

Enterprise Uranium Limited

ABN 62 159 819 173

Annual Financial Report

for the period ended 30 June 2014

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CORPORATE DIRECTORY

Directors

| | |
|----------------------|------------------------|
| Ms Anna Mao | Non-Executive Chairman |
| Mr Dermot Ryan | Executive Director |
| Mr William Robertson | Non-Executive Director |
| Dr Zhen Huang | Non-Executive Director |

Company Secretary

Mr Damian Delaney

Principal registered office

Level 1
640 Murray Street
WEST PERTH WA 6005
Telephone 08 9436 9200
Facsimile 08 9436 9220
Website: www.enterpriseuranium.com.au
email: info@enterpriseuranium.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
West Perth WA 6005
Telephone 08 9480 2000
Facsimile 08 9322 7787
Website: www.grantthornton.com.au
Email: admin@grantthornton.com.au

Share Registry

Computershare Registry Services
Level 2, 45 St Georges Terrace
Perth WA 6000

Australian Securities Exchange

ASX Code – ENU

CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than nine.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

In order to ensure the board maintains an optimal mix of skills and diversity, the membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The board has established Audit & Risk and Remuneration & Nomination committees. The board as a whole is committed to addressing the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

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 to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mining 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.

ASX Principles of Good Corporate Governance

To the extent that they are relevant to the organisation, the Company has adopted the Eight Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council. The Board is aware of the release of the 3rd edition of the ASX's Corporate Governance Principles and Recommendations and has implemented policies and procedures to enable adequate reporting against the latest recommendations in time for the 2015 Financial Report.

The following table sets out the Company's present position in relation to each of the Principles.

| | 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 | A | The Board Charter includes matters reserved for the Board and is included on the Company website in the Corporate Governance section. |
| 1.2 | Companies should disclose the process for evaluating the performance of senior executives | N/A | The Company has a Remuneration Committee Charter which establishes a Remuneration & Nomination Committee to review and make decisions in relation to senior executive remuneration and incentive policies. No other process is currently adopted for evaluating the performance of senior executives however, the Board concurs with the full implementation of this Principle and will review appropriate ways of compliance as and when further senior executives are engaged. |
| 1.3 | Companies should provide the information indicated in the Guide to reporting on Principle 1 | A | |
| | Principle 2: Structure the board to add value | | |
| 2.1 | A majority of the board should be independent directors | N/A | The Board comprises four directors, three of whom are non-executive, but only one is considered as independent. The Board believes that this is both appropriate and acceptable at this stage of the Company's development. |
| 2.2 | The chair should be an independent director | N/A | The Chairman is not independent. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director/Chief Executive Officer is responsible for the efficient and effective operation of the Company. The Board considers that this is both appropriate and acceptable at this stage of the Company's development. |
| 2.3 | The roles of Chair and Chief Executive Officer should not be exercised by the same individual | A | These positions are held by separate persons. |
| 2.4 | The board should establish a nomination committee | A | The Company has established a Remuneration & Nomination Committee, comprised of two non-executive directors and the managing director/chief executive officer, which operates under the Remuneration & Nomination Committee Charter, a copy of which is available on the Company's website. |
| 2.5 | Companies should disclose the process for evaluating the performance of the board, its committees and individual directors | A | Disclosed under the Board Charter which is available on the Company's website. No formal performance evaluation for the Board has taken place in this reporting period. |

A = Adopted

N/A = Not adopted

| | ASX Principle | Status | Reference/comment |
|-----|--|---------------|---|
| 2.6 | Companies should provide the information indicated in the Guide to reporting on Principle 2 | A | The skills and experience of Directors, as well as each Director's period of office, are set out in the Company's Annual Report (Directors' report) and on its website. The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold. |
| | Principle 3: Promote ethical and responsible decision-making | | |
| 3.1 | Companies should establish a code of conduct and disclose the code | A | The board has established a Corporate Code of Conduct which all employees and directors are expected to follow. The Corporate Code of Conduct is available 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 measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them | N/A | The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. The Company does not think that it is appropriate to state measurable objectives for achieving gender diversity due to its size and stage of development |
| 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 | N/A | The Company has adopted a diversity policy which can be viewed on its website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate. |
| 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. | A | There is one female director, Ms Anna Mao, on the Board. The Company does not have any other female employees or senior executives. |
| 3.5 | Companies should provide the information indicated in the Guide to reporting on Principle 3 | A | |

A = Adopted

N/A = Not adopted

| | ASX Principle | Status | Reference/comment |
|--|--|----------|---|
| Principle 4: Safeguard integrity in financial reporting | | | |
| 4.1 | The board should establish an audit committee | A | |
| 4.2 | The audit committee should be structured so that it: <ul style="list-style-type: none"> consists only of non-executive directors consists of a majority of independent directors | A N/A | The Company has established an Audit and Risk Committee consisting of the CFO/Company Secretary (Damian Delaney) and three non-executive directors (William Robertson, Anna Mao and Dermot Ryan), none of which are considered independent. The Composition of the Committee is considered to be appropriate given the Company's size and stage of development. |
| | <ul style="list-style-type: none"> is chaired by an independent chair, who is not chair of the board has at least three members | A A | The Audit and Risk Committee is chaired by William Robertson. |
| 4.3 | The audit committee should have a formal charter | A | The Audit and Risk Committee operates under the Audit and Risk Committee Charter which lists the main responsibilities of the Committee and is available on the Company's website. |
| 4.4 | Companies should provide the information indicated in the Guide to reporting on Principle 4 | A | The Committee will meet at least each financial year and additionally as circumstances may require for it to undertake its role effectively. |
| 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 | A | The Company has adopted a Continuous Disclosure Policy, a copy of which is available on the Company's website. |
| 5.2 | Companies should provide the information indicated in the Guide to reporting on Principle 5 | A | |
| 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 | A | The Company has a Shareholder Communications Strategy (Policy), a copy of which is available on the Company's website. The Policy sets out the manner in which information is communicated to shareholders so that they are informed of all major developments affecting the Company's state of affairs. |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6 | A | |

A = Adopted

N/A = Not Adopted

| | ASX Principle | Status | Reference/comment |
|---|--|-------------------------|---|
| Principle 7: Recognise and manage risk | | | |
| 7.1 | Companies should establish policies for the oversight and management of material business risks | A | The Company has established an Audit and Risk Committee to monitor and review on behalf of the Board the system of risk management which the Company has established. This system aims to identify, assess, monitor and manage operational and compliance risks. |
| 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 | N/A | The Board determines the Company's 'risk profile' and has delegated to the Audit and Risk Committee the responsibility for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control. The Audit and Risk Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system. |
| 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 | A | The Board has received the required assurance and declaration. |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7 | A | |
| Principle 8: Remunerate fairly and responsibly | | | |
| 8.1 | The board should establish a remuneration committee | A | |
| 8.2 | The remuneration committee should be structured so that it: <ul style="list-style-type: none"> consists of a majority of independent directors is chaired by an independent director has at least three members | N/A N/A A | The Company has established a Remuneration & Nomination Committee consisting of three non-executive directors (Anna Mao, Zhen Huang and William Robertson) and the managing director/chief executive officer. None of the directors are classified as independent. The Remuneration & Nomination Committee is chaired by Anna Mao, who is not classified as independent. |
| 8.3 | Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives | A | The Remuneration & Nomination Committee operates under the Remuneration & Nomination Committee Charter. The Charter states the Remuneration & Nomination Committee should consider and make recommendations to the Board on the remuneration for each executive Director having regard to the executive remuneration policy. |
| 8.4 | Companies should provide the information indicated in the Guide to reporting on Principle 8 | A | The managing director/chief executive officer and executives receive a superannuation guarantee contribution where applicable as required by the government, which was 9.25% for the year and is currently 9.5%, and do not receive any other retirement benefits. |

A = Adopted

N/A = Not adopted

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial period ended 30 June 2014.

Directors

The names of Directors in office at any time during or since the end of the period are:

Ms Anna Mao
Mr Dermot Ryan
Mr Michael Atkins (resigned 1 April 2014)
Dr Zhen Huang
Mr Damian Delaney (appointed 1 April 2014, resigned 9 September 2014)
Mr William Robertson (appointed 9 September 2014)

Directors have been in office since the start of the financial period to the date of this Report unless otherwise stated.

Company Secretary

The following persons held the position of Company Secretary during or since the end of the financial period:

Mr Damian Delaney CA (SA), AICD was appointed as Company Secretary on 3 April 2013.

Mr Delaney is a Chartered Accountant with over 25 years of experience working with international listed companies.

Mr Delaney commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of Finance positions in the United Kingdom, finally as Finance Director of LSE listed Tarsus Company plc until 2004.

Mr Delaney brings significant experience in capital markets for the SME sector. He is fully conversant with all regulatory requirements of the Australian and UK markets, holding company secretarial roles on a number of ASX listed companies and has many years' hands on experience managing all aspects of a Company's finances and operations and associated regulatory reporting.

Principal Activities

The principal activities of the Company during the financial period were the exploration of a number of uranium tenements in Western Australia.

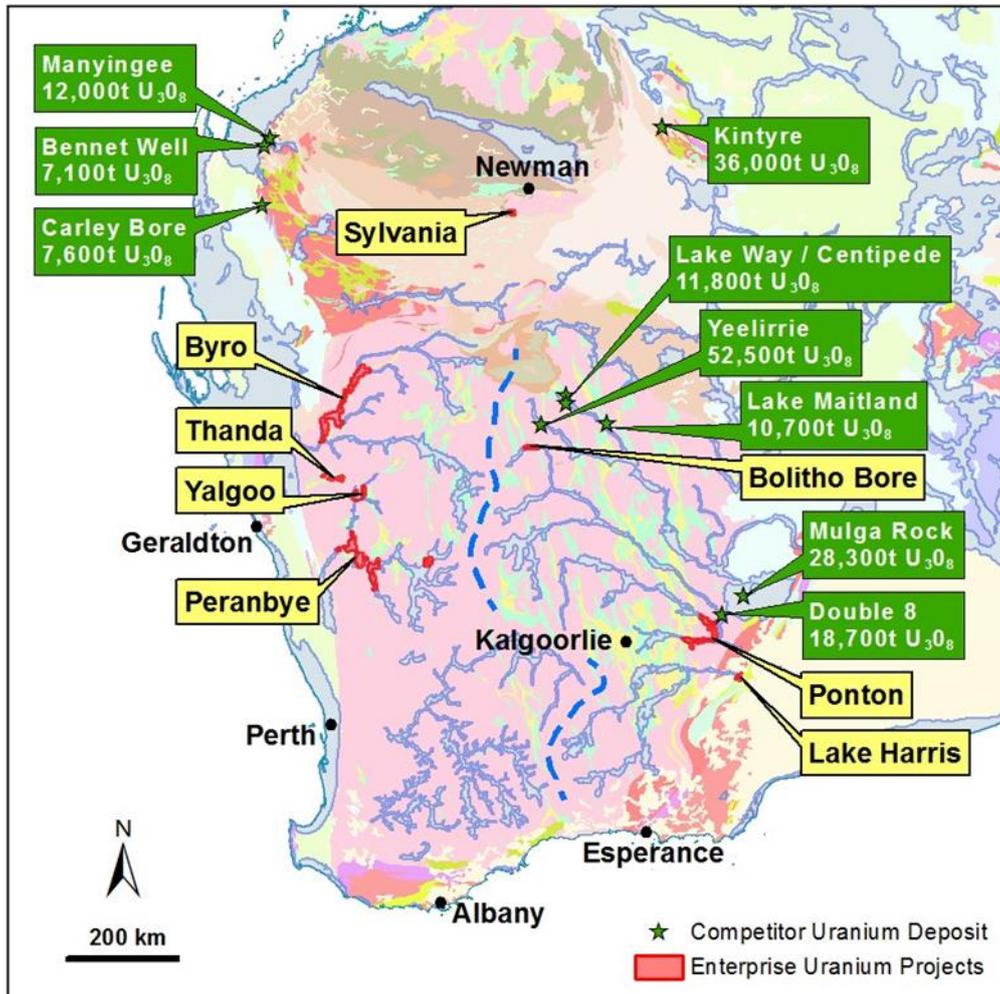
Significant Changes in State of Affairs

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

DIRECTORS' REPORT

DIRECTORS' REVIEW OF OPERATIONS

Project Location Map



CORPORATE INVESTMENT

In November 2013, the Company acquired 37,280,714 shares in Energia Minerals Limited (ASX : EMX) from UEQ Investments Pty Ltd, a subsidiary of Uranium Equities Limited. (ASX : UEQ) As consideration for the purchase, ENU paid UEQ \$500,000 cash and 8,004,393 ordinary fully paid shares in Enterprise at a deemed issue price of 3.2 cents.

Energia's main asset at the time was the Nyang Uranium Project in the Carnarvon Basin in Western Australia. This project contains the Carley Bore uranium deposit with a published JORC Compliant total Mineral Resource of 22.8Mt @ 310ppm U₃O₈ for 15.6Mlbs of contained U₃O₈.

This total resource includes an Indicated Resource of 5.4Mt grading 420ppm U₃O₈ (5Mlb of contained U₃O₈) which is potentially available for conversion to Ore Reserves. (EMX: ASX release 12 February 2014) Energia reported that the Resource remained open in several areas and is expected to expand, with further aircore and mud drilling planned to be carried out during the 2014 field season.

DIRECTORS' REPORT

On the 15th April 2014, Energia reported the results of an independent Scoping Study completed by Jorvik Resources, which indicate that Carley Bore was potentially an economically robust project. In summary, the study concluded:

- Projected life-of-mine sales revenue of \$559M.
- Projected life-of-mine net cash flow of \$225M with \$127M (before repayment of capital) generated from Indicated Resources in the first 2 years of production.
- Potential production of 8.1Mlb of U₃O₈ over initial 6-year projected mine life with annual steady state production of 1.4Mlb of U₃O₈.
- Estimated C1 production cash operating costs of \$US19.82 per pound of U₃O₈.
- Estimated total cash cost of \$US32.62 per pound of U₃O₈.
- Estimated pre-production capital of \$105.2M inclusive of 20% contingency on plant cost and initial well field development costs of \$10.9M

Jorvik also recommended proceeding to a Field Leach Trial which, if successful and subject to the assumptions made in the Scoping Study being confirmed, would lead to a full Feasibility Study.

At 30th June 2014, the Company held 41,547,603 shares in Energia Minerals Ltd, which equated to approximately 15.1% of issued shares in Energia. At 19th September 2014, this shareholding represented an investment of approximately \$1.7 million based on an EMX share price of \$0.041.

On 25th August 2014, Energia announced that, subject to due diligence and shareholder approval, it planned to raise \$6 million of fresh capital from sophisticated investors and up to \$2 million from a non-renounceable shareholders' rights issue. These funds would be used for the exploration and development of Energia's Gorno zinc/lead/silver deposit in Italy.

On 3rd September 2014, Energia announced that the due diligence had been successfully completed, that the rights issue would be increased to \$2.15 million, and that a general meeting of shareholders' to approve the placement and rights issue was scheduled for 7th October 2014. Given Energia's new focus on developing the Italian Gorno zinc/lead/silver deposit, the board of Enterprise is currently re-evaluating its investment in Energia.

LAKE HARRIS PROJECT

The Lake Harris Project is situated 200km east of Kalgoorlie and 25km south of Zanthus on the Trans-Australian rail line. The project comprises a single Exploration Licence 28/1958, which was granted on 8th March 2010 and is wholly owned by Enterprise Uranium Ltd. The tenement is subject to a 1.5% Gross Royalty to the original vendor.

The primary focus of the project remains a palaeochannel considered prospective for sand-hosted uranium mineralisation that underlies and is largely coincident with the modern-day Lake Harris drainage system.

In 2011, the Company flew a detailed aeromagnetic and radiometric survey over the entire project area. The radiometric data acquired shows a highly anomalous uranium response on the Harris Lake drainage system and surrounding areas. In 2012, the Company flew a project wide airborne electromagnetic (AEM) survey at 400m line spacing. This survey defined deep palaeochannels below and adjacent to Harris Lake, which are considered potential hosts for sand hosted uranium mineralisation.

Following the announcement by Classic Minerals' Ltd (ASX:CLZ 15th August 2013)) of the discovery of sulphide nickel-copper mineralisation (subsequently called "Mammoth" prospect) adjacent to Enterprise's E28/1958, the Company reviewed two discrete basement conductors (H1 & H2) from its 2012 fixed wing airborne EM survey and undertook two fixed loop ground electromagnetic (FLEM) surveys in March 2014. This FLEM survey served to further define the location and orientation of both the H1 and H2 bedrock conductors

Two separate but concurrent reverse circulation (RC) drilling programs have been planned. These are the initial palaeochannel uranium program and the more recent basement EM conductor Ni-Cu drilling program. These programs were recently awarded a WA Government Exploration Incentive Scheme (EIS) co-funded drilling grant of up \$150,000.

As the project area is contained within the proposed Buningonia Springs Nature Reserve (PNR/091) and is managed by the Department of Parks and Wildlife (DPaW), there are a number of significant hurdles that have had to be overcome prior to any drill testing at Lake Harris.

DIRECTORS' REPORT

Enterprise has consulted with both the Department of Mines & Petroleum (DMP) and DPaW and established protocols for a Conservation Management Plan (CMP). Submission and approval of a new Radiation Management Plan (RMP) has also been required as the DMP's requirements for RMP's has changed.

The Company is now awaiting the completion and results of second heritage survey that is required to cover the proposed new RC drill traverses, and DMP approval of the two Programs of Work (PoW's) for the two RC drilling programs. Drill testing of the deep channels and nickel-copper prospective EM targets may be able to commence in late 2014.

BYRO PROJECT

The Byro Project is situated 250km northeast of Geraldton, and is centred on the Murchison River valley, which is considered prospective for sand-hosted uranium mineralisation. The Company presently holds an uninterrupted stretch of the Murchison River spanning 130km.

The Company previously flew airborne electromagnetic (EM) survey was flown in mid-2012 over the Wooleen Lake area (E59/1617), identifying broad and deep palaeochannels that are considered prospective for high-grade, sand-hosted uranium mineralisation. Regional EM lines were also flown over select areas of the Murchison River valley to test for deep palaeochannels below previously defined radiometric uranium anomalies associated with surficial calcrete.

Over the past twelve months, the Company has formulated plans for drill testing the palaeochannels within E59/1617, and progressed plans for heritage surveys to permit the drilling to go ahead.

Although the Company was successful in receiving a WA Government co-funding grant of \$74,900 for RC drilling to test these uranium targets, the grant expired in June 2014 before any drilling program was approved.

During 2013/14, the Company rationalised its Byro landholdings by withdrawing several tenement applications and surrendering several others. In addition, with diminished competitor activity, the Company was able to apply for additional more prospective ground.

YALGOO PROJECT

The Yalgoo Project is approximately 400km north of Perth and covers an area of 196km². Enterprise considers the Project to be prospective for (blind) sand or sandstone hosted uranium mineralisation as well as shallow calcrete hosted uranium.

During 2013/14, the Company rationalised its landholdings in the Yalgoo area, by reducing the area of its tenements around the calcrete hosted Muggaburna uranium deposit, discovered by the Company in 2012.

With diminished competitor activity in the Yalgoo area, the Company was also able to apply for additional more prospective ground over a major draining system immediately west and southwest of Yalgoo where indications of calcrete hosted uranium have been identified.

PERANBYE PROJECT

The Peranbye Project is located 300km north of Perth and covers an area of 1384km². Tenements of the Peranbye Project were pegged following the identification of significant uranium anomalies in airborne radiometric data released in early 2012 by the WA Geological Survey.

An initial field investigation of several of these uranium anomalies located highly anomalous concentrations of uranium mineralisation in calcareous clays and calcretes within lakes and palaeochannel systems. Assaying of surface rockchip and soil samples returned nine values between 102ppm U and 504ppm U, which confirms that significant surficial uranium mineralisation exists in the tenements.

DIRECTORS' REPORT

Following a review of proprietary geological and geophysical data, the Company reduced the area of its Peranbye Project tenements, but retained the core area considered to be highly prospective for sand hosted uranium.

PONTON PROJECT

The Ponton Project is located 135km east of Kalgoorlie and covers a total area of 777km² over the confluence of Lake Rebecca, Lake Yindana and the Ponton River on the southeast margin of the Archaean Yilgarn Craton.

In mid-2012, Enterprise flew a 1,000m line spaced AEM survey over the Project area, on the assumption that palaeodrainage systems within Enterprise's tenements were similar to those at the nearby Double 8 and Mulga Rocks projects, and AEM could pinpoint the base of and flanks of these channels where uranium mineralisation had potentially accumulated. The deepest channels are approximately 150m deep.

During 2013/14, heritage surveys were completed and drilling plans formulated. The Company reduced the area of its Ponton Project tenements, but retained the core areas considered to be highly prospective for sand hosted uranium, and applied for some additional prospective areas following a lessening of competitor activity in the area.

DIRECTORS' REPORT

Operating Results

The loss of the Company after providing for income tax amounted to \$3,174,925 (2013: \$774,866).

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial period ended 30 June 2014 (2013: \$Nil).

Financial Position

The net assets of the Company at 30 June 2014 are \$7,106,467 (2013: \$9,995,452).

After Reporting Date Events

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than:

On the 22 August 2014 526,315 ENU shares were issued at an issue price of \$0.038 for a total amount of \$20,000 to a supplier for consulting fees.

On the 9 September 2014 Mr Damian Delaney resigned as a director and Mr William Robertson was appointed a non-executive director.

Future developments, prospects and business strategies

During the past year the Company assessed a number of advanced uranium projects for potential acquisition and development. This process is still ongoing. In addition, the Company has focussed on securing the regulatory and heritage approvals required to enable drilling to commence on the Company's tenement assets. In particular, plans have been advanced for the drill testing of the uranium and nickel-copper targets at Lake Harris in the Fraser Range. Other uranium target being advanced towards drill testing are at the Ponton, Byro and Perabye projects.

Determining and optimising funding options whether using debt or equity finance for the Company's activities will continue to be a priority for the management of the Company. In particular, the exploration of the Company's exploration projects, along with general working capital will require funding arrangements in the coming years. The management continues to review opportunities to fund the Company's suite of assets.

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

DIRECTORS' REPORT

Information on Directors

Ms Anna Mao

Experience

— Non-Executive Chairman
— Ms Mao is a creative leader and entrepreneur with 19 years' experience and knowledge in finance and operation. She co-founded and developed several successful businesses both in China and Canada. Ms Mao graduated from Beijing Institute of Technology University in 1991, and obtained her MBA from Richard Ivey Business School of Western Ontario University in 2001.

Interest in Shares and

Options

— Nil Shares

Nil Options

Special Responsibilities

— Chair of the Remuneration & Nomination Committee and Member of the Audit & Risk Committee.

Directorships held in other listed entities

— Enterprise Metals Ltd (July 2011 – present)
East Africa Metals Limited (TSX) (June 2014 – present)
Golden Share Mining Corp (TSX) (July 2013 – present)
Nickel North Exploration Corp. (TSX) (February 2013 – present)

Mr Dermot Ryan

Experience

— Executive Director
— Mr Ryan spent 20 years with CRA Ltd from 1977-1996, including 10 years as Chief Geologist for CRA Exploration in various states of Australia. He was GM Exploration for Great Central Mines Ltd (later Normandy Yandal Operations Ltd) from late 1996-2001, and for the past 10 years has run a private mineral exploration consulting Company (XServ Pty Ltd). He is a Fellow of the AusIMM, (CP), a Fellow of the AIG, and holds a BApSc (Geol). Acting CEO since 26 June 2013.

Interest in Shares and

Options

— 2,415,000 Shares

Nil Options

Special Responsibilities

— Member of the Remuneration & Nomination Committee

Directorships held in other listed entities

— Legend Mining Limited (May 2005 – October 2013)
Enterprise Metals Limited (October 2008 – present). There have been no other listed entity directorships in the last 3 years.

Dr Zhen Huang

Experience

— Non-Executive Director
— Dr Huang is currently a director of Sinotech Minerals Exploration Co., Ltd. He is also Managing Director of SinoDrill Co. Ltd. Prior to his appointment he was director of Geology Department of China National Nonferrous Metals Industry Corporation. Dr Huang has 29 years of experience in non-ferrous minerals exploration and ever since 1999, he has actively established four technical service companies covering engineering construction, drilling, environment engineering and mining investment, all of which have made significant achievements.

Interest in Shares and

Options

— Nil Shares

Nil Options

Special Responsibilities

— Member of Remuneration & Nomination Committee

Directorships held in other listed entities

— Nil

DIRECTORS' REPORT

Mr William Robertson
 Experience

- Non-Executive Director
- Mr Robertson has B.Ap.Sc (Geophysics), a Diploma in Applied Physics (Mining and Hydrology) and over 25 years' experience as a professional geoscientist.

For the past 15 years, Mr Robertson has been the Director and Principal Consultant of Value Adding Resources, providing services to the mineral exploration industry. He is a Member of the Australian Society of Exploration Geophysicists and Australian Institute of Geoscientists.

His experience includes 11 years multi-commodity exploration experience with CRA Exploration Pty Ltd and North Limited, and 15 years as an independent consultant. He has provided geophysical support to exploration and evaluation programs in Western Australia, NSW, Tasmania, Victoria, Queensland and the Northern Territory, Africa, Asia, South America and Europe.

Bill has extensive experience in the exploration for and evaluation of uranium deposits, including Kintyre in Western Australia and Westmoreland in Queensland. He has played a major role in generating Enterprise's uranium projects in Western Australia, and has extensive experience in the exploration for base metals, copper-gold, diamonds, iron and rare earth.

Interest in Shares and
 Options
 Special Responsibilities
 Directorships held in other
 listed entities

- 1,874,521 Shares
- Nil Options
- Chair of the Audit and Risk Committee
- Nil

Mr Damian Delaney
 Experience

- Non-Executive Director (resigned 9 September 2014)
- Mr Delaney is a Chartered Accountant with over 25 years of experience working with international listed companies.

Mr Delaney commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of Finance positions in the United Kingdom, finally as Finance Director of LSE listed Tarsus Group plc until 2004.

Mr Delaney brings significant experience in capital markets for the SME sector. He is fully conversant with all regulatory requirements of the Australian and UK markets, holding company secretarial roles on a number of ASX listed companies and has many years' hands on experience managing all aspects of a Company's finances and operations and associated regulatory reporting.

Interest in Shares and
 Options
 Special Responsibilities
 Directorships held in other
 listed entities

- 35,490 Shares
- Nil Options
- N/A (resigned 9 September 2014)
- Genesis Minerals Limited (March 2012 – present)
- Redbank Copper Limited (July 2012 – present)

DIRECTORS' REPORT

Meetings of Directors

During the financial period, six meetings of Directors (including committees of Directors) were held. Attendances by each Director during the period were as follows:

| | DIRECTORS' MEETINGS | | REMUNERATION & NOMINATION COMMITTEE | | AUDIT & RISK COMMITTEE | |
|--------------------|---------------------------|-----------------|-------------------------------------|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended |
| Anna Mao | 5 | 5 | - | - | 1 | 1 |
| Dermot Ryan | 5 | 5 | - | - | 1 | 1 |
| Dr Zhen Huang | 5 | 2 | - | - | - | - |
| Michael Atkins (1) | 3 | 3 | - | - | 1 | 1 |
| Damian Delaney (2) | 2 | 2 | - | - | - | - |

(1) Resigned 1 April 2014

(2) Appointed 1 April 2014; resigned 9 September 2014

Indemnifying Officers or Auditor

During or since the end of the financial period the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$8,342 (2013: \$7,215).
- No indemnity has been given to the Company's auditors.

Options

At the date of this report, there are no un-issued ordinary shares of Enterprise Uranium Limited under option.

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

Environmental Regulations

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the period under review.

DIRECTORS' REPORT

Non-audit Services

The following non-audit services were provided by the entity's auditor, Grant Thornton Audit Pty Ltd, or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Grant Thornton Audit Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

| | 2014 | 2013 |
|-------------------------|-------|-------|
| | \$ | \$ |
| Tax compliance services | 5,200 | 5,000 |

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Enterprise Uranium Limited and other key management personnel.

A. Remuneration Policy

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

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

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

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

REMUNERATION REPORT (AUDITED)

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options given to Directors and employees are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Remuneration & Nomination Committee determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

There is no relationship between KMP remuneration and the performance of the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and executives' performance. The Company believes this policy will be effective in increasing shareholder wealth. No options have been issued to Directors in the period under review to the date of this report.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial period ended 30 June 2014.

Voting and comments made at the Company's 2013 Annual General Meeting

The Company received approximately 87% of "yes" votes on its remuneration report for the 2013 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. Details of Remuneration for Period Ended 30 June 2014

There were no cash bonuses paid during the period and there are no set performance criteria for achieving cash bonuses. The following table of benefits and payment details, in respect to the financial period, the components of remuneration for each member of the key management personnel of the Company.

REMUNERATION REPORT (AUDITED)

Table of Benefits and Payments for the Period Ended 30 June 2014

2014

| Key Management Personnel | Short-term benefits | | | | Post-employment benefits | Long-term benefits | Equity-settled share-based payments | | Total | Remuneration that is performance based |
|--|------------------------|----------------------------|--------------|-------|--------------------------|--------------------|-------------------------------------|---------|---------|--|
| | Salary, fees and leave | Cash from other activities | Non-monetary | Other | Super-annuation | Other | Equity | Options | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | |
| Anna Mao - Chairperson | - | - | - | - | - | - | - | - | - | - |
| Dermot Ryan – Managing director | 75,909 | - | - | - | - | - | - | - | 75,909 | - |
| Dr Zhen Huang – Non-executive director | - | - | - | - | - | - | - | - | - | - |
| Michael Atkins – Non-executive director(1) | 42,960 | - | - | - | 2,540 | - | - | - | 45,500 | - |
| Damian Delaney – Company Secretary (2) | 64,440 | - | - | - | - | - | - | - | 64,440 | - |
| | 183,309 | - | - | - | 2,540 | - | - | - | 185,849 | - |

(1) Resigned 1 April 2014

(2) Appointed as a non-executive director on 1 April 2014; resigned 9 September 2014. At the time of his resignation William Robertson was appointed a non-executive director

REMUNERATION REPORT (AUDITED)

Table of Benefits and Payments for the Period Ended 30 June 2013

2013

| Key Management Personnel | Short-term benefits | | | | Post-employment benefits | Long-term benefits | Equity-settled share-based payments | | Total | Remuneration that is performance based |
|---|------------------------|----------------------------|--------------|-------|--------------------------|--------------------|-------------------------------------|---------|---------|--|
| | Salary, fees and leave | Cash from other activities | Non-monetary | Other | Super-annuation | Other | Equity | Options | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | |
| Anna Mao - Chairperson (1) | 41,209 | - | - | - | - | - | - | - | 41,209 | - |
| Dermot Ryan – Managing director (2) | 41,309 | 1,636 | - | - | 3,718 | - | - | - | 46,663 | - |
| Dr Zhen Huang – Non-executive director (3) | 29,167 | - | - | - | - | - | - | - | 29,167 | - |
| Michael Atkins – Non-executive director (4) | 38,226 | - | - | - | 3,440 | - | - | - | 41,666 | - |
| Simon Fleming – Non-executive director (5) | 116,200 | - | - | - | 8,174 | - | - | - | 124,374 | - |
| Trevor Saul – Non-executive director (6) | 62,708 | - | - | - | 5,644 | - | - | - | 68,352 | - |
| Damian Delaney – Company Secretary (7) | 17,130 | - | - | - | - | - | - | - | 17,130 | - |
| Dennis Wilkins – Company Secretary (8) | 78,969 | - | - | - | - | - | - | - | 78,969 | - |
| | 424,918 | 1,636 | - | - | 20,976 | - | - | - | 447,530 | - |

(1) Appointed 14 September 2012; since April 2013 fees were paid to a related party of the Company for the provision of promotional expertise in the People's Republic of China – refer note 17 for details of the related party transactions

(2) Appointed 8 August 2012; Dermot Ryan provides executive management services (since the resignation of the Managing Director on 26 June 2013) and is paid for these services by a related party of the Company – refer note 17 for details of the related party transactions

(3) Appointed 14 September 2012

(4) Appointed 14 September 2012

(5) Appointed 4 February 2013; resigned 26 June 2013

(6) Appointed 15 October 2012; resigned 25 January 2013

(7) Appointed 3 April 2013

(8) Appointed at incorporation; resigned 2 April 2013. The fees represent fees for services as the Chief Financial Officer and Company Secretary as well as accounting services provided by DW Corporate Pty Ltd, a Company controlled by Dennis Wilkins.

REMUNERATION REPORT (AUDITED)

Equity instrument disclosures relating to KMP

(i) Option holdings

The number of options over ordinary shares held by each KMP of the Company during the financial period is as follows:

| 2014 | Balance at the beginning of the period | Granted as remuneration during the period | Exercised during the period | Other changes during the period | Balance at the end of the period | Vested and exercisable at the end of the period | Vested during the period |
|--|--|---|-----------------------------|---------------------------------|----------------------------------|---|--------------------------|
| Directors of Enterprise Uranium Limited | | | | | | | |
| Anna Mao | - | - | - | - | - | - | - |
| Dermot Ryan | - | - | - | - | - | - | - |
| Zhen Huang | - | - | - | - | - | - | - |
| Michael Atkins | 25,000 | - | - | (25,000) ⁽¹⁾ | - | - | - |
| Damian Delaney | - | - | - | - | - | - | - |
| | 25,000 | - | - | (25,000) | - | - | - |

(ii) Shareholdings

The number of ordinary shares in Enterprise Uranium Limited held by each KMP of the Company during the financial period is as follows:

| 2014 | Balance at the start of the period | Received during the period as compensation | Received during the period on the exercise of options | Other changes during the period | Balance at the end of the period |
|------------------------|------------------------------------|--|---|---------------------------------|----------------------------------|
| Directors | | | | | |
| Ordinary Shares | | | | | |
| Anna Mao | 300,000 | - | - | - | 300,000 |
| Dermot Ryan | 2,415,000 | - | - | - | 2,415,000 |
| Zhen Huang | - | - | - | - | - |
| Michael Atkins | 100,000 | - | - | (100,000) ⁽¹⁾ | - |
| Damian Delaney | - | - | - | 35,490 ⁽²⁾ | 35,490 |
| Total | 2,815,000 | - | - | (64,510) | 2,750,490 |

1- Michael Atkins resigned as a director on 1 April 2014

2- Damian Delaney appointed as a director on 1 April 2014.

Loans to KMP

There are no loans made to KMP as at 30 June 2014.

REMUNERATION REPORT (AUDITED)

Other transactions with KMP

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer below:

| | 2014 \$ | 2013 \$ |
|--|------------|------------|
| XServ Pty Ltd | | |
| Mr Ryan is a Director and Shareholder of Xserv Pty Ltd. Mr Ryan's company provides geological consulting services to Enterprise Uranium Limited in addition to his Directors fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services and interim management services. | | |
| Mineral Exploration Services | 150,948 | 356,041 |
| As at 30 June 2014 \$21,832 (2013: \$39,531) was payable to Xserv Pty Ltd | | |

Patersons Securities Ltd

Mr Atkins is a Director of Corporate Finance Ltd at, and a shareholder of, Patersons Securities Ltd. Patersons were lead manager to the Initial Public Offering of the Company per the mandate dated 28 August 2012. Patersons were to receive \$60,000 as a corporate advisory fee and 1% as Lead Manager and 5% as a placement fee of the total amount raised except on placement money introduced by the Company. Patersons also provides corporate advisory services at market rates as required by the Company.

| | | |
|--|---|---------|
| Corporate Advisory and IPO Lead Manager and Placement Fees | - | 143,838 |
| As at 30 June 2014 \$Nil (2013: \$5,500) was payable to Patersons Securities Ltd | | |

Mega Capital Resources Ltd

Ms Mao was until 4 August 2014 the sole director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Uranium Limited.

| | | |
|--|--------|--------|
| Consulting Services | 96,008 | 30,000 |
| As at 30 June 2014, \$16,000 (2013: \$30,000) was payable to Mega Capital Resources Ltd. | | |

Enterprise Metals Ltd

Enterprise Metals Ltd is a significant shareholder in the Company and provides office space in which the Company operates as well as accounting and office administration services including telephone, electricity and office equipment.

| | | |
|--|---------|---------|
| Rental of office space, purchase of plant and equipment and office administration expenses | 207,581 | 277,953 |
| As at 30 June 2014 \$3,242 (2013: \$nil) was receivable and \$17,879 (2013: \$24,686) was payable to Enterprise Metals Ltd | | |

C. Service Agreements

Mr Ryan commenced as a non-executive Director on 8th October 2012, and on 26th June 2013 was appointed Executive Director and Acting CEO. Mr Ryan is remunerated at normal commercial rates pursuant to the terms of an ongoing Consultancy Agreement with Xserv Pty Ltd to fulfil the duties of Director and Acting CEO. Fees attributable to Mr Ryan's services for the year ended 30 June 2014 were charged at the rate of \$909 per day and totalled \$75,909. The agreement may be terminated (other than for gross misconduct) by either party on three months' written notice.

REMUNERATION REPORT (AUDITED)

**D. Share-based compensation
Incentive Option Scheme**

Options, where appropriate, may be granted under the Enterprise Uranium Limited Employee Share Option Plan (ESOP) adopted on the 5th of October 2012. Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to a five year period. Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the ESOP. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the ESOP.

The options vest as specified when the options are issued. No options have been issued under the ESOP in the current period.

Director and Key Management Personnel Options

There were no options issued to Directors and Key Management Personnel during the 2014 financial period.

End of Audited Remuneration Report

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2014 has been received and can be found on page 24 of the Annual Financial Report.

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



Dermot Ryan
Executive Director

Dated this 30th day of September 2014

Level 1
10 Kings Park Road
West Perth WA 6005

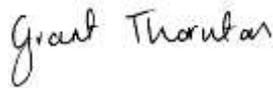
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**Auditor's Independence Declaration
To the Directors of Enterprise Uranium Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Enterprise Uranium Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 30 September 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

| | Notes | 2014 \$ | 11 Months ended 2013 \$ |
|--|--------------|--------------------|--|
| Other Income | 2 | 84,369 | 79,805 |
| Accounting and Audit Fees | | (39,225) | (30,010) |
| Share registry and Listing Fees | | (34,660) | (10,737) |
| Employee Benefits Expense | | (288,874) | (478,438) |
| Computers and Software | | (30,360) | (20,164) |
| Depreciation | 3 | (31,289) | (14,129) |
| Insurance | | (19,967) | (12,848) |
| Investor Relations | | (9,243) | (44,539) |
| Legal Fees | | (4,120) | (20,541) |
| Office Equipment and Supplies | | (106) | (14,542) |
| Office Rental and Occupation Expenses | 3 | (82,517) | (61,425) |
| Travel and Accommodation | | (44,266) | (87,210) |
| Impairment of Exploration and Evaluation Expenses | 3 | (2,627,911) | (44,683) |
| Other expenses | | (46,756) | (15,405) |
| Loss before income tax | | (3,174,925) | (774,866) |
| Income tax expense | 4 | - | - |
| Loss from operations | | (3,174,925) | (774,866) |
| Other comprehensive income, net of tax | | | |
| Items that may be reclassified to profit or loss | | | |
| Revaluation of available for sale financial asset | | 32,101 | - |
| Total comprehensive loss for the period | | (3,142,824) | (774,866) |
| Total comprehensive loss attributable to members of the parent entity | | (3,142,824) | (774,866) |
| Overall Operations | | | |
| Basic loss per share (cents per share) | 7 | (4.1) | (1.6) |
| Diluted loss per share (cents per share) | 7 | (4.1) | (1.6) |

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

| | Notes | 2014 \$ | 2013 \$ |
|-------------------------------------|-------|------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | 8 | 1,338,053 | 3,178,718 |
| Trade and other receivables | 9 | 56,822 | 26,965 |
| Total Current Assets | | 1,394,875 | 3,205,683 |
| Non-Current Assets | | | |
| Available for sale financial assets | 10 | 914,047 | - |
| Plant and equipment | 11 | 93,817 | 93,884 |
| Exploration and evaluation | 12 | 4,786,973 | 6,900,751 |
| Other financial assets | 13 | 20,000 | - |
| Total Non-Current Assets | | 5,814,837 | 6,994,635 |
| TOTAL ASSETS | | 7,209,712 | 10,200,318 |
| Current Liabilities | | | |
| Trade and other payables | 14 | 103,245 | 204,866 |
| Total Current Liabilities | | 103,245 | 204,866 |
| TOTAL LIABILITIES | | 103,245 | 204,866 |
| NET ASSETS | | 7,106,467 | 9,995,452 |
| Equity | | | |
| Issued capital | 15 | 11,024,157 | 10,770,318 |
| Reserves | | 32,101 | - |
| Accumulated losses | | (3,949,791) | (774,866) |
| TOTAL EQUITY | | 7,106,467 | 9,995,452 |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

| | Issued Capital | Reserves | Accumulated Losses | Total |
|---|-------------------|----------|-----------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance at Incorporation | - | - | - | - |
| Loss attributable to members of the entity for the period | - | - | (774,866) | (774,866) |
| Other comprehensive Income, net of tax | - | - | - | - |
| Total comprehensive loss for the 11 month period | - | - | (774,866) | (774,866) |
| Transaction with owners, directly in equity | | | | |
| Shares issued during the period | 11,033,157 | - | - | 11,033,157 |
| Share issue transaction costs | (262,839) | - | - | (262,839) |
| Balance at 30 June 2013 | 10,770,318 | - | (774,866) | 9,995,452 |

| | Issued Capital | Reserves | Accumulated Losses | Total |
|---|-------------------|---------------|-----------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2013 | 10,770,318 | - | (774,866) | 9,995,452 |
| Loss attributable to members of the entity for the period | - | - | (3,174,925) | (3,174,925) |
| Other comprehensive Income, net of tax | - | 32,101 | - | 32,101 |
| Total comprehensive loss for the period | - | 32,101 | (3,174,925) | (3,142,824) |
| Transaction with owners, directly in equity | | | | |
| Shares issued during the period | 253,839 | - | - | 253,839 |
| Share issue transaction costs | - | - | - | - |
| Balance at 30 June 2014 | 11,024,157 | 32,101 | (3,949,791) | 7,106,467 |

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2014

| | Notes | 2014 \$ | 11 months ended 2013 \$ |
|---|-------|--------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Interest received | | 78,487 | 74,238 |
| Payments to suppliers and employees | | (746,397) | (612,391) |
| Net cash used in operating activities | 16a | (667,910) | (538,153) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of available-for-sale financial assets | | (735,853) | - |
| Proceeds from sale of available for sale asset | | 115,277 | - |
| Purchase of plant and equipment | | (35,234) | (108,013) |
| Proceeds from sale of plant and equipment | | 4,012 | - |
| Payments for exploration and evaluation expenditure | | (520,958) | (1,039,547) |
| Net cash used in investing activities | | (1,172,756) | (1,147,560) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares during the period | | - | 5,127,270 |
| Costs associated with shares issued during the period | | - | (262,839) |
| Net cash provided by financing activities | | - | 4,864,431 |
| Net increase in cash and cash equivalents held | | (1,840,666) | 3,178,718 |
| Cash and cash equivalents at beginning of the period | | 3,178,718 | - |
| Cash and cash equivalents at 30 June | 8 | 1,338,053 | 3,178,718 |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Uranium Limited is a listed public company, incorporated and domiciled in Australia. The financial information is presented in Australian dollars.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Enterprise Uranium Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The comparative figures disclosed in these financial accounts are for an 11 month period.

The financial statements were authorised for issue by the directors on 30 September 2014. The directors have the power to amend and reissue the financial statements.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Company recorded an operating loss of \$3,174,925 (2013: \$774,866) and a cash outflow from operating activities of \$667,910 (2013: \$538,153) for the year ended 30 June 2014 and at reporting date, had a net current asset balance of \$1,291,630 (2013: \$3,000,817).

The Board considers that the Company is a going concern and recognises that farming out and/or selling tenements and additional funding is required to ensure that the Company can continue to fund its operations for the 12 month period from the date of this financial report.

The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- The Company has the ability to issue additional equity under the Corporations Act 2001 and ASX Listing Rule 7.1 or otherwise; and,
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal.

Accordingly, the Directors believe that subject to prevailing equity market conditions and reductions in both exploration and corporate commitments, the Company will have sufficient funding to enable it and the consolidated entities to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the company and the consolidated entity not be able to continue as going concerns.

(a) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

(b) Property, Plant, and Equipment

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

Plant and equipment

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Plant and equipment | 25% |
| Computers | 33% |
| Software | 25% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Available-for-sale “AFS” financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's AFS financial assets include listed securities.

AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income' (see Note 1 (j)).

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss unless they are designated as hedges.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

(f) Impairment of Non-Financial Assets

At each the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the statement of comprehensive income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

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

(j) Revenue and Other Income

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

Rental income is recognised on an accrual basis.

Management fees are recognised on a portion of completion basis.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(l) Goods and Services Tax (GST)

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

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

(m) Earnings Per Share

i. Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

ii. Diluted earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(n) **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

No impairment has been recorded for the period, except for in relation to exploration and evaluation expenditure

Key Judgments – Exploration and Evaluation Expenditure

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$4,786,973. An impairment of \$2,627,911 was recognised during the period ended 30 June 2014.

(o) **New Accounting Standards for Application in Future Periods**

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

AASB 13: *Fair Value Measurement*;
AASB 119: *Employee Benefits*; and
AASB 127: *Separate Financial Statements*.

Account Standard and Interpretation

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The Company has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs.

All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

Application of AASB 119 Employee Benefits has not impacted on the financial statements for the year ended 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Standards and Interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable*

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|--|--|---|
| AASB 1031 'Materiality' (2013) | 1 January 2014 | 30 June 2015 |
| AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities' | 1 January 2014 | 30 June 2015 |
| AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets' | 1 January 2014 | 30 June 2015 |
| AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting' | 1 January 2014 | 30 June 2015 |
| AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities' | 1 January 2014 | 30 June 2015 |
| AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' | 1 January 2014 | 30 June 2015 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 2: OTHER INCOME | Notes | 2014 | 2013 |
|--------------------------------------|--------------|---------------|---------------|
| | | \$ | \$ |
| Interest received from other parties | | 75,453 | 79,805 |
| Gain on disposal of AFS asset | | 8,916 | - |
| Total Other Income | | <u>84,369</u> | <u>79,805</u> |

NOTE 3: LOSS FOR THE PERIOD

(a) Expenses

| | | | |
|--|--|--------|--------|
| Depreciation of plant and equipment | | 31,289 | 14,129 |
| Office rental and occupation expenses | | 82,517 | 61,425 |
| Defined benefit superannuation expense | | 2,540 | 20,976 |

(b) Significant Revenues and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

| | | | |
|--|--|-----------|--------|
| Exploration and Evaluation expenditure written off | | 2,627,911 | 44,683 |
|--|--|-----------|--------|

NOTE 4: INCOME TAX

(a) Income tax expense

| | | | |
|--|--|----------|----------|
| Current tax | | - | - |
| Deferred tax | | - | - |
| Adjustments for current tax of prior periods | | - | - |
| | | <u>-</u> | <u>-</u> |

Deferred income tax expense included in income tax expense comprises:

| | | | |
|--|------|-----------|-----------|
| - (Increase) in deferred tax assets | 4(c) | 153,329 | 300,129 |
| - Increase in deferred tax liabilities | 4(d) | (153,329) | (300,129) |
| | | <u>-</u> | <u>-</u> |

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | | | |
|---|--|-----------|-----------|
| Prima facie tax on operating loss at 30% | | (952,477) | (232,460) |
| Add / (Less) tax effect of: | | | |
| Impairment of exploration and evaluation expenses | | 788,373 | - |
| Other non-deductible/ (assessable) items | | (2,623) | 202 |
| Deferred tax asset not brought to account | | 166,727 | 232,258 |
| Income tax attributable to operating loss | | <u>-</u> | <u>-</u> |

The applicable weighted average effective tax rates are as follows:

| | |
|------|------|
| nil% | nil% |
|------|------|

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 4: INCOME TAX (cont.) | Notes | 2014 \$ | 2013 \$ |
|--|-------|------------------|------------------|
| (c) Deferred tax assets | | | |
| Tax Losses | | 393,832 | 224,138 |
| Provisions and Accrual | | 6,315 | 6,295 |
| Other – P&L | | 5,241 | 6,615 |
| Other - Equity | | 47,311 | 63,081 |
| | | <u>452,699</u> | <u>300,129</u> |
| Set-off deferred tax liabilities | 4(d) | (452,699) | (300,129) |
| Net deferred tax assets | | <u>-</u> | <u>-</u> |
| (d) Deferred tax liabilities | | | |
| Exploration expenditure | 4(c) | (452,699) | (300,129) |
| Other – P&L | | (759) | - |
| | | <u>(453,458)</u> | <u>(300,129)</u> |
| Set-off deferred tax assets | | 453,458 | 300,129 |
| Net deferred tax liabilities | | <u>-</u> | <u>-</u> |
| (e) Tax losses | | | |
| Unused tax losses for which no deferred tax asset has been recognised | | 478,681 | 311,110 |
| Temporary differences for which no deferred tax asset has been recognised – Equity | | - | - |

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2014 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel (KMP) compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Company's KMP for the period ended 30 June 2014.

The totals of remuneration paid to KMP during the period are as follows:

| | 2014 | 2013 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 183,309 | 426,554 |
| Post-employment benefits | 2,540 | 20,976 |
| Total | <u>185,849</u> | <u>447,530</u> |

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:

| | 2014 | 2013 |
|--|---------------|---------------|
| | \$ | \$ |
| - Auditing or reviewing the financial report | 27,700 | 25,585 |
| - Non-audit fees | 5,200 | 5,000 |
| | <u>32,900</u> | <u>30,585</u> |

NOTE 7: LOSS PER SHARE

(a) Reconciliation of earnings to loss

| | | |
|---|-------------|-----------|
| Earnings used in the calculation of basic EPS | (3,174,925) | (774,866) |
|---|-------------|-----------|

| | | |
|---|------------|------------|
| (b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS | 73,602,091 | 48,926,383 |
|---|------------|------------|

| | | |
|--|-------|-------|
| Basic / Diluted loss per share (cents per share) | (4.1) | (1.6) |
|--|-------|-------|

As at 30 June 2014, the Company did not have any options outstanding.

NOTE 8: CASH AND CASH EQUIVALENTS

| | 2014 | 2013 |
|----------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank | 1,338,053 | 3,158,523 |
| Cash in term deposit | - | 20,195 |
| | <u>1,338,053</u> | <u>3,178,718</u> |

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | <u>1,338,053</u> | <u>3,178,718</u> |
|---------------------------|------------------|------------------|

Cash at bank earns an effective interest rate of 3.37%.

Cash in term deposit rolls every 30 days and earns an effective interest rate of 2.8%.

Included in cash and cash equivalents is an amount of \$nil (2013: 20,000) that is restricted cash in relation to a security deposit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 9: TRADE AND OTHER RECEIVABLES

| | 2014 | 2013 |
|-----------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| GST receivable | 15,853 | 15,433 |
| Trade and other receivables | 23,709 | 416 |
| Interest receivable | 2,531 | 5,565 |
| Prepayments | 14,729 | 5,551 |
| | <u>56,822</u> | <u>26,965</u> |

There are no balances within trade and other receivables that contain assets that are impaired and are past due. The trade receivables relate to withholding tax receivable and interest receivable. It is expected these balances will be received when due.

NOTE 10: AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | 2014 | 2013 |
|--------------------|----------------|-------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Opening balance | - | - |
| Additions | 989,692 | - |
| Disposals | (107,746) | - |
| Revaluations | 32,101 | - |
| | <u>914,047</u> | <u>-</u> |

Available-for-sale financial asset are shares held in an ASX listed entity.

NOTE 11: PLANT AND EQUIPMENT

| | 2014 | 2013 |
|----------------------------|---------------|---------------|
| | \$ | \$ |
| NON-CURRENT | | |
| Computer equipment – cost | 11,848 | 11,848 |
| Accumulated depreciation | (6,021) | (2,075) |
| | <u>5,827</u> | <u>9,773</u> |
| Plant and equipment – cost | 89,842 | 65,033 |
| Accumulated depreciation | (28,634) | (7,924) |
| | <u>61,208</u> | <u>57,109</u> |
| Software - cost | 37,545 | 31,132 |
| Accumulated depreciation | (10,763) | (4,130) |
| | <u>26,782</u> | <u>27,002</u> |
| Total plant and equipment | <u>93,817</u> | <u>93,884</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 11: PLANT AND EQUIPMENT (cont.) | 2014 | 2013 |
|---|-------------|-------------|
| | \$ | \$ |
| a) Reconciliation of Carrying Amounts | | |
| <u>Computer equipment</u> | | |
| Opening balance | 9,773 | - |
| - Additions | - | 11,848 |
| - Depreciation expense | (3,946) | (2,075) |
| Carrying amount at the end of the period | 5,827 | 9,773 |
| <u>Plant and equipment</u> | | |
| Opening balance | 57,109 | - |
| - Additions | 24,809 | 65,033 |
| - Depreciation expense | (20,710) | (7,924) |
| Carrying amount at the end of the period | 61,208 | 57,109 |
| <u>Software</u> | | |
| Opening balance | 27,002 | - |
| - Additions | 10,425 | 31,132 |
| - Disposals | (4,012) | - |
| - Depreciation expense | (6,633) | (4,130) |
| Carrying amount at the end of the period | 26,782 | 27,002 |
| <u>Totals</u> | | |
| Opening balance | 93,884 | - |
| - Additions | 35,234 | 108,013 |
| - Disposals | (4,012) | - |
| - Depreciation expense | (31,289) | (14,129) |
| Carrying amount at the end of period | 93,817 | 93,884 |
| NOTE 12: EXPLORATION AND EVALUATION | | |
| | 2014 | 2013 |
| | \$ | \$ |
| Exploration and evaluation phases – at cost | 4,786,973 | 6,900,751 |
| (a) Exploration and evaluation | | |
| Opening balance | 6,900,751 | - |
| Exploration expenditure | 514,133 | 1,039,547 |
| Acquisition through issue of shares | - | 5,905,887 |
| Impairment of exploration and evaluation expenses | (2,627,911) | (44,683) |
| Closing balance | 4,786,973 | 6,900,751 |

Impairment losses have been recognised in relation to a number of projects given drilling and exploration expenditure has not resulted in a discovery of significance. The Directors believe that given the continued difficult market conditions, it is prudent to impair the carrying values of a number of projects including Byro and Yalgoo. The Directors' assessment of the carrying amount for the Company's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Company's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Company's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 13: OTHER FINANCIAL ASSETS | 2014 | 2013 |
|--|-------------|-------------|
| | \$ | \$ |
| Term Deposits | 20,000 | - |

- Cash in term deposit rolls every 30 days and earns an effective interest rate of 2.8%.
- The Term deposit above is restricted cash in relation to a security deposit.

| NOTE 14: TRADE AND OTHER PAYABLES | 2014 | 2013 |
|--|----------------|----------------|
| | \$ | \$ |
| CURRENT – unsecured liabilities | | |
| Trade and other payables | 48,528 | 133,006 |
| Accrued Expenses | 54,717 | 71,860 |
| | <u>103,245</u> | <u>204,866</u> |

All amounts in trade and other payables are short term and the carrying values are considered a reasonable approximation of fair value.

| NOTE 15: ISSUED CAPITAL | 2014 | 2013 |
|--|-------------|-------------|
| | \$ | \$ |
| 76,284,882 (2013: 68,280,489) Fully paid ordinary shares at no par value | 11,024,157 | 10,770,318 |

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends.

| (a) Ordinary shares | 2014 | 2013 |
|---|-------------------|-------------------|
| | \$ | \$ |
| At the beginning of the reporting period | 10,770,318 | - |
| Shares issued during the period | | |
| 8,004,393 shares issued on 31 October 2013 for acquisition of available for sale assets | 253,839 | - |
| 1 share issued for cash at incorporation | - | 1 |
| 42,644,154 on 15 October 2012 at \$0.1385 for acquisition of tenements | - | 5,905,887 |
| 25,636,284 on 19 December 2012 at \$0.20 per share per IPO prospectus dated 19 October 2012 | - | 5,127,257 |
| 50 on 28 February 2013 at \$0.25 | - | 12 |
| Transaction costs relating to share issues | - | (262,839) |
| At reporting date | <u>11,024,157</u> | <u>10,770,318</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 15: ISSUED CAPITAL (cont.) | 2014 No | 2013 No. |
|---|--------------------|---------------------|
| At the beginning of the reporting period | 68,280,489 | - |
| Shares issued during the period: | | |
| 8,004,393 shares issued on 31 October 2013 for acquisition of available for sale assets | 8,004,393 | |
| 1 share issued for cash at incorporation | - | 1 |
| 42,644,154 on 15 October 2012 at \$0.1385 per share | - | 42,644,154 |
| 25,636,284 on 19 December 2012 at \$0.20 per share per IPO prospectus dated 19 October 2012 | - | 25,636,284 |
| 50 on 28 February 2013 at \$0.25 on exercise of options | - | 50 |
| At reporting date | 76,284,882 | 68,280,489 |

During the period, the Company issued 8,004,393 ordinary shares, with a fair value of \$253,839 for the acquisition in their interests in of Energia Metals Limited

(b) Movement in options on issue

| | 2014 No | 2013 No. |
|---|--------------------|---------------------|
| At the beginning of the reporting period | 12,818,082 | - |
| Issued during the period: | | |
| • Expiry of options exercisable at 25 cents | (12,818,082) | - |
| • Exercisable at 25 cents, on or before 31 March 2014 | - | 12,818,132 |
| • Exercised on 28 February 2013 | - | (50) |
| At reporting date | - | 12,818,082 |

(c) Capital Management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company has no debt therefore has no externally imposed capital restrictions.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2014 is as follows:

| | 2014 \$ | 2013 \$ |
|-----------------------------|--------------------|--------------------|
| Cash and cash equivalents | 1,338,053 | 3,178,718 |
| Trade and other receivables | 56,822 | 26,965 |
| Trade and other payables | (103,245) | (204,866) |
| Working capital position | 1,291,630 | 3,000,817 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

| NOTE 16: CASH FLOW INFORMATION | 2014 | 2013 |
|--|------------------|------------------|
| | \$ | \$ |
| (a) Reconciliation of Cash Flow from Operations with loss after Income Tax | | |
| Loss after income tax | (3,174,925) | (774,866) |
| Cash flows excluded from loss attributable to operating activities | | |
| Non-cash flows in loss from ordinary activities | | |
| Gain on disposal of AFS asset | (8,916) | - |
| Depreciation | 31,289 | 14,129 |
| Write-off of Exploration and Evaluation | 2,627,911 | 44,683 |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | |
| (Increase) in receivables | (28,004) | (26,965) |
| Increase / (Decrease) in payables | (115,265) | 204,866 |
| Cash flow used in operations | <u>(667,910)</u> | <u>(538,153)</u> |

(b) Credit Standby Facilities

The Company had no credit standby facilities as at 30 June 2014.

(c) Non-Cash Financing and Investing activities

Share issues

For the period ended 30 June 2014

On 31 October 2013, 8,004,393 ordinary shares were issued at \$0.0317 each as the consideration for the purchase of available for sale assets.

For the period ended 30 June 2013

On 30 October 2012, 42,644,154 ordinary shares were issued at \$0.1385 each as the consideration for the purchase of the uranium tenements, being demerged by Enterprise Metals Ltd. The value of the tenements and associated share issue was based on an independent review of the uranium assets being acquired.

NOTE 17: SHARE-BASED PAYMENTS

The following share based payments took place during the period under review :

On 31 October 2013, 8,004,393 ordinary shares were issued at \$0.0317 each as the consideration for the purchase of available for sale assets.

On 30 October 2012, 42,644,154 ordinary shares were issued at \$0.1385 each as the consideration for the purchase of tenements. The issue was based on the value of the tenements as considered by an independent review of the assets being acquired.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than:

Anna Mao resigned as director of Mega Capital Resources Limited on 4 August 2014 and therefore is not in control of the ENU shares held by Mega Capital Resources Limited.

On the 22 August 2014 526,315 ENU shares were issued at an issue price of \$0.038 for a total amount of \$20,000 to a supplier for consulting fees.

On 9 September 2014 Damian Delaney resigned as a Director and William Robertson was appointed as a Non-executive Director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 19: RELATED PARTY TRANSACTIONS

2014 **2013**
\$ **\$**

XServ Pty Ltd

Mr Ryan is a Director and Shareholder of Xserv Pty Ltd. Mr Ryan's company provides geological consulting services to Enterprise Uranium Limited in addition to his Director's fees. The services include the provision of geological and technical staff, field equipment and vehicles as well as computer, database and administrative support services and interim management services.

| | | |
|------------------------------|---------|---------|
| Mineral Exploration Services | 150,948 | 356,041 |
|------------------------------|---------|---------|

As at 30 June 2014 \$21,832 (2013: \$39,531) was payable to Xserv Pty Ltd

Mega Capital Resources Ltd

Ms Mao was until 4 August 2014 the sole director of Mega Capital Resources Ltd. Mega Capital Resources Ltd provides consulting services to Enterprise Uranium Limited.

| | | |
|---------------------|--------|--------|
| Consulting Services | 96,008 | 30,000 |
|---------------------|--------|--------|

As at 30 June 2014, \$16,000 (2013: \$30,000) was payable to Mega Capital Resources Ltd.

Patersons Securities Ltd

Mr Atkins is a Director of Corporate Finance Ltd at, and a shareholder of, Patersons Securities Ltd. Patersons were lead manager to the Initial Public Offering of the Company per the mandate dated 28 August 2012. Patersons were to receive \$60,000 as a corporate advisory fee and 1% as Lead Manager and 5% as a placement fee of the total amount raised except on placement money introduced by the Company. Patersons also provides corporate advisory services at market rates as required by the Company.

| | | |
|--|---|---------|
| Corporate Advisory and IPO Lead Manager and Placement Fees | - | 143,838 |
|--|---|---------|

As at 30 June 2014 \$Nil (2013: \$5,500) was payable to Patersons Securities Ltd

Enterprise Metals Ltd

Enterprise Metals Ltd is a significant shareholder in the Company and provides office space in which the Company operates as well as accounting and office administration services including telephone, electricity and office equipment.

| | | |
|--|---------|---------|
| Rental of office space, purchase of plant and equipment and office administration expenses | 207,581 | 277,953 |
|--|---------|---------|

As at 30 June 2014 \$3,242 (2013: \$nil) was receivable and \$17,879 (2013: \$24,686) was payable to Enterprise Metals Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 20: CAPITAL AND LEASING COMMITMENTS

| | 2014 | 2013 |
|---|------------------|------------------|
| | \$ | \$ |
| Capital expenditure commitments: | | |
| Capital expenditure commitments contracted for: | | |
| Exploration tenement minimum expenditure requirements | | |
| Amounts payable: | | |
| - not later than 12 months | 1,207,958 | 1,222,120 |
| - between 12 months and 5 years | 970,800 | 2,861,339 |
| - greater than 5 years | - | - |
| | <u>2,178,758</u> | <u>4,083,459</u> |

NOTE 21: FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's financial assets and liabilities is shown below using level inputs measured at fair value or a recurring basis.

| 2014 | Floating Interest Rate | Fixed Interest maturing in 1 year or less | Fixed Interest maturing over 1 to 5 years | Non- interest bearing | Total |
|--|---------------------------------------|--|--|--------------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 1,338,053 | - | - | - | 1,338,053 |
| Loans and receivables | - | - | - | 56,822 | 56,822 |
| Available for sale financial assets | - | - | - | 914,047 | 914,047 |
| Other financial assets | - | 20,000 | - | - | 20,000 |
| Total Financial assets | <u>1,338,053</u> | <u>20,000</u> | <u>-</u> | <u>970,869</u> | <u>2,328,922</u> |
| Weighted average interest rate – cash assets | 3.4% | 2.8% | | | |
| Financial Liabilities at amortised cost | | | | | |
| Trade and other payables | - | - | - | (103,245) | (103,245) |
| Total Financial Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>(103,245)</u> | <u>(103,245)</u> |
| Net financial assets | <u>1,338,053</u> | <u>20,000</u> | <u>-</u> | <u>867,624</u> | <u>2,225,677</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

| 2013 | Floating Interest Rate | Fixed Interest maturing in 1 year or less | Fixed Interest maturing over 1 to 5 years | Non- interest bearing | Total |
|--|------------------------------|---|---|-----------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 3,072,922 | 20,195 | - | 85,601 | 3,178,718 |
| Loans and receivables | - | - | - | 26,965 | 26,965 |
| Total Financial assets | 3,072,922 | 20,195 | - | 112,566 | 3,205,683 |
| Weighted average interest rate | | | | | |
| – cash assets | 2.63% | 2.7% | | | |
| Financial Liabilities at amortised cost | | | | | |
| Trade and other payables | - | - | - | (204,866) | (204,866) |
| Total Financial Liabilities | - | - | - | (204,866) | (204,866) |
| Net financial assets | 3,072,922 | 20,195 | - | (92,300) | 3,000,817 |

(i) *Fair value measurement hierarchy*

AASB 13 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
- (b) Level 2 – a valuation technique is used using inputs other than quoted priced within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- (c) Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

The table below classifies financial instruments recognised in the consolidated Statement of Financial Position according to the fair value measurement hierarchy stipulated in AASB 13 Financial Instruments: Disclosures.

| Year ended 30 June 2014 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|-------------------------------------|----------------|---------------|---------------|----------------|
| Financial assets | | | | |
| Available for sale financial assets | 914,047 | - | - | 914,047 |
| | 914,047 | - | - | 914,047 |

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments traded in active markets is based upon quoted market prices at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period.

For current borrowings, the fair value approximates the carrying value amount, as the impact of discounting is not significant.

The fair value of the convertible note derivative is determined using an option pricing model based upon various inputs at the end of the reporting period. These instruments are classified as level 2 financial liabilities.

The Group does not have any level 3 assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no other material amounts of collateral held as security at 30 June 2014. Trade and other receivables are expected to be settled within 30 days.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

| | Note | 2014 \$ | 2013 \$ |
|---|-------------|-------------------|-------------------|
| Cash and cash equivalents - AA Rated | 8 | 1,338,053 | 3,178,718 |

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

c. Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by closely monitoring the interest rates at various financial institutions. The Company has no debt and as such the interest rate risk is limited to the Company's investments in term deposits and other interest bearing investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

| | Profit | Equity |
|----------------------------------|---------------|---------------|
| Period ended 30 June 2014 | \$ | \$ |
| +/-1% in interest rates | +/- 23,883 | +/- 23,883 |
| Period ended 30 June 2013 | \$ | \$ |
| +/-1% in interest rates | +/- 31,010 | +/- 31,010 |

d. Price risk on AFS assets

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as available for sale.

Listed investments have been valued at the quoted market bid price at the end of reporting period, adjusted for transaction costs expected to be incurred. At 30 June 2014, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

| | Carrying amount | Listed equity price -10% | | Listed equity price +10% | |
|--------------|-----------------|--------------------------|----------|--------------------------|--------|
| | | Net loss | Equity | Net loss | Equity |
| 30 June 2014 | 914,047 | (91,405) | (91,405) | 91,405 | 91,405 |
| 30 June 2013 | - | - | - | - | - |

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment. Other assets and other liabilities approximate their carrying value.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at reporting date:

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

NOTE 21: FINANCIAL INSTRUMENTS (cont.)

| | 2014 | 2014 | 2013 | 2013 |
|--|------------------|------------------|------------------|------------------|
| | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
| | \$ | \$ | \$ | \$ |
| Financial Assets | | | | |
| Cash and cash equivalents | 1,338,053 | 1,338,053 | 3,178,718 | 3,178,718 |
| Loans and receivables | 56,822 | 56,822 | 26,965 | 26,965 |
| Available for sale financial assets | 914,047 | 914,047 | - | - |
| Other financial assets | 20,000 | 20,000 | - | - |
| Total Financial Assets | 2,328,922 | 2,328,922 | 3,205,683 | 3,205,683 |
| Financial Liabilities at amortised cost | | | | |
| Trade and other payables | 103,245 | 103,245 | 204,866 | 204,866 |
| Total Financial Liabilities | 103,245 | 103,245 | 204,866 | 204,866 |

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

NOTE 22: CONTINGENT LIABILITIES

As at 30 June 2014 the Company has bank guarantees to the value of \$20,000 to secure a credit card facility.

NOTE 23: OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The Company remains focused on mineral exploration over areas of interest solely in Western Australia.

NOTE 24: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Enterprise Uranium Limited
Level 1
640 Murray Street
WEST PERTH WA 6005

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 25 to 49, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the period ended on that date of the Company;
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Company for the financial period have been properly maintained in accordance with s 286 of the *Corporations Act 2001*; and
 - (b) the financial statements and notes for the financial period comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial period give a true and fair view; and
 - (d) they have given the declarations required by Section 295A of the Corporations Act, 2001 for the financial period ended 30 June 2014.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dermot Ryan
Executive Director

Dated 30th September 2014, Perth WA

Level 1
10 Kings Park Road
West Perth WA 6005

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W www.grantthornton.com.au

Independent Auditor's Report To the Members of Enterprise Uranium Limited

Report on the financial report

We have audited the accompanying financial report of Enterprise Uranium Limited (the 'Company'), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Company .

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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Enterprise Uranium Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's financial position as at 30 June 2014 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 the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

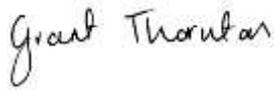
Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$3,174,925 and cash flows outflows from operating activities of \$667,910 during the year ended 30 June 2014. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 17 to 23 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 30 September 2014

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

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

1 Shareholding as at 19 September 2014

(a) Distribution of Shareholders

| Category (size of holding) | Number Holders | Number Shares |
|----------------------------|-------------------|------------------|
| 1 – 1,000 | 329 | 160,715 |
| 1,001 – 5,000 | 531 | 1,399,655 |
| 5,001 – 10,000 | 252 | 2,062,917 |
| 10,001 – 100,000 | 262 | 8,072,038 |
| 100,001 – and over | 54 | 65,115,872 |
| | <hr/> 1,428 | <hr/> 76,811,197 |

(b) The number of shareholdings holding less than a marketable parcel is 1,010, representing 2,603,287 shares.

(c) Voting Rights

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

Ordinary shares

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

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

(d) 20 Largest Shareholders at 19 September 2014

| Rank | Name | Units | % of Units |
|---|---|-------------------|--------------|
| 1 | SINOTECH (HONG KONG) CORPORATION LIMITED | 14,400,000 | 18.75 |
| 2 | ENTERPRISE METALS LTD | 13,500,000 | 17.58 |
| 3 | UEQ INVESTMENTS PTY LTD | 8,004,393 | 10.42 |
| 4 | CROWNLUXE INVESTMENT LTD | 7,500,000 | 9.76 |
| 5 | CITICORP NOMINEES PTY LIMITED | 2,739,034 | 3.57 |
| 6 | MR DERMOT MICHAEL RYAN + MRS VIVIENNE ELEANOR RYAN <RF SUPER FUND A/C> | 1,415,000 | 1.84 |
| 7 | MR WILLIAM JOHN ROBERTSON + MRS JUNE DIANE ROBERTSON <ROBERTSON SUPER FUND A/C> | 1,129,834 | 1.47 |
| 8 | OSSART HOLDINGS PTY LTD <THE OT FAMILY A/C> | 1,060,000 | 1.38 |
| 9 | RICH CHANCE DEVELOP LIMITED | 1,000,000 | 1.30 |
| 10 | MR DERMOT MICHAEL RYAN + MRS VIVIENNE ELEANOR RYAN <THE ENTERPRISE A/C> | 1,000,000 | 1.30 |
| 11 | MR PHILIP HOFF <UHW SUPER FUND A/C> | 886,519 | 1.15 |
| 12 | PRANCER SUPER PTY LTD <ALFIERI SUPER FUND A/C> | 810,314 | 1.05 |
| 13 | WINDSONG VALLEY PTY LTD <WHEELER FAMILY A/C> | 764,602 | 1.00 |
| 14 | NEFCO NOMINEES PTY LTD | 705,000 | 0.92 |
| 15 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 645,632 | 0.84 |
| 16 | ROSANE PTY LTD <ROSANE HOLDINGS S/F A/C> | 622,634 | 0.81 |
| 17 | MR FRANCIS LESLIE OWEN + MRS ELIZABETH ANN OWEN <OWEN S/F A/C> | 580,267 | 0.76 |
| 18 | MR MILES GEORGE SMYTH | 539,179 | 0.70 |
| 19 | BELL POTTER NOMINEES LTD <BB NOMINEES A/C> | 526,315 | 0.69 |
| 20 | ELLAMAR PTY LTD <KB INVESTMENT A/C> | 488,540 | 0.64 |
| Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL) | | 58,317,263 | 75.92 |

TENEMENT REPORT

| Tenement | Lease Status | Project | Percentage held |
|----------|--------------|--------------|-----------------|
| E09/2077 | Application | Byro | 100% |
| E09/2119 | Application | Byro | 100% |
| E20/758 | Granted | Byro | 100% |
| E28/1958 | Granted | Lake Harris | 100% |
| E28/2202 | Granted | Ponton | 100% |
| E28/2203 | Granted | Ponton | 100% |
| E28/2204 | Granted | Ponton | 100% |
| E28/2205 | Granted | Ponton | 100% |
| E28/2206 | Granted | Ponton | 100% |
| E28/2308 | Granted | Ponton | 100% |
| E28/2333 | Granted | Ponton | 100% |
| E52/3149 | Application | Sylvania | 100% |
| E57/994 | Application | Bolitho Bore | 100% |
| E59/1437 | Granted | Yalgoo | 100% |
| E59/1617 | Granted | Byro | 100% |
| E59/1855 | Granted | Peranbye | 100% |
| E59/1856 | Granted | Peranbye | 100% |
| E59/1857 | Granted | Peranbye | 100% |
| E59/2003 | Application | Lake Moore | 100% |
| E59/2013 | Application | Thanda | 100% |
| E59/2039 | Application | Peranbye | 100% |
| E59/2060 | Application | Yalgoo | 100% |
| E59/2062 | Application | Thanda | 100% |
| E70/4295 | Granted | Peranbye | 100% |
| E70/4296 | Granted | Peranbye | 100% |
| E70/4297 | Granted | Peranbye | 100% |