company and its business;
- that the principal criterion for the appointment of new directors should be their ability to add value to the Company and its business.

The Company does not have a formal Nomination Committee as recommended by ASX Principle 2.4. However, the whole Board will meet to consider additional appointments.

The Board now consists of one Executive Director and three Non-Executive Directors. A majority of the Board are non independent Directors thereby not complying with Principle 2.1. The consents in writing of each director are on file and all Directors have made the necessary disclosures concerning potential conflicts of interest. Details of each Director are set out in the Directors' Report.

The Non-Executive Chairman, J C Jooste-Jacobs, is not independent, as he was the Chairman of IMX Resources Limited during the last year, thus not complying with principle 2.2. However, the present Board, who elected the Chairman, believe he has the necessary skills and competence for the role. Board procedures and the Chair's respect for independence when matters arise have mitigated such concerns.

Subject to the Chairman's prior approval (not to be unreasonably withheld) Directors, at the Company's expense, may obtain professional advice on issues arising in the course of their duties.

## TRADING POLICY

The Company's Trading Policy concerns trading in the Company's listed securities by relevant persons including Directors, Employees and their associates. These persons are precluded from trading in the Company's listed securities within 2 weeks prior to the issue to the ASX of statutory financial and quarterly exploration reports and also must not deal in any Company securities at any time whilst in possession of unpublished price sensitive information unless clearance is given by specified Company officers pursuant to the Trading Policy.

## REMUNERATION POLICIES

The Board appointed a separately constituted Remuneration Committee comprising of three Non-Executive Directors, consistent with ASX Principle 8. The members of the Remuneration Committee throughout the year were: S B Hunt (Chairman), J C Jooste-Jacobs and F Poullas.

The Remuneration Committee advises the Board on remuneration and incentive policies and practices. It makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive directors.

Any increase in the maximum remuneration of Non-Executive Directors is the subject of shareholder resolution in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The apportionment of Non-Executive Director remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or undertake special duties on behalf of the Company.

## EXTERNAL AUDIT

The Members at general meetings are responsible for the appointment of the external auditors of the Company. The Board from time to time will review the scope, performance and fees of the external auditors. Consistent with ASX Principle 6, the auditors are invited to attend and answer questions at the Company's Annual General Meeting.

## AUDIT COMMITTEE

The Company has a separately constituted Audit Committee. The members of the Audit Committee during the year were: F Poullas (Chairman), J C Jooste-Jacobs, S B Hunt (appointed 24 July 2012) and M S Chalmers (resigned 4 January 2012).

The main responsibilities of the Audit Committee are to:

- review and report to the Board on the periodic reports and financial statements;
- provide assurance to the Board that it is receiving adequate, timely and reliable information;
- assist the Board in reviewing effectiveness of the group's internal control environment covering:
    - compliance with applicable laws and regulations
    - reliability of financial reporting; and
- liaise with the external auditors and ensure that the annual audit and half-year review are conducted in an efficient manner.

The Audit Committee reviews the performance of the external auditors on an annual basis. A representative of the committee meets with them during the year to discuss the external audit plan, any significant problems that may arise, and to review the fees proposed for the audit work to be performed.

Any written matters raised by the auditors are discussed and dealt with at full board meetings. The auditors, by request, may attend audit committee meetings and board meetings to discuss any matter that they believe warrants attention by the Board. The auditors also attend shareholder meetings of the Group.

The Audit Committee structure was consistent with ASX Principle 4 during the financial year.

## Sustainability Committee

The Sustainability Committee members comprised M S Chalmers (Chairman, resigned 4 January 2012), M G Gauci (resigned 30 April 2012), S I Lawley (Sustainability Manager), F Poullas (Chairman, appointed 4 January 2012), R J Chittenden (CEO, appointed 24 July 2012) and A R Clayton (appointed 24 July 2012).

The main responsibility of the Sustainability Committee is to be satisfied that effective measures, systems and controls are in place in relation to:

- Environmental, community, occupational health and safety, radiation protection and other sustainability issues that have material strategic and business implications.
- Significant safety, health and environmental incidents; and
- Reporting by Uranex should accord with the Global Reporting Initiative guidelines.

## Continuous Disclosure Policy

The Company has a continuous disclosure policy dealing with the timely disclosure of price sensitive information including announcements to the ASX, conduct of investor and analyst briefings and media communications.

The Company's continuous disclosure policy is consistent with ASX Principle 5.

## Identification and Management of Risk

The Director's collective experience will enable accurate identification of the principal risks which may affect the Company's business. Management of these risks will be discussed by the Board at periodic (at least annual) strategic planning meetings. In addition, key operational risks and their management, will be recurring items for deliberation at board meetings.

Determined areas of risk that are regularly considered at board meetings or reported on monthly include:

- performance and funding of exploration activities;
- budget control and asset protection;
- status of mineral tenements;
- sovereign risk and native title considerations; and
- continuous disclosure obligations.

The Company's practice is consistent with ASX Principle 7.

## Chief Executive Officer and Chief Financial Officer Certification

In accordance with section 295A of the Corporations Act, the Chief Executive Officer and Chief Financial Officer have provided a written statement to the Board that:

- their view provided on the Company's financial report is founded on a sound system of risk management and internal control which implements the financial policies adopted by the Board
- The Company's risk management and internal compliance and control system is operating effectively in all material respects

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal compliance and control assurance from the Chief Executive Officer and Chief Financial Officer can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

## Diversity

The Company recognises the value contributed by employing people with varying skills, cultural backgrounds, ethnicity and experience and believes its diverse workforce is the key to its continued growth, improved productivity and performance.

We actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly and where discrimination, harassment and inequity are not tolerated. Uranex is committed to fostering diversity at all levels.

## Ethical Standards and Code of Conduct

The Board is committed to the establishment of a code of conduct and maintenance of appropriate ethical standards to underpin the Company's operations and corporate practices.

The Board's code of conduct is consistent with ASX Principles 3 and 7.

## Shareholder Communication

The Board aims to ensure that the shareholders are informed of all major developments affecting the group's state of affairs. Information is communicated to shareholders as follows:

- the internet web site: www.uranex.com.au
- the Annual Report is distributed to eligible shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the group during the year, changes in the state of affairs of the group and details of future developments, in addition to other disclosures required by Corporations Act 2001;
- quarterly reports and half-yearly financial statements are lodged with the ASX and copies are sent to any shareholder upon request;
- any proposed major changes in the group which may impact on the share ownership rights would be submitted to a vote of shareholders; and
- the Board ensures that the continuous disclosure requirements of the ASX are fully complied with, ensuring that shareholders are kept informed on significant events affecting the group.

The Board's respect of the rights of shareholders is consistent with ASX Principle 6.

## Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient from time to time in light of changing circumstances and economic conditions. The Directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

The table below summarises the Company's compliance with ASX Corporate Governance Council published guidelines and recommendations.

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| **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. | Complies | Corporate governance disclosed on pages 25. |
| 1.2 | Companies should disclose the process for evaluating the performance of senior executives. | Complies | Disclosed in Remuneration Report on pages 18 – 23. |
| 1.3 | Companies should provide the information indicated in the Guide to reporting on Principle 1. | Complies | Disclosed in Remuneration Report. Performance evaluation for senior executives has taken place during the reporting period. |
| **Principle 2:** | **Structure the Board to add value** | | |
| 2.1 | A majority of the Board should be independent directors. | Does not comply | J C Jooste-Jacobs resigned as Chairman of IMX Resources Ltd on 10 February 2012 and S B Hunt is a Non-executive Director of IMX Resources Ltd, the Company's largest shareholder. Neither holds an executive role at the Company.<br><br>F Poullas is an independent, Non-Executive director.<br><br>A R Clayton was initially appointed a Non-Executive Director on 15 March 2012 and subsequently an Executive Director (effective 21 May 2012). He is not an independent director. |
| 2.2 | The Chairman should be an independent director. | Does not comply | The Chairman (J C Jooste-Jacobs) is not independent. |
| 2.3 | The roles of Chairman and Chief Executive Officer should not be exercised by the same individual. | Complies | Annual report page 3. |
| 2.4 | The Board should establish a Nomination Committee. | Does not comply | The Company does not have a formal Nomination Committee. The Board meets to consider any appointments. |
| 2.5 | Companies should disclose the process for evaluating the performance of the Board, its committee and individual Directors. | Complies | Disclosed in notes to Annual Report. |
| 2.6 | Companies should provide the information indicated in the Guide to reporting on Principle 2. | Complies | Disclosed in notes to Annual Report. |
| **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:<br>• the practices necessary to maintain confidence in the Company's integrity<br>• the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders<br>• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. | Complies | Corporate governance page 28 and as disclosed on the Company's website. |
| 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 measureable objectives for achieving gender diversity for the board to assess annually both objectives and progress in achieving them. | Does not comply | The Company has established a policy but not measurable objectives as the Group already engage a diverse range of personnel including females. |

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| 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. | Does not comply | The Group's personnel are diverse so no objective required. New positions are filled on merit. |
| 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. | Complies | Directors' Report page 6. |
| 3.5 | Companies should provide the information indicated in the guide to reporting on Principle 3.3. | Complies | Corporate governance section page 28. |
| **Principle 4:** | **Safeguard integrity in financial reporting** | | |
| 4.1 | The Board should establish an Audit Committee. | Complies | Corporate governance section page 26. |
| 4.2 | The Audit Committee should be structured so that it:<br>• consists only of Non-Executive Directors<br>• consist of a majority of independent Directors<br>• is chaired by an independent chair, who is not chair of the Board<br>• has at least three members | Does not comply | The Audit Committee comprises one Non-Executive Director who is the independent Chairman and two Non-Executive Directors who are not independent (one of whom is the Company Chairman). Board composition does not enable compliance. |
| 4.3 | The Audit Committee should have a formal charter. | Complies | Disclosed on the Company's website. |
| 4.4 | Companies should provide the information indicated in the Guide to reporting on Principle 4. | Complies | Disclosed on the Company's website. |
| **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 executive level for that compliance and disclose those policies or a summary of those policies. | Complies | Corporate governance section page 28. |
| 5.2 | Companies should provide the information indicated in the Guide to reporting on Principle 5. | Complies | Disclosed on the Company's website. |
| **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. | Complies | Corporate governance section page 28. |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6. | Complies | Corporate governance section page 28. |
| **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. | Complies | Corporate governance section page 27. |
| 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. | Complies | Corporate governance page 27 and as disclosed on the Company's website. |

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| 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. | Complies | Disclosed in Annual Report (Directors' Declaration). |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7. | Complies | Corporate governance section page 27. |
| **Principle 8:** | **Remunerate fairly and responsibly** | | |
| 8.1 | The Board should establish a Remuneration Committee. | Complies | Disclosed in notes to Annual Report and corporate governance section page 26. |
| 8.2 | Companies should clearly distinguish the structure of Non-Executive Directors remuneration from that of Executive Directors and senior executives. | Complies | Disclosed in notes to Annual Report on page 18. |
| 8.3 | Companies should provide the information indicated in the Guide to reporting on Principle 8. | Complies | Disclosed in notes to Annual Report on page 18. |
| 8.4 | Companies should provide the information indicated in the guide to reporting in Principle 8. | Complies | Disclosed in notes to Annual Report on pages 21 – 23. |

# STATEMENT OF COMPREHENSIVE INCOME

## YEAR ENDED 30 JUNE 2012

| | Notes | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|---|
| **Income** | | | |
| Interest received | | 214,859 | 211,171 |
| Rent received | | 218,466 | 174,983 |
| Net foreign exchange gains | | - | 95,234 |
| Grant received | | 260,703 | 404,156 |
| Receipt of non refundable deposit | | 500,000 | - |
| Other income | | - | 2,500 |
| **Total income** | | **1,194,028** | **888,044** |
| **Expenditure** | | | |
| Depreciation | | 162,279 | 247,709 |
| Directors fees | | 318,505 | 272,069 |
| Employee share remuneration | | 1,340,393 | 672,598 |
| Exploration expenditure | | 7,420,950 | 7,954,729 |
| Interest paid | | 182 | 219 |
| Legal expenses | | 100,388 | 234,158 |
| Loss on disposal of assets | | 136,725 | - |
| Net foreign exchange losses | | 89,343 | - |
| Promotion expenses | | 8,025 | 19,052 |
| Rental expenses | | 182,965 | 107,226 |
| Salaries and wages | | 975,558 | 466,448 |
| Staff procurement | | 102,951 | 25,900 |
| Superannuation | | 187,564 | 172,026 |
| Taxes and duties | | 331,362 | 389,553 |
| Travel costs | | 291,710 | 311,167 |
| Other expenses | | 1,302,476 | 1,118,621 |
| **Total expenditure** | | **12,951,376** | **11,991,475** |
| **(Loss) before income tax expense** | | **(11,757,348)** | **(11,103,431)** |
| **Income tax expense** | 2 | **-** | - |
| **Net (loss) for the year** | | **(11,757,348)** | **(11,103,431)** |
| **Other comprehensive income/(loss)** | | | |
| Foreign currency translation | | (92,855) | 2,943,907 |
| **Other comprehensive income / (loss) for the year, net of tax** | | **(92,855)** | **2,943,907-** |
| **Total comprehensive income / (loss) for the year, net of tax** | | **(11,850,203)** | **(8,159,524)** |
| Basic loss per share (cents per share) | 16 | 6.27 | 7.41 |
| Diluted loss per share (cents per share) | 16 | 6.27 | 7.41 |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2012

| | Notes | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 10(b) | 6,813,612 | 3,399,791 |
| Trade and other receivables | 4(a) | 1,513,806 | 925,762 |
| **Total current assets** | | **8,327,418** | **4,325,553** |
| | | | |
| **Non current assets** | | | |
| Other receivables | 4(b) | 227,908 | 244,609 |
| Property, plant & equipment | 5 | 329,645 | 501,466 |
| **Total non current assets** | | **557,553** | **746,075** |
| **Total assets** | | **8,884,971** | **5,071,628** |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 6(a) | 3,034,942 | 2,031,489 |
| Provisions | 7 | 88,813 | 92,415 |
| **Total current liabilities** | | **3,123,755** | **2,123,904** |
| | | | |
| **Non current liabilities** | | | |
| Other payables | 6(b) | 25,615 | 55,936 |
| Provisions | 7 | 132,948 | 76,135 |
| **Total non current liabilities** | | **158,563** | **132,071** |
| | | | |
| **Total liabilities** | | **3,282,318** | **2,255,975** |
| | | | |
| **Net assets** | | **5,602,653** | **2,815,653** |
| | | | |
| **Equity** | | | |
| Contributed equity | 8(a) | 53,920,623 | 40,519,940 |
| Reserves | 9 | 5,642,548 | 4,498,883 |
| Accumulated Profits/(Losses) | | (53,960,518) | (42,203,170) |
| | | | |
| **Total equity** | | **5,602,653** | **2,815,653** |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

## Year Ended 30 June 2012

| | Issued Capital $ | Share Based Payment Reserves $ | Foreign Currency Translation Reserve $ | Accumulated (Losses) $ | Total Equity $ |
|---|---|---|---|---|---|
| **At 1 July 2011** | **40,519,940** | **672,598** | **3,826,285** | **(42,203,170)** | **2,815,653** |
| Loss for the period | - | - | - | (11,757,348) | (11,757,348) |
| Other comprehensive income/(loss) | - | - | (92,855) | - | (92,855) |
| **Total comprehensive income/(loss) for the year** | **-** | **-** | **(92,855)** | **(11,757,348)** | **(11,850,203)** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Share issues | 13,772,200 | - | - | - | 13,772,200 |
| Share-based payments reclassified | 103,873 | (103,873) | - | - | - |
| Share issue transaction costs | (475,390) | - | - | - | (475,390) |
| Share based payments | - | 1,340,393 | - | - | 1,340,393 |
| **At 30 June 2012** | **53,920,623** | **1,909,118** | **3,733,430** | **(53,960,518)** | **5,602,653** |

| | Issued Capital $ | Share based payment reserves $ | Foreign Currency Translation Reserve $ | Accumulated (Losses) $ | Total Equity $ |
|---|---|---|---|---|---|
| **At 1 July 2010** | **31,564,544** | **339,700** | **882,378** | **(31,099,739)** | **1,686,883** |
| Loss for the period | - | - | - | (11,103,431) | (11,103,431) |
| Other comprehensive income / (loss) | - | - | 2,943,907 | - | 2,943,907 |
| **Total comprehensive income / (loss) for the year** | **-** | **-** | **2,943,907** | **(11,103,431)** | **(8,159,524)** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Share issues | 9,149,811 | - | - | - | 9,149,811 |
| Share-based payments | - | 672,598 | - | - | 672,598 |
| Share-based costs reclassified | 339,700 | (339,700) | - | - | - |
| Share issue transaction costs | (534,115) | - | - | - | (534,115) |
| **At 30 June 2011** | **40,519,940** | **672,598** | **3,826,285** | **(42,203,170)** | **2,815,653** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

## YEAR ENDED 30 JUNE 2012

| | Notes | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | (3,500,052) | (2,651,547) |
| Payment of exploration expenditure | | (7,226,926) | (4,833,607) |
| Rent received | | 218,466 | 184,750 |
| Interest received | | 213,738 | 201,299 |
| **Net cash from/(used in) operating activities** | 10(a) | **(10,294,774)** | **(7,099,105)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant & equipment | | (229,607) | (56,471) |
| Proceeds from sale of property, plant and equipment | | 121,051 | (17,362) |
| Receipt of non-refundable deposit | | 500,000 | - |
| Receipt of security bond | | 16,701 | - |
| **Net cash flows (used in) investing activities** | | **408,145** | **(73,833)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issues/sale of ordinary shares | | 13,772,200 | 9,149,811 |
| Capital raising expenses | | (475,390) | (534,115) |
| **Net cash flows from /(used in) financing activities** | | **13,296,810** | **8,615,696** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 3,410,181 | 1,442,758 |
| Net foreign exchange differences | | 3,640 | (15,861) |
| Add opening cash and cash equivalents | | 3,399,791 | 1,972,894 |
| **Closing cash and cash equivalents** | 10(b) | **6,813,612** | **3,399,791** |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 2012

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report covers the consolidated group of Uranex Limited and controlled entities ("the Group"). Uranex Limited is a company, limited by shares, incorporated in Australia whose shares are publicly traded on Australian Securities Exchange ("ASX").

The Company's registered office is noted in the corporate directory.

The entity's principal activity is mineral exploration.

The following is a summary of the material accounting policies adopted by the consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

### Basis of preparation

The financial report is a general purpose financial report for a 'for-profit' entity that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is prepared in Australian dollars.

### Going concern

The Group is involved in the exploration and evaluation of mineral tenements. Further expenditure will be required upon these tenements to ascertain whether they contain economically recoverable reserves.

For the year ended 30 June 2012 the Group reported a net loss of $11,757,348 (2011: $11,103,431) and net operating cash outflows of $10,294,774 (2011: $7,099,105). The operating cash outflows have been funded by cash inflows from equity raisings of $13,772,200 (2011: $9,149,811) during the year. As at 30 June 2012 the Group had net current assets of $ 5,203,663 (2011: $2,201,649) including cash reserves of $6,813,612 (2011: $3,399,791).

The balance of these cash reserves is not sufficient to meet the Group's planned expenditure budget including exploration activities for the 12 months to 30 June 2013. The Group has exploration commitments over the next 12 months totalling $5,190,712. In order to fully implement its exploration strategy the Group will require additional funds.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

To continue as a going concern, the Group requires additional funding to be secured from sources including but not limited to:

- The successful completion of the sale of the Australian uranium assets
- A further equity capital raising,
- The potential farm out of participating interests in the Group's tenements, and / or
- The generation of sufficient funds from operating activities including the successful development of the existing tenements.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is significant uncertainty whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

## Compliance with IFRS

The financial report of the Group complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the Directors on 21 August 2012.

## New accounting standards and interpretations

*(i) Changes in accounting policy and disclosures.*
The accounting policies adopted are consistent with those of the previous financial year. The group has adopted the following standards and interpretations from 1 July 2011:

| Reference | Title | Summary | Application date of standard | Application date for the Group |
|---|---|---|---|---|
| AASB 124 (Revised) | Related Party Disclosures | The revised AASB 124 *Related Party Disclosures (December 2009)* simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:<br>(a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other<br>(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other<br>(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other<br>(a) A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures. | 1 January 2011 | 1 July 2011 |
| AASB 2009-12 | Amendments to Australian Accounting Standards | Amendments to Australian Accounting Standards<br>[AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]<br>Makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.<br>In particular, it amends AASB 8 *Operating Segments* to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. | 1 January 2011 | 1 July 2011 |

| Reference | Title | Summary | Application date of standard | Application date for the Group |
|---|---|---|---|---|
| AASB 2010-4 | Amendments to Australian Accounting Standards arising from the Annual Improvements Project | Amendments to Australian Accounting Standards arising from the Annual Improvements Project<br>[AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]<br>Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.<br>Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.<br>Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.<br>Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account. | 1 January 2011 | 1 July 2011 |
| AASB 2010-5 | Amendments to Australian Accounting Standards | Amendments to Australian Accounting Standards<br>[AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]<br>This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.<br>These amendments have no major impact on the requirements of the amended pronouncements. | 1 January 2011 | 1 July 2011 |
| AASB 1054 | Australian Additional Disclosures | Australian Additional Disclosures<br>This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.<br>This standard, with AASB 2011-1 relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:<br>► Compliance with Australian Accounting Standards<br>► The statutory basis or reporting framework for financial statements<br>► Whether the entity is a for-profit or not-for-profit entity<br>► Whether the financial statements are general purpose or special purpose<br>► Audit fees<br>► Imputation credits | 1 July 2011 | 1 July 2011 |
| AASB 2010-6 | Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets | Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]<br>The amendments increase the disclosure requirements for transactions involving transfers of financial assets but which are not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale. | 1 July 2011 | 1 July 2011 |

| Reference | Title | Summary | Application date of standard | Application date for the Group |
|---|---|---|---|---|
| AASB 2010-9 | Amendments to Australian Accounting Standards | Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time adopters [AASB 1]<br>In respect of the removal of fixed dates, the amendments provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards. The amendments in respect of severe hyperinflation provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian Accounting Standards financial statements or to present Australian Accounting Standards financial statements for the first time. | 1 July 2011 | 1 July 2011 |
| AASB 2011-5** | Amendments to Australian Accounting Standards | Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]<br>This Standard makes amendments to:<br>► AASB 127 *Consolidated and Separate Financial Statements*<br>► AASB 128 *Investments in Associates*<br>► AASB 131 *Interests in Joint Ventures*<br>to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation, and relates primarily to those applying the reduced disclosure regime or not-for-profit entities. | 1 July 2011 | 1 July 2011 |

The adoption of these standards, with the exception of AASB 1054 which has amended some of the disclosures in this financial report, have had no impact on the accounting policies of the Group.

*(ii) New Accounting Standards and Interpretations not yet adopted*

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They have been issued but are not yet effective and are available for early adoption at 30 June 2012, but have not been applied in preparing this financial report.

| Reference | Title | Summary | Application date of standard | | Application date for the Group |
|---|---|---|---|---|---|
| AASB 9 | Financial Instruments | AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).<br>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.<br>(b) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.<br>(c) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.<br>(d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. | 1 January 2015[8] | This standard may change the disclosures currently made in the Group's financial report but will have no impact on the amounts recognised in the financial statements. | 1 July 2015 |
| AASB 2009-11 | Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] | ► These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement.<br>► This Standard shall be applied when AASB 9 is applied. | 1 January 2015 | This standard may change the disclosures currently made in the Group's financial report but will have no impact on the amounts recognised in the financial statements. | 1 July 2015 |

8 AASB ED 215 Mandatory effective date of IFRS 9 proposes to defer the mandatory effective date of AASB 9 from annual periods beginning 1 January 2013 to annual periods beginning on or after 1 January 2015, with early application permitted. At the time of preparation, finalisation of ED 215 is still pending by the AASB. However, the IASB has deferred the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015, with early application permitted.

| Reference | Title | Summary | Application date of standard | | Application date for the Group |
|---|---|---|---|---|---|
| AASB 10 | Consolidated Financial Statements | AASB 10 redefines and clarifies the notion of control that is the basis for determining which entities should be incorporated on a line-by-line basis into the consolidated financial statements of a group. | 1 January 2013 | This new standard may change the entities that are consolidated into the Group's financial statements. | 1 July 2013 |
| AASB 11 | Joint Arrangements | AASB 11 responds to concerns that the superseded Standard required the legal form of an arrangement to determine the accounting for that arrangement, and allowed an accounting option, which undermined comparability between entities.<br>This new standard better reflects the underlying economic by requiring the financial statements of a party to a joint arrangement to reflect its rights and obligations arising from that arrangement. | 1 January 2013 | This standard may change the disclosures currently made in the Group's financial report but will have no impact on the amounts recognised in the financial statements. | 1 July 2013 |
| AASB 12 | Disclosure of Interests in Other Entities | AASB 12 focuses on disclosures that would help users better assess the nature and financial effects of an entity's involvement with other entities, and particularly enhances disclosures about consolidated entities and unconsolidated (off balance sheet) structured entities. For example, new disclosures will help assessments to be made of the risks to which an entity is exposed from involvement with structured entities. | 1 January 2013 | This standard may change the disclosures currently made in the Group's financial report but will have no impact on the amounts recognised in the financial statements. | 1 July 2013 |
| AASB 119 [Revised] | Employee Benefits | The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets.<br><br>The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.<br><br>Consequential amendments were also made to other standards via AASB 2011-10. | 1 January 2013 | This standard may change the measurement of the Group's short-term and long-term employee benefits, however these changes are not expected to be material to the Group. | 1 July 2013 |

Other amendments issued but not yet effective from the Annual Improvements Projects to the following Standards will have no impact on the accounting policies, financial position or performance of the Group:

- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements
- AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosure on Transfers of Financial assets [AASB 1 & AASB 7]
- AASB 2010-9 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures

- AASB 2011-7 Amendments to Australian Accounting Standards arising from Consolidation and Joint Arrangements Standards
- AASB 13 Fair Value Measurement
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 AASB 119 Employee Benefits
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
- AASB 2011-5 Equity Method and Proportionate Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Consolidation [AASB 127, AASB 128 & AASB 131]
- AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]
- AASB 1048 Interpretation of Standards
- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]
- AASB 13 Fair Value Measurement
- AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements 2009-2011 Cycle Annual Improvements to IFRSs 2009–2011 Cycle
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-4 Amendments to Australian Accounting Standards – Government Loans
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle

## Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Uranex Limited (the parent entity), special purpose entities and all entities which Uranex NL controlled from time to time during the year and at reporting date. A controlled entity is any entity Uranex Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities and special purpose entities is contained in note 11.

Information from the financial statements of subsidiaries and special purpose entities is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.
Special purpose entities are those entities over which the Group has no ownership interest but in effect the substance of the relationship is such that the Group controls the entity so as to obtain the majority of benefits from its operation.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated on consolidation. Unrealised losses are eliminated unless costs cannot be recovered.

Investments in subsidiaries are accounted for at cost net of provision for impairment in the individual financial statements of Uranex Limited.

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

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

## Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, the equity issued by the acquirer and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

## Segment reporting

An operating segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

## Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

***Depreciation***

Depreciation is provided on plant and equipment, motor vehicles, office equipment, furniture and fittings, and is calculated on a straight line basis, commencing from the time the asset is first used, so as to write off the net costs of each asset over the expected useful life. The following useful lives are used in the calculation of depreciation;

- Plant & equipment 2 to 5 years
- Vehicles 2 to 5 years
- Office equipment, furniture & fittings 2 to 20 years

Both asset residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

## Impairment of assets

At each reporting date, the Group reviews the carrying values of its property, plant & equipment assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## Exploration and evaluation costs

Exploration and evaluation expenditure is expensed directly to profit and loss when incurred.

## Operating leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use a specific asset or assets and the arrangement conveys a right to use the asset.

Leases under which the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term.

## Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred income tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of financial position.

Deferred tax assets and deferred tax liabilities are offset only where a legally enforceable right of set off exists and the deferred tax assets and liabilities relate to the same taxable entity.

Deferred tax assets are not brought to account unless it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

## Goods and services tax (GST and/or VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

Withholding tax and other indirect taxes are incurred on amounts of VAT recoverable from, or payable to, the taxation authority.

## Foreign currency translation

***Functional and presentation currency***

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

***Transactions and balances***

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are re-translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

***Financial statements of foreign operations***

The financial results and position of foreign operations whose functional currency is not Australian dollars, the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for each month during the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in other comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

## Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are uncollectible are written off when identified. An impairment provision is recognised where there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated cash flows, discounted at the original effective interest rate.

## Accounts payable

Trade and other payables are recognised when the Group becomes obliged to make further payments resulting from the purchase of goods and services and are measured at amortised cost using the effective interest method, less any impairment losses.

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

## Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave when it is probable that settlement will be required.
Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled including related on-costs, such as workers compensation and payroll tax. Non accumulating non monetary benefits, such as medical care, cars or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

## Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

## Share based payment transactions

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

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of options and performance rights with market based performance criteria is determined by an external valuer using a binomial option pricing model. The fair value of performance plan rights with non-market performance criteria is determined by reference to the Company's share price at date of grant.

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 recipient becomes 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, based on the best available information at reporting date will ultimately vest. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in determination of fair value at grant date. The charge or credit for the period represents the movement in cumulative expense recognised as at the beginning and end of the period. Where awards vest immediately, the expense is also recognised in profit or loss.

The grant date fair value of partly paid shares granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which employees become unconditionally entitled to them.

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 is reflected as additional share dilution in the computation of earnings per share.

## Revenue recognition

Interest revenue is recognised as interest accrues using the effective interest method.

Rental revenue is accounted for on a straight line basis over the lease term. Contingent rental revenue is recognised as income in the periods in which it is earned.

Revenue from the disposal of assets is recognised when the Group has passed control of the asset to the buyer. During this financial year ended the Company received a non refundable deposit of $500,000 upon the signing of a Heads of Agreement, with a Chinese investor, to sell all its Australian mining tenements. The sale agreement was not concluded.

## Government grants

Government grants for research and development incurred during the financial year ended are recognised as revenue when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

## Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

## Earnings per share (EPS)

### *Basic earnings per share*

Basic EPS is calculated as the profit (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

### *Diluted earnings per share*

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Where applicable, bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

## Investments (held to maturity)

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as term deposits, are subsequently measured at amortised cost.

## Interests in joint controlled assets

A jointly controlled asset involves joint control and offers joint ownership by the Group and other venturers of assets contributed to or acquired for the purposes of the joint venture, without the formation of a corporation, partnership or entity.

The Group accounts for its share of the jointly controlled assets, and liabilities it has incurred, its share of any liabilities jointly incurred with other ventures, income from the sale or use of its share of the joint venture's output, together with its share of the expenses incurred by the joint venture, and any expenses it incurs in relation to its interest in the joint venture.

## Financial Instruments – initial recognition and subsequent measurement

***Financial Assets***

*Initial recognition and measurement*

Financial assets within the scope of AASB 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

*Initial recognition and measurement*

The Group's financial assets include cash and short-term deposits and trade and other receivables.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as described below:

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

*Derecognition*

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

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

***Impairment of financial assets***

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlated with defaults.

*Financial assets carried at amortised cost*

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

***Financial liabilities***

*Initial recognition and measurement*

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributed transaction costs. The Group's financial liabilities include trade and other payables.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, described as follows:
*Loans and borrowings*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

## Critical accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

***Share-based payment transactions***

The Group measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using a binomial option pricing model, and using the assumptions detailed in note 19(e).

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **2. INCOME TAX** | | |
| **Current income tax** | | |
| Current income tax credit/(expense) | 3,450,411 | 3,447,780 |
| Tax losses not recognised as not probable | (3,483,576) | (3,503,901) |
| | (33,165) | (56,141) |
| **Deferred income tax** | | |
| Relating to origination and reversal of temporary differences | 33,165 | 56,141 |
| Tax losses brought to account to offset net deferred tax liability | - | - |
| | - | - |
| Income tax credit/(expense) reported in the Statement of Comprehensive Income | - | - |

## a) Statement of Changes in Equity

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **Deferred income tax related to items charged or credited directly to equity** | | |
| Share issue costs | (89,657) | (75,983) |
| Deferred tax offset | 89,657 | 75,983 |
| Income tax benefit reported in Equity | - | - |

## b) Tax Reconciliation

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:** | | |
| Accounting (loss) before tax | (11,757,348) | (11,103,431) |
| At the Group's statutory 30% tax rate (2011: 30%) | 3,527,204 | 3,331,029 |
| Share based payment expense | (402,118) | (201,779) |
| Non-deductible expenses | (19,330) | (29,349) |
| Deductible option issue costs | 377,820 | 404,000 |
| Tax losses not brought to account | (3,483,576) | (3,503,901) |
| Income tax (expense) reported in the Statement of Comprehensive Income | - | - |

## c) Deferred Income Tax

| | Consolidated statement of Financial Position 2012 $ | 2011 $ | Consolidated Income Statement 2012 $ | 2011 $ |
|---|---|---|---|---|
| **Deferred income tax at 30 June relates to the following** | | | | |
| Prepayments | (111,570) | (39,719) | (71,851) | 13,760 |
| Interest receivable | (7,663) | (7,326) | (337) | (2,962) |
| Accruals | 272,695 | 160,779 | 111,916 | 87,564 |
| Provisions | 27,057 | 37,786 | (10,729) | (17,440) |
| Other | 33,726 | 29,560 | 4,166 | (24,781) |
| Share issue costs | 166,308 | 143,610 | - | - |
| Temporary differences not recognised as not probable | (380,553) | (324,690) | - | - |
| Net Deferred Tax Asset / (Liability) | - | - | | |
| Deferred tax (expense) | | | 33,165 | 56,141 |

The benefit of these losses and temporary differences will only be obtained if:

a) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised.
b) the Group continues to comply with the condition of deductibility imposed by law; and
c) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

At the reporting date, the Group has estimated tax losses of $44,846,664 (2011: $35,758,509) available to offset against future taxable income subject to continuing to meet relevant statutory tests. To the extent that it does not offset a deferred tax liability, a deferred tax asset has not been recognised for these losses because it is not probable that future taxable income will be available to use against such losses.

## 3. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **4. TRADE AND OTHER RECEIVABLES** | | |
| **a) Current** | | |
| Accrued interest | 25,543 | 24,421 |
| Goods and services tax recoverable | 934,681 | 364,789 |
| Prepayments | 371,899 | 132,396 |
| Research and development grant | 181,683 | 404,156 |
| | 1,513,806 | 925,762 |
| **b) Non-current** | | |
| Bond | 85,000 | 85,000 |
| Security deposit | 142,908 | 159,609 |
| | 227,908 | 244,609 |

Trade and other receivables do not contain impaired assets, are not past due and are expected to be received when due.

## 5. PROPERTY PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the year.

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Plant and equipment $** | **Office equipment $** | **Software $** | **Office furniture and fittings $** | **Office improvements $** | **Motor vehicles $** | **Total $** |
| **Year ended 30 June 2012** | | | | | | | |
| Balance at 1 July 2011 net of accumulated depreciation | **332,410** | **57,000** | **1,778** | **15,619** | **12,063** | **82,596** | **501,466** |
| Additions | 217,606 | 12,001 | - | - | - | - | 229,607 |
| Disposals | (226,081) | - | - | - | - | (42,113) | (268,194) |
| Currency translation differences | 22,922 | 418 | - | - | - | 5,705 | 29,045 |
| Depreciation charge for the year | (92,742) | (22,925) | (818) | (5,146) | (4,606) | (36,042) | (162,279) |
| Balance at 30 June 2012 net of accumulated depreciation | **254,115** | **46,494** | **960** | **10,473** | **7,457** | **10,146** | **329,645** |
| **At 30 June 2012** | | | | | | | |
| Cost | 442,624 | 121,900 | 26,768 | 37,397 | 23,033 | 165,933 | 817,655 |
| Accumulated depreciation and impairment | (188,509) | (75,406) | (25,808) | (26,924) | (15,576) | (155,787) | (488,010) |
| Net carrying amount | **254,115** | **46,494** | **960** | **10,473** | **7,457** | **10,146** | **329,645** |
| **Year ended 30 June 2011** | | | | | | | |
| Balance at 1 July 2010 net of accumulated depreciation | 524,284 | 68,388 | 10,287 | 15,571 | 16,670 | 160,650 | 795,850 |
| Additions | 9,544 | 36,301 | 1,610 | 9,016 | - | - | 56,471 |
| Currency translation differences | (75,328) | (2,587) | - | - | - | (25,231) | (103,146) |
| Depreciation charge for the year | (126,090) | (45,102) | (10,119) | (8,968) | (4,607) | (52,823) | (247,709) |
| Balance at 30 June 2011 net of accumulated depreciation | 332,410 | 57,000 | 1,778 | 15,619 | 12,063 | 82,596 | 501,466 |
| **At 30 June 2011** | | | | | | | |
| Cost | 640,211 | 107,743 | 26,767 | 37,397 | 23,033 | 264,117 | 1,099,268 |
| Accumulated depreciation and impairment | (307,801) | (50,743) | (24,989) | (21,778) | (10,970) | (181,521) | (597,802) |
| Net carrying amount | **332,410** | **57,000** | **1,778** | **15,619** | **12,063** | **82,596** | **501,466** |

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|

## 6. TRADE AND OTHER PAYABLES

### a) Current

| | | |
|---|---|---|
| Trade payables | 916,753 | 438,173 |
| Derivative liabilities | 22,230 | - |
| Other payables and accruals | 1,964,198 | 1,506,814 |
| | 2,903,181 | 1,944,987 |
| Related party payables | | |
| Trade payables | - | 24,346 |
| Other payables and accruals | 131,761 | 62,156 |
| | **3,034,942** | **2,031,489** |

### b) Non Current

| | | |
|---|---|---|
| Other payables | 25,615 | 55,936 |
| | **25,615** | **55,936** |

## 7. PROVISIONS

| | | |
|---|---|---|
| **Current** | | |
| Provision for annual leave (a) | 10,995 | 34,282 |
| Provision for restructure (b) | 77,818 | 58,133 |
| | **88,813** | **92,415** |
| **Non-current** | | |
| Provision for long service leave (c) | 71,829 | 8,314 |
| Provision for restructure (b) | 12,373 | 67,821 |
| Provision for make–good (d) | 48,746 | **-** |
| | **132,948** | **76,135** |

### Movements in provisions

Movements in each class of provision during the financial year, other than provisions relating to employee benefits, are set out as follows:

| | Restructure costs $ | Make-good costs $ |
|---|---|---|
| At 1 July 2011 | 125,954 | - |
| Additions/(utilised) | (35,763) | 48,746 |
| At 30 June 2012 | **90,191** | **48,746** |

(a) Annual Leave
An estimate of annual leave is provided after reviewing relevant workplace agreements and industrial awards for respective employees and determining entitlement at the reporting date. The cost includes an account of direct employment costs.

(b) Restructure
The company closed its Perth (Western Australia) office in March 2010. All future premises costs were provided for as a restructure cost in the 2010 financial year. The provision is reduced to profit and loss on a straight line basis until its expiry.

(c) Long Service Leave
The significant assumptions applied in the measurement of this provision include devising probabilities for employees complying with the legislative requirements (years of service) and the computed employment costs discounted by using the relevant RBA bond rate applied for the respective years of service.

(d) Make - good
Provision has been made for make – good of the company's premises.

| | Number of shares | 2012 $ |
|---|---|---|
| **8. CONTRIBUTED EQUITY** | | |

### a) Issued and paid up capital

| | Number of shares | 2012 $ |
|---|---|---|
| Ordinary shares fully paid | 211,505,706 | 53,920,623 |

### b) Movements in fully paid shares

| | Number of shares | 2012 $ |
|---|---|---|
| At 1 July 2011 | 169,615,236 | 40,519,940 |
| Issued | 41,390,470 | 13,672,200 |
| Exercised options | 500,000 | 100,000 |
| Transaction costs | - | (475,390) |
| Other[9] | - | 103,873 |
| **At 30 June 2012** | 211,505,706 | 53,920,623 |

During the year the Company raised funds from equity as follows:

- $12,145,800 (2011:$ 1,960,000) from a share placement of 37,150,470 (2011:14,000,000) ordinary fully paid shares.
- $nil (2011:$5,780,311) from a rights issue of nil (2011:41,278,809) ordinary fully paid shares.
- $100,000 (2011:$1,346,500) from the exercise of options and subsequent issue of 500,000 (2011:4,400,000) ordinary fully paid shares.
- $nil (2011:$63,000) from a call paid on nil (2011:100,000) partly paid shares.
- $1,526,400 (2011:$Nil) upon the placement of 4,240,000 (2011: Nil) forfeited shares that were consequently issued as ordinary fully paid shares. The forfeited shares had been held in trust on behalf of the Company by the Directors.

### c) Movements in ordinary shares – employee shares

| | Number of shares | 2012 $ |
|---|---|---|
| At 1 July 2011 | - | 2,588,892 |
| Sale of forfeited shares | - | (2,588,892) |
| **At 30 June 2012** | - | - |

### d) Capital management

Management's prime objective when managing the Group's capital is to ensure the entity continues as a going concern as well as ensuring that funds expended provide shareholders with optimal returns. Other stakeholders benefit from this careful management of capital. The capital structure is intended to provide the lowest cost of capital available to the Group considering its present phase of operations.

Management is continually reviewing the Group's equity needs. During the financial year the entity raised $13,772,200 (2011:$9,149,811) through share placement, sale of forfeited shares, rights issue and option exercise before costs of $475,390 (2011:$534,115).

The Group is undertaking an exploration program that requires a significant outlay of funds. Management monitors this expenditure against the budget approved by the Board. A new term capital raising or asset sale should ensure the Group has a safety margin of funds available to continue with its desired level of operations - refer Note 1.

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **9. RESERVES** | | |

### a) Reserves

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| Foreign Currency Translation | 3,733,430 | 3,826,285 |
| Equity-settled employee benefits | 1,909,118 | 672,598 |
| | **5,642,548** | **4,498,883** |

[9] Expired and lapsed options reclassified from Share based payment reserve.

## b) Nature and purpose of reserves

### i. Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1. The reserve is recognised in profit or loss when the net investment is disposed of.

### ii. Equity-settled employee benefits reserve

The equity-settled employee benefits reserve is used to recognise the fair value of partly paid shares and options issued to Directors and employees.

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **10. STATEMENT OF CASH FLOWS** | | |
| **a) Reconciliation of the net loss after income tax to the net cash flows from operating activities** | | |
| **Operating activities** | | |
| Net loss | (11,757,348) | (11,103,431) |
| **Non cash and non operating items** | | |
| Depreciation of non current assets | 162,279 | 247,709 |
| Employee share based remuneration | 1,340,393 | 672,598 |
| Loss on sale of assets | 136,725 | - |
| Net foreign currency translation gain (loss) | (92,893) | 2,844,148 |
| **Reclassification of receipt to other activities** | | |
| Non-refundable deposit | (500,000) | - |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in trade and other receivables | (348,540) | (510,856) |
| (Increase)/decrease in prepayments | (239,503) | 45,867 |
| Increase/(decrease) in trade and other payables | 981,223 | 854,864 |
| Increase/(decrease) in provisions | 22,890 | (150,004) |
| **Net cash outflow from operating activities** | **(10,294,774)** | **(7,099,105)** |
| **b) Reconciliation of cash and cash equivalents** | | |
| **Cash at bank** | | |
| Cash at bank and in hand | 209,187 | 137,991 |
| Short term deposits | 6,604,425 | 3,261,800 |
| | **6,813,612** | **3,399,791** |

## 11. INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name | Country of incorporation | Class of shares | Equity Holding * | |
|---|---|---|---|---|
| | | | 2012 % | 2011 % |
| Uranex (Tanzania) Ltd | Tanzania | Ordinary | 100 | 100 |
| Uranex Mozambique Limited | Mozambique | Ordinary | 100 | 100 |
| Uranex ESIP Pty Ltd | Australia | Ordinary | 100 | 100 |
| Faru Resources Ltd | Tanzania | Ordinary | 100 | 100 |
| Juhudi Minerals Ltd | Tanzania | Ordinary | 100 | 100 |
| Investor Resources Services Pty Ltd | Australia | Ordinary | 100 | 100 |
| Uranex Option Share Trust # | Australia | Ordinary | - | - |

**percentage of voting power is in proportion to ownership.*
*#special purpose entity consolidated under AASB Interpretation 112.*

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|

## 12. COMMITMENTS

### a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. Note 1 outlines the Group's future funding options to meet its commitments. Outstanding exploration commitments are as follows:

| | | |
|---|---|---|
| Not later than one year | 5,190,712 | 4,828,687 |

Exploration expenditure commitments beyond twelve months cannot be reliably determined because the annual commitment is set at the anniversary date for each tenement.

### b) Remuneration

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in note 18 that are not recognised as liabilities and are not included in the key management personnel compensation.

| | | |
|---|---|---|
| Not later than one year | 753,205 | 260,000 |
| Later than one year and no later than five years | 536,820 | 65,000 |
| | 1,290,025 | 325,000 |

### c) Leasing

*Operating lease commitments – the Group as lessee*
The Group has commercial leases on commercial property and equipment. These leases now have an average life of between one and three years with renewal options included in the property leases. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2012 are as follows:

| | | |
|---|---|---|
| Within one year | 270,199 | 177,778 |
| After one year but not more than five years | 303,036 | 268,518 |
| Total minimum lease payment | 573,235 | 446,296 |

## 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets at 30 June 2012. The group has guarantees for property leases, banking finance facilities and mining tenements of $174,406 (2011: $182,539)

## 14. SUBSEQUENT EVENTS

There were no significant events after reporting date.

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| **15. AUDITORS' REMUNERATION** | | |
| The auditor of Uranex Limited in the current year is Ernst & Young. | | |
| **a) Amounts received or due and receivable by Ernst & Young (Australia) for:** | | |
| An audit or review of the financial report of the entity and any other entity in the consolidated group | 125,562 | 102,000 |
| Other services in relation of the entity and any other entity in the consolidated group | 20,000 | 20,000 |
| | **145,562** | **122,000** |
| **b) Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:** | | |
| An audit or review of the financial report of other entities in the consolidated group | 23,591 | 38,083 |
| Other services in relation of other entities in the consolidated group | | |
| - Taxation compliance services | 46,293 | 4,717 |
| | **215,446** | **164,800** |
| **c) Amounts received or due and receivable by non Ernst & Young firms for:** | | |
| An audit or review of the financial report of other entities in the consolidated group | **5,512** | **-** |
| | **5,512** | **-** |

## 16. LOSS PER SHARE

### a) Reconciliation of earnings to profit or loss

| | 2012 | 2011 |
|---|---|---|
| Net loss | | |
| Loss used in calculating basic loss per share | **11,757,348** | **11,103,431** |

| | Number of shares 2012 | Number of shares 2011 |
|---|---|---|
| **b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share** | | |
| Weighted average number of ordinary shares used in calculating basic loss per share | **187,651,370** | **149,811,872** |

### c) Effect of dilutive securities

## 17. KEY MANAGEMENT PERSONNEL

### a) Compensation for key management personnel

| | 2012 | 2011 |
|---|---|---|
| Short term employee benefits | 849,233 | 1,223,664 |
| Other cash benefits | 172,444 | 115,850 |
| Post employment benefits | 68,921 | 99,840 |
| Share based payments | 1,227,493 | 648,515 |
| **Total compensation** | **2,318,091** | **2,087,869** |

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|

## b) Option holdings of key management personnel

| 30 June 2012 | Balance at 1 July 2011 | Granted as Remuneration | Exercised/ (Expired) | Balance at 30 June 2012 | Vested at 30 June 2012 Total | Exercisable | Not Exercisable |
|---|---|---|---|---|---|---|---|
| J C Jooste-Jacobs | 500,000 | 1,500,000 | - | 2,000,000 | 2,000,000 | 2,000,000 | - |
| S B Hunt | 500,000 | 1,000,000 | - | 1,500,000 | 1,500,000 | 1,500,000 | - |
| F Poullas | 500,000 | 1,000,000 | - | 1,500,000 | 1,500,000 | 1,500,000 | - |
| M S Chalmers (resigned) | 500,000 | 1,000,000 | (1,500,000) | - | - | - | - |
| A. Clayton | - | - | - | - | - | - | - |
| M G Gauci (resigned) | 2,000,000 | 1,500,000 | - | 3,500,000 | 3,500,000 | 3,500,000 | - |
| R. Chittenden | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| S. Muller | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| B J Borg (resigned) | 250,000 | - | (250,000) | - | - | - | - |
| | **4,250,000** | **7,000,000** | **(1,750,000)** | **10,500,000** | **10,500,000** | **10,500,000** | **-** |

| 30 June 2011 | Balance at 1 July 2010 | Granted as Remuneration | Exercised/ (Expired) | Balance at 30 June 2011 | Vested at 30 June 2011 Total | Exercisable | Not Exercisable |
|---|---|---|---|---|---|---|---|
| J W Cottle | 2,000,000 | - | (2,000,000) | - | - | - | - |
| A E Daley | 800,000 | - | (800,000) | - | - | - | - |
| B Manzi | 800,000 | - | (800,000) | - | - | - | - |
| R G Udovenya | 800,000 | - | (800,000) | - | - | - | - |
| J C Jooste-Jacobs | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| M G Gauci | - | 2,000,000 | - | 2,000,000 | 2,000,000 | 2,000,000 | - |
| S B Hunt | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| M S Chalmers | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| F Poullas | - | 500,000 | - | 500,000 | 500,000 | 500,000 | - |
| B J Borg | - | 250,000 | - | 250,000 | 250,000 | 250,000 | - |
| S I Lawley | - | 200,000 | - | 200,000 | 200,000 | 200,000 | - |
| J M Nethersole | - | 300,000 | - | 300,000 | 300,000 | 300,000 | - |
| A Querzoli | - | 250,000 | - | 250,000 | 250,000 | 250,000 | - |
| | **4,400,000** | **5,000,000** | **(4,400,000)** | **5,000,000** | **5,000,000** | **5,000,000** | **-** |

## c) Shareholdings of key management personnel (Consolidated)

**Fully paid shares**

| 30 June 2012 | Balance 1 July 2011 Number | Purchased Number | Net other changes Number * | Balance 30 June 2012 Number |
|---|---|---|---|---|
| **Specified Directors:** | | | | |
| J C Jooste-Jacobs | 130,000 | 282,857 | - | 412,857 |
| S B Hunt | 100,000 | 42,857 | - | 142,857 |
| F Poullas | 1,560,800 | 230,391 | - | 1,791,191 |
| M. Chalmers* | - | - | - | - |
| A. Clayton | - | - | - | - |
| M G Gauci * | 778,033 | 191,000 | (969,033) | - |
| **Total** | **2,568,833** | **747,105** | **(969,033)** | **2,346,905** |

| 30 June 2011 | Balance 1 July 2010 Number | Purchased Number | Net other changes Number * | Balance 30 June 2011 Number |
|---|---|---|---|---|
| **Specified Directors:** | | | | |
| J W Cottle* | 20,870 | - | (20,870) | - |
| A E Daley* | 140,870 | - | (140,870) | - |
| B Manzi* | 55,870 | - | (55,870) | - |
| R G Udovenya* | 39,870 | - | (39,870) | - |
| J C Jooste-Jacobs | - | 130,000 | - | 130,000 |
| M G Gauci* | - | 404,033 | 374,000 | 778,033 |
| S B Hunt | - | 100,000 | - | 100,000 |
| F Poullas* | - | 407,450 | 1,153,350 | 1,560,800 |
| **Total** | **257,480** | **1,041,483** | **1,269,870** | **2,568,833** |

* The Directors, having either resigned or been appointed during the year, shown as a net other change to reduce their number of shares held or to acknowledge shares held before appointment to calculate their holding as directors at reporting date.

## d) Other transactions and balances with key management personnel and their related parties

Transactions with Directors' related entities

| Identity of Related Party | Nature of Relationship | Type of Transaction | Terms & Conditions of Transaction | Aggregate Amount 2012 $ | 2011 $ |
|---|---|---|---|---|---|
| FinMin Pty Limited | JC Jacobs is the director of FinMin Pty Limited and a director of Uranex Limited | Consulting fees | Normal commercial terms | 20,000 | - |
| ResourcesLaw International | R G Udovenya is a partner of the firm and was a director of the parent entity | Legal advice | Normal commercial terms | - | 9,056 |
| Strong Solutions Pty Limited | Frank Poullas is a related party of Strong Solutions Pty Limited and a director of Uranex Limited | Consulting fees | Normal commercial terms | 14,035 | 1,680 |

| Identity of Related Party | Nature of Relationship | Type of Transaction | Terms & Conditions of Transaction | Aggregate Amount 2012 $ | 2011 $ |
|---|---|---|---|---|---|
| Uranium Associates Pty Ltd | M S Chalmers is a director of Uranium Associates Pty Ltd and a former director of Uranex Limited | Consulting fees | Normal commercial terms | - | 5,000 |
| Matthew Gauci | Former director of Uranex Limited | Termination benefits | Normal rates | 87,444 | - |
| John Cottle | Former director of Uranex Limited | Termination benefits | Normal rates | - | 115,850 |
| Pandora Services Limited | A R Clayton is a director of Pandora and Uranex Limited | Rent | Normal commercial terms | 250 | - |

**Amounts recognised at the reporting date in relation to other transactions with key management personnel.**

| | 2012 $ | 2011 $ |
|---|---|---|
| **Assets and liabilities** | | |
| ***Current liabilities*** | | |
| Trade and other payables | 131,761 | 86,502 |
| Total liabilities | 131,761 | 86,502 |
| ***Revenue and expenses*** | | |
| Legal | - | 9,056 |
| Consulting fees | 34,035 | 6,680 |
| Rent | 250 | - |
| Termination benefits | 87,444 | 115,850 |
| Total expenses | 121,729 | 131,586 |

## 18. RELATED PARTY DISCLOSURES

### Parent entity

Uranex Limited is the ultimate Australian parent entity of the consolidated entity. Its interests in controlled entities are set out in note 11.

### Wholly owned group transactions

Controlled entities made payments and received funds on behalf of Uranex Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand. However, demand for repayment is not expected in the next twelve months.

Transactions and balances between the Company and its controlled entities were eliminated in the preparation and consolidation of the financial statements of the group.

### Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 17.

### Transactions with related parties

All amounts payable to related parties are unsecured and at no interest cost.

The amount outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances on related party trade payables at year-end, refer to note 6).

| | Year | Other transactions with related parties |
|---|---|---|
| **Related party** | | |
| *Entities with significant influence over the Group:* | | |
| IMX Resources Ltd – Service agreement and cost reimbursement | 2012 | $14,677 |
| | 2011 | - |

**Entity with significant influence over the Group**
IMX Resources Ltd controls 25.09% of the ordinary shares (fully diluted) in Uranex Limited (2011: 26.67%)

## 19. SHARE-BASED PAYMENT PLANS

### a) Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown below:

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 1,340,393 | 672,598 |
| Total expense arising from share-based payment transactions | 1,340,393 | 672,598 |

The share-based payment plans are described below.

### b) Types of share-based payment plans

**Employee share option plan (ESOP)**

Share options are granted to Directors, other Key Management Personnel and other employees. The ESOP is designed to align participants' interests with those of shareholders by increasing the value of the Company's shares. Under the ESOP, the exercise price of the options is set by the Board on the date of grant. The issue of options concerning Directors ($987,000) was approved by members at the general meeting held on 26 August 2011 and the balance of options issued to employees. In addition, shareholders granted 4,000,000 options to A R Clayton a general meeting held on 30 April 2012. These options were not issued when he accepted the role of Executive Director with the company. A remuneration package that includes options has been finalised. Options issued in prior periods expired during the financial year.

The life of options granted range between 3 and 5 years but those must be exercised within 3 months of the option holder ceasing employment with Uranex Limited. The options vest upon issue. There are no cash settlement alternatives.

### c) Summaries of options granted under ESOP

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year.

| | 2012 No. | 2012 WAEP | 2011 No. | 2011 WAEP |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 5,150,000 | 0.30 | 4,400,000 | 0.32 |
| Granted during the year | 7,750,000 | 0.69 | 5,150,000 | 0.30 |
| Exercised during the year | (500,000) | 0.20 | (4,400,000) | 0.32 |
| Expired during the year | (1,650,000) | 0.67 | - | - |
| Outstanding at the end of the year | 10,750,000 | 0.53 | 5,150,000 | 0.30 |
| | | | | |
| Exercisable at the end of the year | 10,750,000 | 0.53 | 5,150,000 | 0.30 |

The range of exercise prices for options outstanding at the end of the year was between $0.20 and $0.84 (2011: $0.20 and $0.60).
The weighted average share price at the date of exercise was $0.39 (2011: $0.60).

### Weighted average remaining estimated life

The weighted average remaining estimated life for the share options outstanding as at 30 June 2012 is 2.58 years (2011: 3.92 years).

### d) Weighted average fair value

The weighted average fair value of options granted during the year was $0.173 (2011: $0.2621).

### e) Option pricing model: ESOP

**Equity-settled transactions**

The fair value of the equity-settled share options granted under the ESOP is estimated as at the date of grant using a Binomial Model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the year ended 30 June 2012.

| | **ESOP 2012** |
|---|---|
| Dividend yield (%) | Nil |
| Expected volatility (%) | 87 - 89 |
| Risk-free interest rate (%) | 3.795 - 5.71 |
| Expected life of option (years) | 3 |
| Option exercise price (cents) | 45 - 84 |
| Weighted average share price at measurement dates (cents) | 41.5 |
| Exercise price multiple | 2 |
| Model used | Binomial |

The effects of early exercise have been incorporated into calculations by using an expected life for the option that is shorter than the estimated life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility was determined using a historical sample of 48 month-end Company share-prices. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome. The option holders were assumed to exercise prior to expiry date when the price is twice that of the exercise price. This reflects the restrictions to trading of directors and employees outlined in the Company's share trading policy.

During the financial year the UOST acquired and was issued with 7,750,000 options on varying terms and conditions for allotment to Directors, Key Management Personnel (refer to Remuneration Report for details) and Employees.

Directors were granted 6,000,000 options by members of the Company at a meeting held on 26 August 2011 Employees were granted (1)750,000, 3 year options on 12 August 2011 with an exercise price range of $0.45 to $0.61 and (2)1,000,000 3 year options on 16 March 2012 with an exercise price range of $0.47 to $0.57.

## 20. SEGMENT INFORMATION

**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the exploration expenditure is allocated to the geographical region. Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the exploration expenditure, as these are the source of the Group's major risks.

**Accounting policies and inter-segment transactions**

The accounting policies used by the Group in reporting segments internally are per note 1 of the accounts. To avoid asymmetrical allocation within segments which management believe would be inconsistent policy is that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments.

| | 2012 Profit/(loss) before tax $ | 2012 Segment revenue $ | 2011 Profit/(loss) before tax $ | 2011 Segment revenue $ |
|---|---|---|---|---|
| **Segment results and revenues** | | | | |
| **Segments** | | | | |
| Australia | (12,193,972) | 1,284,301 | (9,695,864) | 888,806 |
| East Africa | (8,137,905) | 14,727 | (7,926,397) | 95,238 |
| Inter-segment elimination | 8,574,529 | (105,000) | 6,518,830 | (96,000) |
| **Consolidated** | (11,757,348) | 1,194,028 | (11,103,431) | 888,044 |

| | 2012 Segment assets $ | 2012 Segment liabilities $ | 2011 Segment assets $ | 2011 Segment liabilities $ |
|---|---|---|---|---|
| **Segment assets and liabilities** | | | | |
| **Segments** | | | | |
| Australia | 7,403,177 | 1,491,985 | 4,337,389 | 879,428 |
| East Africa | 1,481,796 | 30,538,552 | 745,465 | 21,561,461 |
| Inter-segment elimination | (2) | (28,748,219) | (11,226) | (20,184,914) |
| **Consolidated** | 8,884,971 | 3,282,318 | 5,071,628 | 2,255,975 |

## 21. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments consist of short term deposits, receivables and payables. The fair value of the financial assets and liabilities is approximated by the carrying value.

The key financial risks identified by the Group include interest rate and currency movements. The overall objective of the Group's financial risk management policies is to meet its financial targets whilst protecting future financial security.

The Board reviews and agrees on policies for managing these risks. Management is charged with implementing the policies.

### Interest rate risk

The Group is exposed to movements in market interest rates on short-term deposits. Management ensures a balance is maintained between the liquidity of cash assets and the interest rate return. Presently, the Group has no interest bearing liabilities.

At reporting date, the Group had the following financial assets and liabilities exposed mostly to Australian variable interest rates and are unhedged.

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| Cash and cash equivalents | 6,813,612 | 3,399,791 |

The weighted average interest rate for the Group at reporting date was 5.18% (2011:5.08%).

In accordance with the Group policy of reviewing this risk, the following sensitivity analysis based on interest rate exposures at reporting date where the interest rate movement varies and other variables remain constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for both 2012 and 2011.

| | | **Interest Rate Risk -1%** | | **Interest Rate Risk +1%** | |
|---|---|---|---|---|---|
| **30 June 2012** | **Carrying Amount** | **Net Loss $** | **Equity $** | **Net Loss $** | **Equity $** |
| **Consolidated Entity** | | | | | |
| **Financial asset** | | | | | |
| Cash and cash equivalents | 6,813,612 | (68,136) | (68,136) | 68,136 | 68,136 |
| **30 June 2011** | | | | | |
| **Consolidated Entity** | | | | | |
| **Financial asset** | | | | | |
| Cash and cash equivalents | 3,399,791 | (33,998) | (33,998) | 33,998 | 33,998 |

The movements in losses are due to higher/lower interest receivable from cash balances. The sensitivity is higher in 2012 than 2011 because funds have been raised during the year resulting in higher cash balances. The analysis assumes the carrying amounts noted will be maintained over the next financial year.

## Credit risk exposures

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at reporting date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Group does not presently have any lending or any other credit risk and low level of debtors, a formal credit risk management policy is not maintained nor a sensitivity analysis prepared.

## Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from transactions including exploration commitments in currencies other than Australian dollars, the Group's presentation currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States dollar and to the Tanzanian shilling.

The Group has implemented a foreign currency risk management policy by executing foreign exchange contracts and participating forward AUD/USD option contracts as derivatives or hedge instruments that cost effectively mitigate the risk.

The net financial assets and liabilities denominated in currencies other than the functional currency of each entity in the Group were immaterial at reporting date.

## Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility as to its source.

The Group's policy is that its liquidity safety margin should exceed $2 million. At reporting date the Group had a surplus of $4,813,612 over this margin.

The table below reflects all contractually fixed pay-offs, repayments and interest from recognised financial liabilities. For these obligations the undiscounted cash flows for the respective upcoming financial years are presented. Cash flows for financial assets and liabilities without fixed timing or amount are based on the conditions existing at 30 June 2012.

The remaining contractual maturities of the Group entity's financial liabilities consisting of trade and other payables are:

| | Consolidated 2012 $ | Consolidated 2011 $ |
|---|---|---|
| 6 months or less | 3,034,942 | 2,031,489 |
| 12 months or less | 25,615 | 55,936 |
| | **3,060,557** | **2,087,425** |

## 22. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

### Superannuation commitments

The Group contributes to superannuation for employees in accordance with the government superannuation guarantee legislation. Neither the company nor the Group have any obligation to meet any shortfall in the superannuation funds obligations to provide benefits to employees on retirement.

## 23. PARENT ENTITY INFORMATION

| **a) Statement of financial position** | **2012 $** | **2011 $** |
|---|---|---|
| **Assets** | | |
| Current assets | 7,108,145 | 3,973,822 |
| Non-current assets | 288,331 | 352,343 |
| Total assets | **7,396,476** | **4,326,165** |
| | | |
| **Liabilities** | | |
| Current liabilities | 1,329,664 | 728,820 |
| Non-current liabilities | 103,129 | 132,072 |
| Total liabilities | **1,432,793** | **860,892** |
| | | |
| **Net Asset** | **5,963,683** | **3,465,273** |
| | | |
| **Equity** | | |
| Contributed equity | 55,815,819 | 41,770,838 |
| Accumulated (losses) | (51,761,254) | (38,978,163) |
| Reserves | 1,909,118 | 672,598 |
| Total equity | **5,963,683** | **3,465,273** |

**b) Statement of comprehensive income**

| | | |
|---|---|---|
| Loss for the year | (12,148,794) | (9,710,545) |
| Other comprehensive income | - | - |
| Total comprehensive income | **(12,148,794)** | **(9,710,545)** |

### Commitments

#### a) Exploration

The Parent has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. Note 1 outlines the future funding options to meet its commitments. Outstanding exploration commitments are as follows:

| | | |
|---|---|---|
| Not later than one year | 1,004,515 | 912,348 |

## b) Remuneration

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in note 18 that are not recognised as liabilities and are not included in the key management personnel compensation.

| | | |
|---|---|---|
| Not later than one year | 519,315 | 260,000 |
| Later than one year and no later than five years | 447,644 | 65,000 |
| | 966,959 | 325,000 |

## c) Leasing

*Operating lease commitments – the Group as lessee*
The Parent has commercial leases on commercial property and equipment. These leases now have an average life of between one and three years with renewal options included in the property leases. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2012 are as follows:

| | | |
|---|---|---|
| Within one year | 270,199 | 177,778 |
| After one year but not more than five years | 303,036 | 268,518 |
| Total minimum lease payment | 573,235 | 446,296 |

## Guarantees

The Parent has guarantees for property leases, banking facilities and mining tenements of $174,406 (2011:$182,539).

# DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Uranex Limited, I state that:

1. In the opinion of the Directors:

   a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of its financial position as at 30 June 2012 and performance for the financial year ended on that date.

   (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001.*

   b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

   c) There are reasonable grounds to believe that the Company, as noted by Directors in Note 1 – Going concern, will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the board

J.C.Jooste-Jacobs
**Non - Executive Chairman**

Melbourne, 21 August 2012

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

# Independent audit report to members of Uranex Limited

## Report on the financial report

We have audited the accompanying financial report of Uranex Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

***Auditor's responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

### Opinion

In our opinion:

a. the financial report of Uranex Limited is 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 2012 and of its performance for the year ended on that date; and

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

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

## Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. In the event that the consolidated entity is unable to raise additional funding from the sources as described in Note 1 to the financial report and based on the current exploration commitments and planned expenditure there is material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and classification of recorded assets amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

## Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the Year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

***Opinion***

In our opinion, the Remuneration Report of Uranex for the Year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
Melbourne
21 August 2012

## Additional Shareholder Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 30 July 2012.

### a) Distribution of equity securities

The numbers of shareholders, by size of holding, in each class of share are:

| | Ordinary Shares Number of holders | Number of shares |
|---|---|---|
| 1 – 1,000 | 253 | 132,765 |
| 1,001 – 5,000 | 917 | 2,797,946 |
| 5,001 – 10,000 | 616 | 5,017,182 |
| 10,001 – 100,000 | 1,148 | 35,686,249 |
| 100,001 and over | 188 | 167,871,564 |
| | **3,122** | **211,505,706** |
| The number of shareholders holding less than a marketable parcel of shares are: | 999 | 2,077,232 |

### b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

| Name | Number of Shares | % of Ordinary Shares |
|---|---|---|
| IMX Resources Limited | 32,125,114 | 15.19% |
| Backyard Exploration Pty Limited | 22,050,684 | 10.43% |
| J P Morgan Nominees Australia Limited | 18,481,864 | 8.74% |
| HSBC Custody Nominees (Australia) Limited | 11,627,132 | 5.50% |
| HSBC Custody Nominees (Australia) Limited - A/C 3 | 11,080,503 | 5.24% |
| National Nominees Limited | 6,058,542 | 2.86% |
| J P Morgan Nominees Australia Limited | 2,894,383 | 1.37% |
| Citicorp Nominees Pty Limited | 2,315,752 | 1.09% |
| Suncorp Custodian Services Pty Limited | 2,268,332 | 1.07% |
| Citicorp Nominees Pty Limited | 2,103,248 | 0.99% |
| Mr Frank Poullas | 1,512,906 | 0.72% |
| Mr Mark Anthony O'Sullivan | 1,428,987 | 0.68% |
| Mr Jurgen Behrens | 1,350,000 | 0.64% |
| Mr Kojiro Honda | 1,320,953 | 0.62% |
| S P Andrews & Co Pty Limited | 1,306,484 | 0.62% |
| Mr Peter Sarantzouklis | 1,275,000 | 0.60% |
| Mr Matthew John Boysen | 1,190,600 | 0.56% |
| Cocomomo Pty Limited | 1,194,500 | 0.56% |
| Mazzdel Pty Limited | 1,087,000 | 0.51% |
| HSBC Custody Nominees (Australia) Limited | 1,042,270 | 0.49% |
| | **123,714,254** | **58.49%** |

### c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

| | Fully Paid Number of Shares | Percentage % |
|---|---|---|
| Acorn Capital Limited | 16,335,770 | 7.72 |
| CQS Asset Management Limited | 12,604,013 | 5.96 |
| IMX Resources Limited | 52,683,982 | 25.09 |

### d) Voting rights

All ordinary shares carry one vote per share without restriction.

## e) Stock Exchange Listing

Uranex Limited is listed on the Australian Stock Exchange.
The Company's ASX code is UNX

## f) Schedule of mining tenements

| Tenement Number | Project / Tenement Name | Locality | Group Ownership % |
|---|---|---|---|
| E 63/1020 | Bremer Basin | Western Australia | 100 |
| E 63/1021 | Bremer Basin | Western Australia | 100 |
| E 74/370 | Bremer Basin | Western Australia | 100 |
| E 74/371 | Bremer Basin | Western Australia | 100 |
| E 74/372 | Bremer Basin | Western Australia | 100 |
| E 74/373 | Bremer Basin | Western Australia | 100 |
| E 74/374 | Bremer Basin | Western Australia | 100 |
| E 74/375 | Bremer Basin | Western Australia | 100 |
| E 74/429 | Bremer Basin | Western Australia | 100 |
| E 74/453 | Bremer Basin | Western Australia | 100 |
| E 38/1732 | Thatcher Soak | Western Australia | 100 |
| E 38/1854 | Thatcher Soak | Western Australia | 100 |
| M 38/1253 (Pending) | Thatcher Soak | Western Australia | 100 |
| P 38/3298 | Thatcher Soak | Western Australia | 100 |
| EL 25164 | Alligator Rivers | Northern Territory | 100 |
| EL 25165 | Alligator Rivers | Northern Territory | 100 |
| PL 6573/2011 | Bahi | Tanzania | 100 |
| PL 7378/2011 | Bahi | Tanzania | 100 |
| PL 6642/2010 | Bahi | Tanzania | 100 |
| PL 6944/2011 | Bahi | Tanzania | 100 |
| PL 4869/2007 | Bahi | Tanzania | 100 |
| PL 7251/2011 | Bahi | Tanzania | 100 |
| PL 7337/2011 | Kwa Mtoro | Tanzania | 100 |
| PL 5829/2012 | Kwa Mtoro | Tanzania | 100 |
| PL 6516/10 | Kwa Mtoro | Tanzania | 100 |
| PLR 6641/2010 | Kitangiri West | Tanzania | 100 |
| PL 6302/10 | Makonde | Tanzania | 100 |
| PL 6404/10 | Makonde | Tanzania | 100 |
| PL 7377/2011 | Makonde | Tanzania | 100 |
| PL 7463/2011 | Makonde | Tanzania | 100 |
| PL 6515/2010 | Makonde | Tanzania | 100 |
| PL 5831/2012 | Makonde | Tanzania | 100 |
| PLR 6646/10 | Makonde | Tanzania | 100 |
| PL 5830/09 | Manyoni | Tanzania | 100 |
| PL 5834/09 | Manyoni | Tanzania | 100 |
| PL 5833/09 | Manyoni | Tanzania | 100 |
| PL 5832/09 | Manyoni | Tanzania | 100 |
| PL 7334/2011 | Manyoni | Tanzania | 100 |
| PLR 6649/2010 | Manyoni | Tanzania | 100 |
| PLR 6576/2010 | Manyoni | Tanzania | 100 |
| PL 6942/2011 | Mkalama | Tanzania | 100 |
| PL 7465/2011 | Mkalama | Tanzania | 100 |
| PL 8016/2012 | Mkalama | Tanzania | 100 |
| PL 6425/10 | Mkuju | Tanzania | 100 |
| PL 5726/09 | Mkuju | Tanzania | 100 |
| PL 5705/09 | Mkuju | Tanzania | 100 |
| PL 6312/10 | Mkuju | Tanzania | 100 |
| PL 5998/09 | Mkuju | Tanzania | 100 |
| PL 7323/2011 | Mkuju | Tanzania | 100 |
| PL 4870/2007 | Mkuju | Tanzania | 100 |
| PLR 6648/10 | Mkuju | Tanzania | 100 |
| PLR 6645/2010 | Punda | Tanzania | 100 |
| PL 6259/09 | Songea | Tanzania | 100 |
| PL 6313/10 | Songea | Tanzania | 100 |
| PL 6314/10 | Songea | Tanzania | 100 |

| | | | |
|---|---|---|---|
| PL 5999/09 | Songea | Tanzania | 100 |
| PL 6518/2010 | Songea | Tanzania | 100 |
| PL 6572/2010 | Songea | Tanzania | 100 |
| PL 6943/2011 | Songea | Tanzania | 100 |
| PL 6945/2011 | Songea | Tanzania | 100 |
| PL 6946/2011 | Songea | Tanzania | 100 |
| PLR 6615/2010 | Songea | Tanzania | 100 |
| PLR 6640/2010 | Songea | Tanzania | 100 |
| PLR 6647/2010 | Songea | Tanzania | 100 |
| PL 5709/2009 *(In dispute)* | Tembo | Tanzania | 100 |