Anatolia Energy Limited

ABN 68 076 577 994

Annual Report

30 June 2015

CONTENTS

CORPORATE DIRECTORY

Directors
Mr Paul Cronin, *Managing Director & CEO*
Dr Hikmet Akin, *Non-Executive Chairman*
Mr Robert Annett, *Non-Executive Director*
Mr Pat Burke, *Non-Executive Director*

Company Secretary
Mr Scott Mison

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Stock Exchange Listing
Anatolia Energy Limited shares are listed on the Australian Securities Exchange (Code: AEK).

CHAIRMAN'S LETTER

By now you would have received the Company's Scheme Booklet which includes, in Annexures E, G and I, notice of the General Meeting and the Scheme Meetings to be held on 9 October 2015 at the Celtic Club, 48 Ord Street, West Perth, WA 6005. I encourage you to read the Scheme Booklet carefully and I encourage you to vote either online, or by returning your proxy form.

- Online Voting: You can vote online by logging into the Computershare website with your unique Control Number (you will find this on the front of your proxy form enclosed in the Scheme Booklet). To vote now, visit www.investorvote.com.au/Login; or
- Proxy Form Voting: You can vote by completing the proxy form enclosed with the Scheme Booklet and return it in the reply paid envelope provided by 7.00pm on 7 October 2015.

Anatolia has convened the General Meeting and Scheme Meetings to seek, inter alia:

- approval from Anatolia Shareholders and Anatolia Performance Shareholders for a variation to the terms of the Anatolia Performance Shares to permit them to be transferred to Uranium Resources in accordance with the requirements of the Performance Share Scheme;
- approval from Anatolia Optionholders for the scheme of arrangement proposed between Anatolia and Anatolia Optionholders, designated the "Option Scheme", and
- approval from Anatolia Performance Shareholders for the scheme of arrangement proposed between Anatolia and the Anatolia Performance Shareholders designated the "Performance Share Scheme".

As you are aware, Anatolia and Uranium Resources entered into a scheme implementation agreement pursuant to which Uranium Resources proposes to acquire all of the issued ordinary shares, options and performance shares (together the Anatolia Securities), by way of 3 separate but interdependent schemes of arrangement (Schemes). Under the Schemes, Uranium Resources is offering:

- 0.06579 Uranium Resources Shares for each Anatolia Share (Share Scheme Consideration);
- such number of Uranium Resources Options as would have a Black-Scholes Value equivalent to the Black-Scholes Value of each Anatolia Option, on substantially the same terms as the terms of their Anatolia Options, other than an adjustment to the exercise price in accordance with the Share Exchange Ratio; and
- an equivalent number of Uranium Resources Performance Shares with analogous terms as the existing Anatolia Performance Shares, provided that the number of Anatolia Shares to which the Uranium Resources Performance Shares convert into will be adjusted in accordance with the Share Exchange Ratio.

Completion of the Merger will provide Anatolia Securityholders with shares and/or options in a larger uranium company, with far greater trading liquidity, and create an improved platform from which the merged business could pursue additional value accretive growth opportunities. It is also expected that the NASDAQ listing of Uranium Resources has strong potential to drive a re-rating in the market's valuation of the Temrezli Project given the US market's greater familiarity with ISR uranium assets.

Whilst your Directors, as supported by independent third party studies remain confident in the potential and strong returns offered by the development of the Temrezli Project, we are mindful of the challenges ahead to deliver this value to shareholders, including completion of environmental permitting, securing the financing package required to develop the project, securing favourable sales contracts, and the period of construction and commissioning, which is rarely a straightforward exercise in the mining sector.

The Merger with Uranium Resources will greatly reduce the risks ahead for Anatolia on a stand-alone basis, through the access to Uranium Resources' team with significant ISR operations experience, much improved access to global capital markets, whilst also providing Anatolia Securityholders with exposure to Uranium Resources' portfolio of uranium assets, including its large bank of uranium projects in New Mexico, and two existing ISR processing facilities in South Texas, parts of one of which (the Rosita processing plant) are planned to be relocated to Turkey and could greatly reduce the capital cost to develop the Temrezli Project.

On behalf of the Anatolia Board, I reiterate our strong conviction that the combination of Anatolia and Uranium Resources represents an attractive pathway forward for Anatolia and represents a sound investment proposition. I encourage you to vote in favour of the resolutions at the Scheme Meetings relevant to you and assist in creating a larger, stronger uranium business that can accelerate the development of Anatolia's Temrezli Project and, in doing so, increase shareholder wealth through the substantial synergies we believe are achievable by the merger with Uranium Resources.

Dr Hikmet Akin

Chairman

30 September 2015

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Group, being Anatolia Energy Limited ("the Company") and its controlled entities, for the year ended 30 June 2015.

Names, Qualifications, Experience and Special Responsibilities

The Directors of the Company during the financial year until the date of this report are as follows. Directors were in office for the entire period unless otherwise indicated:

Dr Hikmet Akin, Ph.D. Eng, P. Geo

Non-Executive Chairman

Appointed 1 April 2011

Dr Hikmet Akin was born and raised in Turkey. He is a graduate of the Technical University of Berlin in Germany and has over 35 years of international experience in project evaluation and mining development. Since 1978, he has held various managerial and staff positions with (the original) Uranerz in Germany primarily performing project evaluations. Concurrently, he became a professor at the Technical University of Berlin and in 1985 and co-published a textbook on applied geostatistics.

During the early 1990's, as President of the local subsidiaries of Uranerz, he managed uranium mining and exploration activities in the USA and Canada. From the mid 90's, Hikmet was President and CEO of the entire Uranerz Group, including operations in Canada, USA, Kazakhstan and Germany. Uranerz was the third largest uranium producer in the western world at that time and was subsequently acquired by Cameco. Hikmet has worked as an international consultant and executive in the resource sector since 1999, and has also served as a director on the boards of various corporations. He is fluent in English, German and Turkish.

Mr Paul Cronin B.Com, MBA

Managing Director and Chief Executive Officer

Appointed 10 February 2015

Mr Paul Cronin has provided professional corporate advisory services to the Company since June 2013, including arranging and completing significant new capital raisings. He is an experienced investment banker with considerable resources sector experience, particularly in relation to financing of the uranium sector. Prior to joining Anatolia in an advisory capacity, Paul was Vice President at RMB Resources, the specialist resource financing division of FirstRand Bank. He has extensive experience in finance structuring, hedging and capital markets. Paul was formally Director of Nuclear Origination, with Constellation Energy and led the acquisition of uranium trader Nufcor International in 2008. He was also Advisor to the London listed Nufcor Uranium Limited, the closed end uranium fund prior to its merger with TSX listed Uranium Participation Corporation in 2009.

Mr Robert Annett, B.SC (Hons), ARSM, MAIMM, MAIG, MIQ

Non-Executive Director

Appointed 1 April 2011

Mr Robert Annett has over 35 years of experience in the resources industry and has been involved in the exploration, evaluation and exploitation of uranium, precious metals, base metals, coal, oil and industrial minerals globally. Robert graduated as an Exploration and Mining Geologist from the Royal School of Mines, Imperial College, London, UK in 1978.

A former director of International Goldfields Ltd and other private companies, Robert has directed and implemented all necessary technical management for numerous projects ranging from greenfields exploration through to mine development, international exploration programs, mineral asset acquisitions and divestments, for a number of listed companies.

Robert currently works as an industry consultant to ASX listed and private companies with local and overseas projects.

DIRECTORS' REPORT (continued)

Names, Qualifications, Experience and Special Responsibilities (continued)

Mr Patrick Burke LLB

Non-Executive Director

Appointed 21 July 2014

Mr Patrick Burke holds a Bachelor of Law degree from the University of Western Australia. He has extensive legal and corporate advisory experience, and has acted as a Director for a number of ASX and AIM listed small to mid-cap resources companies over the past 10 years. His legal expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, structuring and pricing, negotiation, funding, due diligence and management of process. He contributes general commercial and legal skills along with a strong knowledge of the ASX requirements. He is currently a Non-Executive Director of ASX listed Hazelwood Resources Limited and Monto Minerals Limited.

Mr James (Jim) Graham

Managing Director

Appointed 9 July 2012; Resigned 7 November 2014

Mr Lee Boyd, BBus, Dip Mgmt, Adv Cert Bus, CPA, FAICD

Non-Executive Director

Appointed 29 November 2012; Resigned 31 July 2014

Company Secretary

Scott Mison BBus, CA, ACSA

Company Secretary

Appointed 4 December 2014

Mr Scott Mison holds a Bachelor of Business degree majoring in Accounting and Business Law and is a member of the Institute of Chartered Accountants in Australia and Chartered Secretaries Australia. Mr Mison has over 15 years experience in finance and corporate compliance within Australia, UK, Central Asia and USA. Mr. Mison is also a director of Jupiter Energy Limited, 1Page Limited, IDM International Limited and is Company Secretary at Rift Valley Resources Limited. He is also a member of the board of Wheelchair Sports WA Inc.

Lee Boyd BBus, Dip Mgmt, Adv Cert Bus, CPA, FAICD

Appointed 30 March 2011; Resigned 3 December 2014

DIRECTORS' REPORT (continued)

Directors' Interests in the Shares and Options of the Company

As at 30 June 2015, the interests of the Directors in the shares and options of the Company were:

	Hikmet Akin	Paul Cronin	Robert Annett	Pat Burke
Ordinary Shares (Direct)	2,007,419	250,000	-	-
Ordinary Shares (Indirect)	1,123,578	321,166	2,693,437	-
A Class Performance Shares (Direct)	367,500	-	-	-
A Class Performance Shares (Indirect)	206,324	-	52,500	-
D Class Performance Shares (Indirect)	-	-	50	-
Unlisted Options at 6.5c, expiring 15/6/2017 (Direct)	-	-	-	-
Unlisted Options at 8c, expiring 15/6/2017 (Direct)	-	-	-	-
Unlisted Options at 18c, expiring 15/6/2017 (Direct)	120,448	-	-	-
Unlisted Options at 18c, expiring 15/6/2017 (Indirect)	67,107	-	235,995	-
Unlisted Options at 5c, expiring 28/11/2018 (Direct)	-	1,000,000	-	-
Unlisted Options at 5c, expiring 28/11/2018 (Indirect)	1,000,000	-	1,500,000	-
Unlisted Options at 12c, expiring 8/10/2019 (Direct)	-	-	-	1,000,000

Dividends

No final dividend is recommended, nor any interim dividend paid during the financial year. There was no final dividend recommended in the 2014 Annual Report, nor was there any paid during the 2015 financial year.

Principal Activities

The Company's activities are in the minerals exploration and mining sectors.

Operating Results and Review of Operations for the Year

Anatolia Energy Ltd (the Company or Anatolia), through its Turkish subsidiary company Adur Madencilik Ltd Sti, owns the Temrezli uranium deposit which is the largest and highest grade uranium deposit known in Turkey, located in one of the richest uranium districts in the country, approximately 220 kilometres (km) east of Turkey's capital, Ankara. Work completed to date has estimated a combined Measured and Indicated Mineral Resource of 11.3Mlb contained U_30_8 at an average grade of 1,240ppm U_30_8. A further 2Mlb of Inferred Mineral Resources has been estimated with an average grade of 888ppm U_30_8.

The Company made a loss after income tax expense of $1,972,600 for the year ended 30 June 2015 (2014: loss of $2,126,153).

Proposed merger of Anatolia and Uranium Resources Inc.

In June 2015, Anatolia and Uranium Resources Inc. (URI) reached agreement to combine the two companies to create a larger, diversified uranium development and exploration business with the aim of becoming a low cost uranium producer in the near term from the Temrezli Project in central Turkey. The transaction is expected to provide significant benefits to both companies' shareholders, including the potential for significant capital cost savings and operational efficiencies that are unique to a merger (Merger) between URI and Anatolia. Following completion of the transaction the Merged Group will be positioned as one of the next low cost uranium producers with a strong growth pipeline in USA and Turkey.

DIRECTORS' REPORT (continued)

Operating Results and Review of Operations for the Year (continued)

Proposed merger of Anatolia and Uranium Resources Inc. (continued)

The companies have entered into a Scheme Implementation Agreement (SIA) pursuant to which URI proposes to acquire all of the issued shares, options and performance shares (together the Anatolia Securities), by way of three separate, but interdependent Schemes of Arrangement (Schemes). Under the Schemes, URI is offering:

- 0.06579 URI shares for every 1 Anatolia share (Share Scheme Consideration); and
- replacement options and performance shares in URI with analogous terms as the existing options and performance shares in Anatolia, provided that the exercise prices and number of the replacement options and number of shares to which the replacement performance shares convert into will be revised in the same manner as the ratio of URI shares under the Share Scheme Ratio.

Based on the share exchange ratio of 0.06579 URI Shares for every 1 Anatolia Share ("Exchange Ratio"), the implied offer value to Anatolia Shareholders is A$0.115, and based on the respective 30 day volume weighted average prices (VWAPs) of each of URI and Anatolia up to 2 June 2015 (in the case of URI) and 3 June 2015 (in the case of Anatolia).

URI will seek to establish an Australian Securities Exchange (ASX) listing of URI shares through ASX listed CHESS Depositary Interests (CDIs), such that:

- Anatolia ordinary shareholders may elect to receive their consideration in respect of the Merger as either URI shares traded on the ASX (in the form of Share CDIs) or URI shares traded on the NASDAQ Stock Market; and
- Anatolia option holders whose options are quoted on the ASX will receive their consideration options as URI options traded on the ASX (in the form of Option CDIs).

Benefits to Anatolia Securityholders

Anatolia securityholders may derive many benefits from the Merger with URI including:

- Very significant increase in average daily share trading liquidity;
- Potential to reduce the upfront capital cost of developing the Temrezli Project through the anticipated synergies with URI's Rosita ISR facility estimated to be approximately US$11 million, the majority of which is construction and start-up;
- Leverage the skills knowhow of URI's experienced ISR operations team;
- Immediate and material increase in value through an attractive premium to Anatolia's trading price in recent years;
- Benefits of a NASDAQ listing, in addition to a potential premium valuation typically provided by a North American listing for uranium companies and inclusion in major Exchange Traded Funds (ETF) of uranium equities such as the Global X Uranium ETF;
- Retain material exposure to the upside from development of the Temrezli Project, whilst gaining exposure to the large strategic land positions of URI in the uranium rich regions of New Mexico and south Texas;
- Significantly increased leverage to future increases in the price of uranium through exposure to URI's large uranium resource inventory;
- Improved funding position; and
- Scrip for scrip (stock for stock) rollover relief potentially available.

Temrezli Uranium Project

During the reporting period the Company completed all technical studies and financial modelling for the Pre-Feasibility Study (PFS) into the development of the high grade Temrezli ISR Uranium Project in central Turkey, confirming the technical viability of the project, and the robust financial returns capable of being achieved. The PFS confirmed that the Temrezli Project is capable of generating very significant value for shareholders, driven by a long life, high-grade deposit with lowest quartile mining costs and a low capital requirement for project start-up.

In February 2015, Anatolia announced the results of the Pre-Feasibility Study (PFS). The Mineral Resource estimates above were utilised in the PFS Development Case to support a forecast initial mine life of 12 years at an average production rate of approximately 825,000 lbs per annum. The PFS was completed by Tetra Tech Inc. and compliant with the NI 43-101 code. The PFS indicates the Temrezli Project has potential to be one of the lower cost uranium projects in the world.

Prior to the decision of the Anatolia Board to pursue the proposed merger (Merger) with Uranium Resources, Anatolia was planning to develop the Temrezli Project on a stand-alone basis. However, if the Merger is completed, there will be significant synergies between Anatolia and Uranium Resources' assets, which would likely result in modifications and capital cost reductions to the development plan that Anatolia has been developing prior to the decision to Merge with Uranium Resources.

DIRECTORS' REPORT (continued)

Operating Results and Review of Operations for the Year (continued)

Temrezli Uranium Project (continued)

The development plan for the Temrezli Project, and the basis for the PFS, is premised on the construction of a central processing plant (CPP) at the Temrezli site, which is planned to have a production capacity of 1.2Mlb per annum of U_30_8, and to process uranium bearing solutions from the Temrezli well field, and with potential to process uranium-loaded resin transported from any satellite uranium deposits developed in the future from Anatolia's other projects in the region.

The PFS modelling is based on a Mineral Resource of 5.2Mt grading 1,157ppm eU_30_8 for 13.3Mlb U_30_8 (refer table below), from which 9.9Mlb of U_30_8 are recovered over an initial mine life of 12 years. The Measured and Indicated Mineral Resources provide 88% of the total recovered uranium underpinning the forecast production target and financial projections, and the additional life of mine plan material included in the Development Case (being the Inferred Mineral Resources detailed below) comprises less than 12% of the total recovered uranium.

Mineral Resources

The Mineral Resource estimate prepared by CSA Global dated 1 May 2014 is in accordance with the JORC Code.

Category	Tonnes (kt)	Average Grade (ppm eU_30_8)	Resource (M lbs eU_30_8)
Measured	2,008	1,378	6.1
Indicated	2,178	1,080	5.2
Inferred	1,020	888	2.0
Total	**5,206**	**1,157**	**13.3**

Cut-off grade of 200 ppm U_30_8

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

ISR Mining Method

Anatolia intends to use ISR methods to extract uranium from the Temrezli uranium deposit. The method is widely used, particularly in the United States of America and central Asia, and consists of installing a pattern of injection and recovery wells and circulating a mining solution (lixiviant) through the mineralised portion of the formation. The lixiviant is then pumped from the formation and the dissolved uranium is recovered through ion exchange. ISR operations entail minimal surface disturbance and no significant excavations or rework of the surface contours.

Operating Costs

Anatolia's cash operating cost, inclusive of owner's costs, plant and well field reclamation, restoration, and royalties, as estimated by the PFS, would make Anatolia one of the lowest cost producers of uranium globally, and ensure the Temrezli Project has potential to provide strong cash flow, even in times of depressed uranium prices such as those experienced in recent years. The sensitivity analysis undertaken as part of the PFS demonstrates that even at a uranium price of US$50/lb (being the term contract price at the date of announcement of the PFS), the low operating costs ensure that the Temrezli Project is capable of generating a strong profit.

Capital Expenditure

The PFS estimated the initial capital expenditure required to progress to first uranium production to be US$41.0 million (including contingencies), and total capital requirement to reach positive cash flow from operations is estimated at US$48.5 million.

It should be noted that Uranium Resources and Anatolia believe they may be able to reduce this capital cost by up to US$11 million through synergies associated with the Merger, however no detailed study into the potential cost savings has been completed.

The initial capital expenditure includes the CPP facility and the development of the first well field production unit. The low capital cost of Temrezli Project is a function of the off-the-shelf and widely used ISR processing equipment which can be utilised by Anatolia, the benefits of operating in the low-cost operating environment of Turkey, and of the excellent infrastructure present on the project site.

A great advantage and capital cost saving for the Temrezli Project relative to many other ISR uranium projects is that there is no requirement for deep disposal wells at the project for disposal of waste water. The geologic and climatic conditions allow Temrezli to use evaporation ponds for the waste water disposal, providing a significant capital cost saving.

DIRECTORS' REPORT (continued)

Operating Results and Review of Operations for the Year (continued)

Temrezli Uranium Project (continued)

Infrastructure

Life of mine infrastructure costs are anticipated to be small relative to other uranium ISR projects, as the Temrezli Project benefits from existing local infrastructure including sealed roads and power lines across the production boundary. Electricity capacity requirements have been estimated at 1,300KW and access to this capacity has been confirmed by the local Turkish power distribution operator.

Potential Significant Upside at Sefaatli

Parallel to the preparation of the PFS focusing on developing the high grade mineralisation at the Temrezli Project, Anatolia has completed exploration activities at the Sefaatli Project, which is located approximately 40km from the Temrezli site. Between October 2014 and June 2015 the Company completed 93 holes (53 Reverse Circulation and 40 Diamond Core) for a total drill advance of 10,170.4m (5,388.4 RC : 4,782 DD) at the Tulu Tepe and Deliler prospects in the Sefaatli region.

Drilling confirmed widespread uranium mineralisation which remains open at both prospects. The uranium mineralisation occurs as a number of sub-horizontal stacked lenses (up to 5) hosted on the boundary between reduced and oxidised sandstones.

The Anatolia Board believes that the Sefaatli Project has the potential to evolve into a satellite operation that may expand the production profile of the Temrezli Project.

Anatolia's centralised development plan offers potential for greatly enhancing the Temrezli Project economics through lifting the production profile, whilst minimising additional capital expenditures involved with development of satellite deposits. The financial benefits of integrating additional satellite resources into the Temrezli Project cannot be quantified at this time. Anatolia strongly believes that potential exists to find additional resources in the vicinity of Temrezli and Sefaatli in a relatively short time period, further extending the life of mine and/or to increase the production capacity.

Permitting

Anatolia's existing operation licence will enable Anatolia to construct the ISR well field and processing plant upon issue of an operation permit, which is typically granted within 14 days of application. The application for an operation permit will occur shortly after the approval of the Environmental Impact Assessment (EIA), which was submitted to the Ministry of Environment and Urban Planning (MEUP) in March 2015, and will follow the granting of the relevant property and business permits.

The Company is awaiting the Terms of Reference for the EIA from MEUP, following a recent public hearing attended by various Government officials, and approximately 130 people mostly from the 3 nearby villages of Temrezli, Mehmetbeyli and Akoluk

At various times during the year the Company rationalised its ground holding by relinquishing 2 Exploration Licences (ELs) which lie outside of the areas where drilling, geological mapping or ground scintillometer traversing have confirmed uranium mineralisation. The retained ELs and Operation Licences (OLs) are sufficient in size to cover the known mineralisation and any immediate extensions at Temrezli, Sefaatli, West Sorgun and several other more regional sites. Reducing the number of ELs ensures that the Company is targeting known uranium mineralisation whilst fast tracking the development of the Temrezli uranium deposit and the regional areas of Sefaatli and West Sorgun.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs

The following changes occurred during the year:

(i) On 13 August 2014, the Company announced an amendment to the Put Option Agreement with Azarga Resources (**Azarga**). Anatolia and Azarga agreed that Azarga will pay $375,000 to Anatolia in consideration for substituting the put option arrangement under the Put Option Agreement for a call option arrangement that will see Azarga subscribe for Call Options over 8.3 million shares in Anatolia at $0.08 per share, maturing on 31 March 2015. Of the $375,000 consideration, $41,667 was received as consideration for issuing the new options as noted in point (ii) below

(ii) On 14 August 2014, pursuant to ASX Listing Rule 7.1, the Company issued 8,333,333 options to acquire shares in the capital of the Company exercisable at 8.0 cents per share and having an expiry date of 31 March 2015 to Azarga Resources in consideration of 0.5 cents per option which raised $41,667.

(iii) On 27 August 2014 the Company announced that it had received commitments to raise up to $6.0 million (before costs) through the issue of up to 75 million fully paid ordinary shares at 8.0 cents per share (**Share**) with 1 attaching free option to acquire shares in the capital of the Company for every 2 shares subscribed for, exercisable at 12.0 cents per share and having an expiry date of 30 September 2016 (**Attaching Option**) (together, the **Placement**). At this time the Company did not have sufficient capacity pursuant to ASX Listing Rules 7.1 and 7.1A to issue all of the Placement securities which necessitated that the Placement be completed over two tranches. The first tranche (**Tranche 1**) was to issue 50,000,000 Shares as soon as practical to raise $4.0 million and to issue the balance of up to a further 25,000,000 Shares, to raise $2.0 million, and the 37,500,000 Attaching Options following shareholder approval in a general meeting (**Tranche 2**).

(iv) On 3 September 2014 the Company issued 50,000,000 Tranche 1 Shares at an issue price of 8.0 cents per share to institutional and sophisticated investors which raised $4.0 million before costs.

(v) On 15 October 2014 the Company issued 25,000,000 Tranche 2 Shares at an issue price of 8.0 cents per share to institutional and sophisticated investors which raised $2.0 million before costs. The 37,500,000 Attaching Options relating to Tranche 1 and Tranche 2 were also issued.

(vi) On 4 June 2015 the Company announced a merger with Uranium Resources Inc.

(vii) On 23 June 2015 the Company and Uranium Resource Inc. (URI) executed a loan agreement wherein URI will provide a secured loan of up to A$2 million to the Company in two tranches of up to A$1 million each, with the first tranche available upon closing the loan transaction and the second tranche available after September 2015.

Events Subsequent to the Reporting Date

Significant activities which occurred after the reporting date include:

(i) On 17 July 2015, the Company issued 2,109,500 fully paid ordinary shares on conversion of 50 Class D performance shares.

(ii) On 4 September 2015, the Federal Court of Australia ordered the convening of Scheme Meetings to enable all securityholders to vote on the proposed merger with URI by way of Scheme of Arrangement.

(iii) On 8 September 2015, the Company despatched the Scheme Booklet to its shareholders relating to the proposed acquisition of the Company by URI including a Notice of Scheme Meetings, a Notice of Shareholder General Meeting and a Notice of Performance Shareholder General Meeting to be held on 9 October 2015.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any matters or circumstances which significantly affected or could significantly affect the operations of the consolidated group, the results of the operations, or the state of affairs of the consolidated group in future financial years.

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results

Key dates relating to the Merger with URI are as follows:

Event	Date
First Court Date	4 September 2015
Date of this Scheme Booklet	7 September 2015
Uranium Resources Shareholder meeting	23 September 2015
Latest date and time for receipt of Proxy Forms or powers of attorney for Scheme Meetings	7 October 2015 at 11.30am (WST)
Date and time for determining eligibility to attend and vote at Scheme Meetings and General Meetings	7 October 2015 at 5.00pm (WST)
Time and date of Scheme Meetings and General Meetings (to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005	9 October 2015 at: Share Scheme Meeting 11.30am (WST) Shareholder General Meeting 12.30am (WST) Option Scheme Meeting 1.00pm (WST) Performance Share Scheme Meeting 2.00pm (WST) Performance Shareholder General Meeting 3.00pm (WST)
Second Court Date (for approval of the Scheme)	22 October 2015
Outcome of Second Court Date announced to ASX	22 October 2015
Effective Date Court order lodged with ASIC and announcement to ASX Last date for trading in Anatolia Shares and Quoted Anatolia Options on ASX – Anatolia Shares and Quoted Anatolia Options suspended from trading on ASX from close of trading	23 October 2015
Record Date for determining entitlements to Scheme Consideration	30 October 2015 at 7.00pm (WST)
Implementation Date	9 November 2015
Issue of Scheme Consideration to Scheme Securityholders and dispatch of holding statements for Scheme Consideration	9 November 2015
New Uranium Resources Shares commence quotation on NASDAQ	10 November 2015
Uranium Resources CDIs commence quotation on the ASX	10 November 2015
Termination of official quotation of Anatolia Securities on ASX	11 November 2015

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results (continued)

At the flagship Temrezli uranium deposit, the Company will continue to advance towards a development decision. The exploration programme at the Sefaatli Project and other high priority targets within close proximity to Temrezli is to continue with a view to developing satellite operations that would ultimately feed into the Temrezli Project offering potential to increase production rate and expand mine life. The Environmental Impact Assessment which is currently in progress will continue and is expected to be completed late in 2015.

Environmental Regulation and Performance

The Company does not conduct any activity which impacts on the environment in Australia. Notwithstanding this, the Company is cognisant of positive environmental practices and continuously ensures that adequate systems are in place and maintained for the effective management of its environmental obligations under Turkish law.

Performance Shares and Share Options

At the date of this report, the following performance shares and options over unissued ordinary shares of the Company are on issue:

(i) 11,692,202 A Class Performance Shares convertible to 10,631,375 ordinary shares upon achievement of milestones prior to 10 February 2016;

(ii) 400,000 unlisted options exercisable at $0.08 with an expiry date of 30 November 2017;

(iii) 1,000,000 unlisted options exercisable at $0.065 with an expiry date of 30 November 2017;

(iv) 47,917,750 listed options exercisable at $0.18 with an expiry date of 15 June 2017;

(v) 10,750,000 unlisted incentive options exercisable at $0.05 with an expiry date of 28 November 2018.

(vi) 37,500,000 options exercisable at $0.12 with an expiry date of 30 September 2016.

(vii) 1,000,000 options exercisable at $0.08 with an expiry date of 6 March 2017.

(viii) 1,000,000 options exercisable at $0.09 with an expiry date of 2 March 2018.

(ix) 1,000,000 options exercisable at $0.12 with an expiry date of 8 October 2019.

(x) 500,000 options exercisable at $0.09 with an expiry date of 28 February 2019.

(xi) 1,000,000 options exercisable at $0.08 with an expiry date of 20 January 2020.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company.

Unlisted options expired as follows:

(i) 8,333,333 options exercisable at $0.08 with an expiry date of 31 March 2015.

(ii) 84,000 options exercisable at $0.18 with an expiry date of 14 November 2014.

DIRECTORS' REPORT (continued)

Indemnification and Insurance of Directors and Officers

The company has agreed to indemnify the present Directors of the Company, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the Directors of its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify Executive officers for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position in the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT (continued)

Audited Remuneration Report

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Parent and the Group, directly or indirectly, including the two Executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'Executive' encompasses the Managing Director, Senior Executives and Secretaries of the Parent and the Group.

Key Management Personnel

Directors

Dr Hikmet Akin	Non-Executive Chairman
Mr Paul Cronin(i)	Managing Director
Mr Robert Annett	Non-Executive Director
Mr Patrick Burke	Non-Executive Director
Mr Lee Boyd(ii)	Non-Executive Director / Company Secretary
Mr Jim Graham(iii)	Managing Director

Executives

Mr Scott Mison(iv)	Company Secretary / Chief Financial Officer
Mr Tom Young(v)	Chief Operating Officer

(i) Appointed as Managing Director on 10 February 2015.

(ii) Resigned as Non-Executive Director on 31 July 2014 and as Company Secretary on 3 December 2014.

(iii) Resigned on 7 November 2014.

(iv) Appointed on 4 December 2014.

(v) Appointed on 21 January 2015.

Compensation Policy

Remuneration packages are set at levels that are intended to attract and retain Executives capable of managing the Company's exploration activities and achieving the Company's strategic objectives. No remuneration for Executives is based on the Company's performance.

Remuneration Committee

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

Executive remuneration and other terms of employment are reviewed annually by the Chairman of the Remuneration Committee having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

During the 2015 financial year, the full Board of Directors performed the role of the Remuneration Committee.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

DIRECTORS' REPORT (continued)

Non-Executive Director Remuneration

Remuneration of Non-Executive Directors is determined by the Board, acting on advice from the remuneration committee.

The Directors resolved in May 2014 that Director's fees would be $30,000 per annum and Chair premium an extra $20,000 per annum commencing from 1 May 2014.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed.

The latest determination was at the annual general meeting held on 6 December 2010 where shareholders approved an aggregate remuneration from $120,000 to $400,000 per year.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Company (purchased by the Director on the market). It is considered good governance for Directors to have a stake in the Company on whose Board they sit.

Senior Executive and Managing Director Remuneration

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward Executives appropriate benchmarks,
- Align the interests of Executives with those of shareholders,
- Link reward with the strategic goals of the Company, and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board as a whole acting as the Remuneration Committee seeks input from several sources including the Non-Executive Directors of the Company, professional consultants and industry bodies.

Remuneration packages may contain the following key elements:

- Fixed compensation
- Share based payments

Fixed compensation is structured as a total employment package which may be delivered as a mix of cash and prescribed non-financial benefits. Share based payments may also be granted to executives with approval from the Company's shareholders at Annual General Meetings and under the Executive Incentive Option Plan.

Executives are offered a competitive fixed base pay. The remuneration committee obtains relevant comparative information and seeks independent advice to ensure base pay is set to reflect the market for a comparable role. Base pay for Senior Executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases for any Senior Executives.

Benefits

Retirement benefits are delivered under the Superannuation Guarantee Legislation.

Variable Compensation

There is no performance related variable compensation because it is not considered appropriate given the current status and strategy of the Group.

DIRECTORS' REPORT (continued)

Key Management Personnel Contracts

Mr Paul Cronin – Managing Director and Chief Executive Officer

Base salary: GBP£192,000 p.a.

Options: Subject to Shareholder Approval, the grant of 3,000,000 Options, each to acquire 1 Share in the Company, at an exercise price of $0.09 per Share, on or before the fourth anniversary of the date of Grant.

Bonus: A cash bonus of GBP£192,000 in the event of a scheme of arrangement, takeover or other change of control becoming unconditional.

Termination notice: Mr Cronin may resign by giving 3 months' notice to Anatolia; and Anatolia may terminate Mr Cronin with immediate effect for cause or by giving 12 months' notice or payment in lieu without cause.

On 5 August 2015, Uranium Resources Inc (URI), the Company and Mr Cronin and Swellcap Ltd (a related party to Mr Cronin) entered into a letter agreeing to terminate the engagement of Swellcap. Under the consultancy agreement between the Company, Mr Cronin and Swellcap, Swellcap is entitled to a success fee of GBP£192,000 (referred to above) and any amounts paid out in lieu of notice (the notice period being 12 months).

Mr Tom Young – Chief Operating Officer

Base salary: US$235,000 p.a. whilst based in the United States, changing to A$250,000 p.a. when based in Australia.

Options: 1,000,000 Options, each to acquire 1 Share in the Company, at an exercise price of $0.08 per Share, on or before the fifth anniversary of the date of grant and vesting on the first anniversary of the date of grant.

Bonus: US$150,000 in the event that during the term but no later than 31 December 2018, the Company delivers into US legal sales contracts 1,000,000 lbs of U_3O_8 produced from the Temrezli Uranium Project.

Termination notice:

	Notice period	Payment in lieu of notice
Employer - initiated termination without reason	12 months (first 18 months of contract) 6 months (after 18 months)	12 months (first 18 months of contract) 6 months (after 18 months)
Termination for serious misconduct	None	None
Employee – initiated termination	3 months	None

Dr Hikmet Akin – Non-executive director

Directors' fee: $6,666 per month with a transaction uplift to $8,334 per month for up to 6 months while a transaction is being implemented.

Bonus: Cash bonus of $50,000 in the event of a transaction.

Mr Robert Annett – Non-executive director

Directors' fee: $4,167 per month.

Consulting fee: $12,500 per month.

Bonus: $180,000 payable upon the Scheme of Arrangement becoming unconditional.

Termination notice: 12 months by either party or payment in lieu.

Mr Annett was given notice on 15 June 2015 that the consultancy agreement would terminate of 1 July 2016.

Mr Patrick Burke – Non-executive director

Directors' fee: $4,166 per month

Consulting fee: $4,166 per month

Options: Subject to Shareholder Approval, the grant of 1,000,000 Options, each to acquire 1 Share in the Company, at an exercise price of $0.12 per Share, on or before the fourth anniversary of the date of Grant 50% vesting on issue, 25% vesting after 6 months and remaining 25% vesting after 12 months from the date of issue.

DIRECTORS' REPORT (continued)

Compensation of Key Management Personnel

		Short-term		Post-employment	Termination payments	Equity-settled share based payments	Total	Remuneration consisting of options
		Salary & Fees	Non-monetary benefits	Superannuation		Options		
		$	$	$	$	$	$	%
Dr H Akin	2014	41,792	-	-	-	31,047	72,839	43
	2015	69,211	-	-	-	4,353	73,564	6
Mr P Cronin	2014	-	-	-	-	31,047	31,047	100
	2015	23,039	-	-	-	4,353	27,392	16
Mr R Annett	2014	7,500	-	-	-	46,570	54,070	86
	2015	40,000	-	-	-	6,530	46,530	15
Mr P Burke	2014	-	-	-	-	-	-	-
	2015	42,550	-	-	-	20,167	62,717	32
Mr J Graham	2014	59,358	-	-	-	79,829	139,187	57
	2015	21,071	-	-	-	11,042	32,113	34
Mr P Kausch	2014	30,000	-	-	-	23,285	53,285	-
	2015	-	-	-	-	-	-	-
Mr L Boyd	2014	65,834	-	-		46,570	112,404	41
	2015	71,500	-	-	132,917	6,530	210,947	3
Mr S Mison	2014	-	-	-	-	-	-	-
	2015	63,000	-	-	-	-	63,000	-
Mr T Young	2014	-	-	-	-	-	-	-
	2015	123,831	-	-	-	15,159	138,990	11
Total	2014	204,484	-	-	-	258,348	462,832	56
	2015	454,202	-	-	132,917	68,134	655,253	10

No bonuses have been paid anytime during the past 5 financial years. Refer below for details of securities-based remuneration to directors during the 2015 financial year.

Options and Rights Granted as Remuneration of Key Management Personnel

On 29 November 2013, shareholders approved the Executive Incentive Option Plan (EIOP) and Non-executive Incentive Option Plan (NEIOP). The objective of the EIOP and NEIOP is to attract, motivate and retain executive and non-executive directors and key employees and it is considered by the Company that the issue of options will provide executive and non-executive directors with the opportunity to participate in the future growth of the Company.

The options are issued for nil consideration and carry no entitlements to voting rights or dividends of the Group and are not transferable. The number of options granted and the exercise price is determined by the Board. The options granted may be subject to conditions on exercise as may be fixed by the Directors prior to the grant of the options. Subject to the discretion of the Board, options are forfeited if the exercise conditions are not met, or if the option holder ceases to be a Director or employee of the company and the options are not exercised within 12 months.

DIRECTORS' REPORT (continued)

Options and Rights Granted as Remuneration of Key Management Personnel (continued)

Under the EIOP and NEIOP, 8,250,000 options were granted to Directors on 29 November 2013 and issued on 23 January 2014. The options are to take up ordinary shares at an exercise price of $0.05 per share. The options are exercisable on or before 28 November 2018. 50% of the options vested immediately on issue, 25% vested on 29 May 2014 and 25% vested on 29 November 2014.

Options granted to Key Management Personnel during the year are as follows:

	Issue Date	Number	Value ($)
Mr P Burke	08/10/2014	1,000,000	21,650
Mr T Young	20/01/2015	1,000,000	42,770
		2,000,000	64,420

Option holdings of Key Management Personnel

	Balance at Beginning of the Year	Granted as remuneration	Exercised	Net change (other)	Balance at End of the Year	Total Vested and Exercisable	Total Unvested	Balance at date of this report
Dr H Akin	1,187,555	-	-	-	1,187,555	1,187,555	-	1,187,555
Mr P Cronin	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000
Mr R Annett	1,735,995	-	-	-	1,735,995	1,735,995	-	1,735,995
Mr P Burke	-	1,000,000	-	-	1,000,000	750,000	250,000	1,000,000
Mr J Graham*	3,900,000	-	-	(3,900,000)	-	-	-	-
Mr L Boyd*	1,500,000	-	-	(1,500,000)	-	-	-	-
Mr S Mison	-	-	-	-	-	-		-
Mr T Young	-	1,000,000	-	-	1,000,000	-	1,000,000	1,000,000
	9,323,550	2,000,000	-	(5,400,000)	5,500,000	4,250,000	1,250,000	5,923,550

* Resigned during the year.

Shareholdings of Key Management Personnel

Shareholdings of Key Management Personnel who were Directors or employees of the Company at the end of the year are as follows:

	Balance at beginning of the year	Granted as remuneration	Net change (other)	Balance at the end of the year	Balance at the date of this report
Ordinary shares					
Dr H Akin	3,130,997	-	-	3,130,997	3,130,997
Mr P Cronin	480,000	-	91,166	571,166	571,166
Mr R Annett	2,693,437	-	-	2,693,437	4,802,937
Mr P Burke	-	-	-	-	-
Mr J Graham*	1,250,204	-	(1,250,204)	-	-
Mr L Boyd*	867,150	-	(867,150)	-	-
Mr S Mison	-	-	-	-	-
Mr T Young	-	-	-	-	-

DIRECTORS' REPORT (continued)

Shareholdings of Key Management Personnel (continued)

	Balance at beginning of the year	Granted as remuneration	Net change (other)	Balance at the end of the year	Balance at the date of this report
A Class Performance shares					
Dr H Akin	573,824	-	-	573,824	573,824
Mr R Annett	52,500	-	-	52,500	52,500
D Class Performance shares					
Mr R Annett	50	-	-	50	-

*resigned during the year.

Transactions with Key Management Personnel

The following related party transactions occurred during the financial year:

(i) An amount of $nil (2014: $4,187) (excluding GST) has been paid to Akin Commodity Consulting Ltd, Canada, a related party to Dr Hikmet Akin, being specialist uranium and geological consulting fees for the year ended 30 June 2015.

(ii) An amount of $158,125 (2014: $211,625) (excluding GST) has been paid to Wiranja Pty Ltd, a related party to Bob Annett, being geologist fees for the year ended 30 June 2015.

(iii) An amount of $nil (2014: $136,329) (excluding GST) has been paid to Lee Boyd and Elovadae Trust, a related party to Lee Boyd, being corporate and administration consulting for the year ended 30 June 2015.

(iv) An amount of $376,391 (2014: $262,302) (excluding GST) has been paid to Swellcap Ltd, a related party to Paul Cronin, being professional fees for the year ended 30 June 2015.

(v) An amount of $nil (2014: $205,787) (excluding GST) has been paid to Nuclear Fuel Cycle Consulting, a related party to Jim Graham, being professional fees for the year ended 30 June 2015.

(vi) An amount of $24,996 (2014: $nil) (excluding GST) has been paid to Mr Patrick Burke, being legal fees for the year ended 30 June 2015.

Directors' Meetings

During the year, seven meetings of Directors were held. The number of meetings attended by each Director was as follows:

Director	Number of Meetings Held While in Office	Meetings Attended
Dr Hikmet Akin	7	7
Paul Cronin	7	7
Robert Annett	7	7
Patrick Burke	7	7
Lee Boyd	3	3
Jim Graham	3	2

DIRECTORS' REPORT (continued)

Committee Membership

As at the date of this report the full Board of Directors performs the functions of the Nomination, Remuneration and Audit and Governance Committees.

Auditor Independence and Non-Audit Services

The following non-audit services were provided to the Company and the consolidated entity by Moore Stephens, the Company's auditors. 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 nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Moore Stephens received or are due to receive the following amounts for the provision of non-audit services:

	$
Investigating Accountant's Report – Scheme of Arrangement with URI Inc.	15,000
Assurance related	14,000
	29,000

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 27.

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Dr Hikmet Akin

Chairman

30 September 2015

Competent Person Statements

The information in this report which relates to Exploration Results and Mineral Resources is based on information compiled by Mr Dmitry Pertel, Mr Robert Annett and Dr Maxim Seredkin, who are Members of the Australian Institute of Geosciences ("AIG"). Mr Pertel and Dr Seredkin are employed by CSA Global Pty Ltd, and Mr Annett is a non-Executive Director of Anatolia Energy Ltd. Mr Pertel, Mr Annett and Dr Seredkin have over 20 years of exploration and mining experience in a variety of mineral deposit styles, and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pertel, Mr Annett and Dr Seredkin consent to inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report which relates to the Temrezli Plant and Well field Engineering is based on information compiled by Mr Thomas Young who at the effective date of the PFS was employed by TetraTech Inc. Mr Young is a Professional Engineer in the State of Colorado and is a member of a Recognised Overseas Professional Organisation as listed by the ASX. Mr Young has over 30 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code Mr Young consents to inclusion in this report of the matters based on this information in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

The Company's main corporate governance policies and practices are outlined below.

Board of Directors

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 the overall corporate governance of the consolidated entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting. The Board has also established a framework for the management of the Company including a system of internal controls and the establishment of appropriate ethical standards.

Composition of the Board

The composition of the Board is determined using the following principles:

- A minimum of three directors, with a broad range of expertise. This number may be increased where it is felt additional expertise is required in specific areas, or when an outstanding candidate is identified.
- Directors having extensive knowledge of the Company's industries, and those which do not, have extensive expertise in significant aspects of auditing and financial reporting, or risk management and financing of public companies.
- The composition of the Board should, as far as is practicable given the Company's early stage of development, be 50% independent Non-Executive Directors.
- The roles of Chairman and Managing Director are not to be exercised by the same individual, and
- A maximum service period of three years, subject to re-election (except for the Managing Director).

Board members have experience in the management of public companies. The Board has at all times during the year had a majority of independent directors as recommended by the ASX Corporate Governance Council. The Directors consider that the current number of independent directors in the Company is appropriate for the effective execution of the Board's responsibilities. The Directors periodically monitor the need to appoint additional independent directors.

At the date of this report, the Directors of the Board are as follows:

• Mr Paul Cronin	Managing Director	(Appointed 10 February 2015)
	Non-executive Director	(Appointed 10 February 2014)
• Dr Hikmet Akin	Non-executive Chairman	(Appointed 1 April 2011)
• Mr Robert Annett	Non-executive Director	(Appointed 1 April 2011)
• Mr Patrick Burke	Non-executive Director	(Appointed 21 July 2014)

Directors Term in Office

The terms of office of Directors in office at the date of this report are as follows:

• Dr Hikmet Akin	4 years and 6 months
• Mr Robert Annett	4 years and 6 months
• Mr Paul Cronin	1 year and 9 months
• Mr Patrick Burke	1 year and 2 months

The following Directors are considered to be independent:

- Dr Hikmet Akin
- Mr Patrick Burke

CORPORATE GOVERNANCE STATEMENT (continued)

Board Processes

The Board has established a framework for the management of the Company including a system of internal controls, a business risk management process and appropriate ethical standards.

The full Board schedules meetings, including strategy meetings and any extraordinary meetings, as necessary to address any specific significant matters that may arise. The agenda for meetings is prepared in conjunction with the Board and Company Secretary. Standing items include the management report, financial report, strategic matters, governance and compliance. Submissions are circulated in advance.

The Company is not currently considered to be of size, nor is its affairs of such complexity to justify the establishment of separate Board committees, including a Nomination Committee, Audit and Governance Committee and Remuneration Committee. Accordingly, all matters that may be considered by such committees are dealt with by the full Board. Details of the Board's procedures in respect of each of these areas are further outlined within the Corporate Governance Statement below.

Director Education

The Company has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of directors. Directors also have the opportunity to visit Company facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant company information and to the Company's Executives and, subject to prior consultation with at least one other Non-Executive Director, may seek independent advice from a suitably qualified adviser at the Company's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Board's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the Board.

Diversification Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company has not established a diversity policy as it is not considered to be of a size, nor is its affairs of such complexity to justify the establishment of a formal policy. There are currently no women on the Board. The Company does not currently have any employees in Australia and instead contracts out its services requirements. The Company subsidiary Adur Madencilik Sti, incorporated in Turkey, employs 6 staff, 33% of which are female including the IT specialist and an administrative assistant.

Nomination Committee

The Board considers that a formally constituted Nomination Committee is not appropriate as the Board, as part of its usual role oversees the appointment and induction process for directors, and the selection, appointment and succession planning process of the Company's executive officers. The Board considers the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the skills deemed necessary. The Board identifies potential candidates and may take advice from an external consultant. The Board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

The Chairman continually reviews the effectiveness of the Board, individual directors, and senior executives. The other directors have an opportunity to contribute to the review process. The reviews generate recommendations to the Board, which votes on them. Directors displaying unsatisfactory performance are encouraged to retire.

Remuneration Committee

The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Non-Executive Chairman, Managing Director, other key Executives and Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies. Remuneration levels competitively set to attract the most qualified and experienced Executives and Directors, and are reviewed on an annual basis.

CORPORATE GOVERNANCE STATEMENT (continued)

The committee may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages may include a mix of fixed remuneration, a performance-based remuneration, and equity-based remuneration.

The remuneration structures explained below are designed to attract suitably qualified candidates, and to affect the broader outcome of maximizing the Company's profitability. The remuneration structures take into account:

- Overall level of remuneration for each director and executive,
- The executive's ability to control the performance of the relevant area, and
- The amount of incentives within each executive's remuneration.

Shares and options can only be issued to Company Directors under a resolution at a general meeting of shareholders.

Non-Executive Directors may receive a base fee and can be remunerated by a way of shares and options issued and approved under a resolution at a general meeting of shareholders.

The Board has no established retirement or redundancy schemes.

The full Board of Directors performs the function of the remuneration committee.

Audit and Governance Committee

The role of the Audit and Governance Committee is documented in a Charter, which is approved by the Board of Directors. In accordance with this Charter, majority members of the Committee must be Non-Executive Directors. The role of the Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the company.

It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.

The Managing Director and the Company Secretary are invitees of the committee, but do not vote.

The external auditors are invited to meetings at the discretion of the Committee.

The responsibility of the Audit and Governance Committee include:

- Reviewing the annual and interim financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholders' needs.
- Reviewing audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified appropriate and prompt remedial action is taken by management.
- Monitoring the establishment of an appropriate internal control framework and considering enhancements.
- Liaising with the external auditors and ensuring that the annual and half year statutory audits are conducted in an effective manner.
- Assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence which is consistent with Professional Statement F.1 of the Code of Professional Conduct as recognised by Australia's professional accounting bodies.
- Reviewing the nomination and performance of the external auditor. The external audit engagement partner will be rotated every five years.
- Assessing corporate risk assessment processes.
- Reviewing and approving new accounting policies to ensure compliance with Australian Accounting Standards.
- Assessing the adequacy of the Company's code of ethical standards addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, Australian Stock Exchange and financial Institutions.
- Monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements and reviewing the declaration form from the Company Secretary on compliance with statutory responsibilities.

CORPORATE GOVERNANCE STATEMENT (continued)

The directors review the performance of the external auditors on an annual basis and normally meet with them during the year to:

- Discuss the external audit plans, identify any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed.
- Review the annual and half-year reports prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend Board approval of these documents, prior to announcement of results.
- Finalise annual and half-year reporting:
  - Review the results and finding of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.
  - Review the draft financial report and recommend Board approval of the financial report.
- As required, to organise, review and report on any special reviews or investigations deemed necessary by the Board.

The members of the Audit and Governance Committee during the year ended 30 June 2015 were the full Board.

Risk Management

Overview of the Risk Management System

The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing operational, financial reporting, and compliance risks for the Company. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for reporting risk management and associated compliance and controls. Instead, a director, in accordance with company policy, approves all expenditure, is intimately acquainted with all operations and reports all relevant issues to the other Directors at the Directors' meetings. The company secretary has declared to the Board, that the aforementioned system is working efficiently and effectively.

The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the entire part of the financial year that the Company operated and the period up to the signing of the annual financial report for all material operations in the Company.

Risk Profile

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Major risks arise from such matters as actions by competitors, government policy changes, difficulties in sourcing raw materials, the robustness of the technologies being used or proposed to be used, environment, occupational health and safety, financial reporting and the purchase, development and use of information systems.

Risk Management, Compliance and Control

The Board acknowledges that it is responsible for the overall internal control management, but recognises that no cost effective internal control system will preclude all errors and irregularities. Practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior Board approval,
- Financial exposures are controlled, including the potential use of derivatives,
- Occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations,
- Business transactions are properly authorised and executed,
- The quality and integrity of personnel (see below),
- Financial reporting accuracy and compliance with the financial reporting regulatory framework (see below), and
- Environmental regulation compliance (see below).

CORPORATE GOVERNANCE STATEMENT (continued)

Quality and Integrity of Personnel

The Company conducts a comprehensive review of the ability and experience of potential employees prior to appointment. Informal appraisals will be conducted regularly with continuous feedback and on the job monitoring and training for all employees. Formal appraisals will be conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews will create an environment of co-operation and construction dialogue with employees and senior management.

Financial Reporting

The company secretary has declared to the Board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Following the reporting period, monthly actual results are reported against budgets approved by the directors and revised forecasts for the year and prepared regularly.

Environmental Regulation

The Company does not conduct any activity which impacts on the environment in Australia. Notwithstanding this, the Company is cognisant of positive environmental practices and is in continuous liaison with Adur Madencilik Sti to ensure that adequate systems are in place and maintained for the effective management of its environmental obligations under Turkish law.

Internal Audit

The Company does not have a formally established internal audit function. The Board ensures compliance with the internal controls and risk management procedures previously mentioned.

Ethical Standards

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a director on a Board matter, the director concerned is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and Company are set out in Note 18.

Code of conduct

The Company is not currently considered to be of a size, nor are its affairs of such complexity to justify the establishment of a formalised Code of Conduct. The Company has adopted certain induction procedures to inform newly appointed directors, managers and employees if their rights and their duty to act with utmost integrity and objectivity.

Trading in Company securities by directors and employees

The constitution permits directors to acquire shares in the Company. Company policy prohibits directors from dealing in shares whilst in possession of price sensitive information or during specified prohibited periods. Directors must notify the company secretary once they have bought or sold shares in the Company or exercised options over ordinary shares in accordance with the provisions of the *Corporations Act 2001* and the Listing Rules of the Australian Securities Exchange. The Company on behalf of the directors must advise the Australian Stock Exchange of any transactions conducted by them in shares and / or options in the Company.

Communication with Shareholders

Whilst the Board has not formally documented the Company's continuous disclosure procedures, the Board, as part of its usual role, provides shareholders with information using comprehensive continuous disclosure processes which includes identifying matters that may have a material effect on the price if the Company's securities, notifying them to the ASX, issuing media releases and posting onto the Company's website www.anatoliaenergy.com.au.

In summary, the continuous disclosure processes operate as follows:

CORPORATE GOVERNANCE STATEMENT (continued)

- The Board and the company secretary are responsible for all communications with the ASX. Matters that may have an effect on the price of the Company's securities are advised to the ASX on the day they are discovered. Senior Executives monitor all areas of the group's internal and external environment.
- The full annual financial report is made available to all shareholders, and includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments.
- The half-yearly report contains summarised financial information and a review of the operations of the Company during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it.
- Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders.
- All announcements made to the market, and related information (including information provided to analysts and the media), are released to the ASX.
- Transcripts of any address to shareholders at the Company's Annual General Meeting are lodged with the ASX.
- The external auditor attends the Annual General Meeting to answer any questions concerning the audit and the content of the Auditor's Report.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the constitution. Copies of the constitution are available to any shareholder who requests it.

CEO and CFO certification

The Chief Executive Officer and Chief Financial Officer have provided a written statement to the Board that:

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

Departures from the Corporate Governance Principles and Recommendations

The Company's corporate governance principles were in place throughout the year ended 30 June 2015 and were fully compliant with the Council's recommendations in all respects other than as follows:

- The Company does not have a formally constituted nomination committee. Please refer to above disclosure with respect to the nomination committee.
- The Company does not have a formal diversification policy in place. Please refer to the above disclosure on diversification policies.

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF ANATOLIA ENERGY LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Suan-Lee Tan	**Moore Stephens**
Partner	**Chartered Accountants**

Signed at Perth this 30th day of September 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANATOLIA ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Anatolia Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Anatolia Energy Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

a. the financial report of Anatolia Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, we draw attention to note 2(a) of the financial statements which states that the financial statements have been prepared on a going concern basis. Whilst the Company currently has adequate financial resources for the medium term, its ability to continue as a going concern for at least the next 12 months will require it to undertake further capital raisings during this period should the merger with Uranium Resources Inc. not proceed. Based on prior experience, the directors of the Company are confident of obtaining the necessary shareholder support if and when required. Notwithstanding this there is uncertainty as to whether the Company will continue as a going concern for a minimum period of the next 12 months. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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

In our opinion the remuneration report of Anatolia Energy Limited for the year ended 30 June 2015 complies with s300A of the *Corporations Act 2001*.

Suan-Lee Tan	MOORE STEPHENS
Partner	**Moore Stephens**
	Chartered Accountants

Signed at Perth this 30th day of September 2015

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	2014 $
Income	3(a)	440,295	59,597
Consulting fees		(383,262)	(257,965)
Directors and company secretarial fees		(257,859)	(233,517)
Travel expenses		(235,705)	(137,401)
Share based payments		(161,884)	(335,964)
Other expenses from continuing operations	3(b)	(1,374,185)	(1,223,449)
Loss before income tax expense		(1,972,600)	(2,128,699)
Income tax expense	4	-	-
Loss for the year		(1,972,600)	(2,128,699)
Loss attributable to non-controlling interests		-	2,546
Loss attributable to members of the parent entity		(1,972,600)	(2,126,153)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		980,860	(27,035)
Total comprehensive loss for the period		(991,740)	(2,153,188)
Total comprehensive loss attributable to:			
Members of the parent entity		(991,740)	(2,153,188)
Non-controlling interest		-	(2,546)
		(991,740)	(2,155,734)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
- basic and diluted loss per share (cents per share)	5	(0.67)	(1.00)

The above financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Current Assets			
Cash and cash equivalents	6	2,064,428	1,167,851
Trade and other receivables	7	58,928	57,179
Prepayments		30,986	50,055
Total Current Assets		2,154,342	1,275,085
Non-Current Assets			
Exploration and evaluation assets	8	22,688,259	17,698,795
Plant and equipment	9	51,821	85,863
Other non-current assets	10	784,005	467,309
Total Non-Current Assets		23,524,085	18,251,967
Total Assets		25,678,427	19,527,052
Current Liabilities			
Trade and other payables	11	637,251	309,930
Interest-bearing liabilities	12	970,009	-
Total Current Liabilities		1,607,260	309,930
Total Liabilities		1,607,260	309,930
Net Assets		24,071,167	19,217,122
Equity			
Contributed equity	13	62,300,664	56,688,422
Reserves		4,139,607	2,925,204
Accumulated losses		(42,428,186)	(40,455,586)
Parent Interest		24,012,086	19,158,040
Non-controlling interest		59,082	59,082
Total Equity		24,071,167	19,217,122

The above financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital $	Option premium reserve $	Option reserve $	Convertible Note reserve $	Foreign currency translation reserve $	Accumulated losses $	Non-controlling interests $	Total equity $
Balance at 1 July 2013	51,794,473	-	2,340,655	-	275,620	(38,329,433)	61,628	16,142,943
Loss attributable to members of the parent entity	-	-	-	-	-	(2,126,153)	-	(2,126,153)
Net loss for the period	-	-	-	-	-	(2,126,153)	-	(2,126,153)
Other comprehensive income for the year	-	-	-	-	(27,035)	-	-	(27,035)
Loss attributable to minority shareholders	-	-	-	-	-	-	(2,546)	(2,546)
Contributions of equity	5,200,000	-	-	-	-	-	-	5,200,000
Capital raising costs	(306,051)	-	-	-	-	-	-	(306,051)
Share-based payment expense	-	-	335,964	-	-	-	-	335,964
Balance at 30 June 2014	56,688,422	-	2,676,619	-	248,585	(40,455,586)	59,082	19,217,122
Balance at 1 July 2014	56,688,422	-	2,676,619	-	248,585	(40,455,586)	59,082	19,217,122
Loss attributable to members of the parent entity	-	-	-	-	-	(1,972,600)	-	(1,972,600)
Net loss for the period	-	-	-	-	-	(1,972,600)	-	(1,972,600)
Other comprehensive income for the year	-	-	-	29,991	980,860	-	-	1,010,851
Contributions of equity	6,000,000	41,667	-	-	-	-	-	6,041,667
Capital raising costs	(387,758)	-	-	-	-	-	-	(387,758)
Share-based payment expense	-	-	161,885	-	-	-	-	161,885
Balance at 30 June 2015	62,300,664	41,667	2,838,504	29,991	1,229,445	(42,428,186)	59,082	24,071,167

The above financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash Flows from Operating Activities			
Payments to suppliers		(954,723)	(1,735,129)
Net Cash Outflow from Operating Activities	6	(954,723)	(1,735,129)
Cash Flows from Investing Activities			
Interest received		51,747	91,327
Proceeds from sale of financial instrument		375,000	-
Exploration and evaluation costs		(5,173,640)	(3,425,803)
Payments for property, plant and equipment	9	(14,050)	(46,473)
Net Cash Outflow from Investing Activities		(4,760,943)	(3,380,949)
Cash Flows from Financing Activities			
Proceeds from issue of securities	13	6,000,000	5,200,000
Share issue costs	13	(387,758)	(306,051)
Proceeds from issue of convertible note	12	1,000,000	-
Net Cash Inflow from Financing Activities		6,612,242	4,893,949
Net increase/(decrease) in cash and cash equivalents		896,577	(222,129)
Cash and cash equivalents at beginning of the financial year		1,167,851	1,392,762
Effects of exchange rate changes on cash and cash equivalents		-	(2,782)
Cash at the End of the Financial Year	6	2,064,428	1,167,851

The above financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. CORPORATE INFORMATION

The financial report of Anatolia Energy Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 30 September 2015.

The Company is incorporated in Australia, limited by shares and whose shares are publicly traded on the Australian Securities Exchange.

The registered office of the Company and principal place of business is Ground Floor, 10 Outram Street, West Perth WA 6005.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative announcements of the Australian Accounting Standards Board.

The financial report has also 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 financial report is presented in Australian dollars.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year ended 30 June 2015 the consolidated entity incurred a net loss after tax of $1,972,600 and a net cash outflow from operating activities of $954,723. Notwithstanding this the directors consider the going concern basis to be appropriate as they are confident of obtaining the required investor support to ensure that the merger with URI will proceed following shareholder approval at the General Meeting on 9 October 2015. The merger with URI should increase the resources available to Anatolia going forward, and also increase their capacity to raise capital going forward.

Should the merger not proceed, the Company will be required to undertake further capital raising in the short term to fund working capital and continue as a going concern. The Directors are confident that of the Company's ability to successfully raise additional funds in the current market, and as such to continue as a going concern.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of compliance

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

In the current year the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for annual reporting periods beginning on 1 July 2014. None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

The following standards, amendments to standards and interpretations were available for early adoption at 30 June 2015, but have not been applied in preparing this financial report.

(i) AASB 9: *Financial Instruments* and associated Amending Standards (applicable for the Group's 30 June 2018 financial statements):

This 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. The Company has not yet determined the potential effect of the Standard.

(ii) Other standards no yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

(d) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Anatolia Energy Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Principles of consolidation (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The names of the entities controlled by the Company are set out in Note 15 to the financial statements.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Principles of consolidation (continued)

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(e) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

Capitalised Exploration and Evaluation Assets

The future recoverability of capitalised exploration and evaluation assets is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether is successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of measured, indicated and inferred mineral resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation assets are determined not to be recoverable in the future, this will reduce profit and net assets in the period in which this determination is made.

In addition, exploration and evaluation assets are capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which the determination is made.

(f) Revenue recognition

Interest

Revenue is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividend revenue

Dividend revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the right to receive a dividend has been established.

(g) Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period’s taxable income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tax (continued)

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance sheet.

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

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

(h) Cash and cash equivalents

Cash and short term deposits in the Balance Sheet comprise cash on hand, in banks and money market investments readily convertible into cash within 2 working days. For the purposes of the Cash Flow Statement, cash includes cash on hand, in banks, and money market investments readily convertible into cash within 2 working days, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

(j) Investments

Investments in subsidiaries are carried at lower of cost and recoverable amount. Refer to Note 2(l) for Group's accounting policy on impairment of assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories

All inventories are classified as current and measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average cost.

(l) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit. If this value exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value is use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Investment in associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The Group's interests in joint venture entities are recorded using the equity method of accounting in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture shall be recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis on all property, plant and equipment. Major depreciation periods are:

	2015	2014
Leasehold Improvements	40 years	40 years
Plant & equipment	3-10 Years	3-10 Years
Office furniture & fixtures	3-15 Years	3-15 Years
Software	3-6 Years	3-6 Years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(o) Exploration and development expenditure

Exploration, evaluation and development 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 year 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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(p) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and the benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased term, are recognised as an expense on a straight-line basis. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

Finance leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in the Income Statement. The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(r) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the group prior to the end of the period that are unpaid and arise when the group becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Interest bearing liabilities

All borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(t) Employment benefits

Short-term benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit obligations

All Australian-based employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (9.5% of the employee's average ordinary salary for the year ended 30 June 2015) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(u) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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

(v) Earnings per share

Basic earnings per share is determined by dividing net profit/loss attributable to members of the Company, excluding any costs of servicing equity (other than dividends), by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

(i) Costs of servicing equity (other than dividends)
(ii) The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses
(iii) Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3. INCOME AND EXPENSES

	Consolidated 2015 $	Consolidated 2014 $
(a) Income		
Profit on sale of financial instrument	333,333	-
Interest income	90,485	55,960
Sundry income	16,477	3,637
	440,295	59,597

	Consolidated 2015 $	Consolidated 2014 $
(b) Other expenses		
Administration expenses	58,010	131,615
Conference expenses	15,288	27,226
Depreciation and amortisation expense	39,828	39,131
Foreign exchange loss	-	147,833
Impairments	198,226	159,711
Insurance	19,919	27,741
Legal fees	40,276	95,315
Listing and share registry expenses	78,615	52,366
Occupancy costs	31,980	70,068
Other	488,994	344,130
Professional relations and marketing expenses	125,320	69,932
Statutory compliance	70,409	58,381
Scheme of arrangement	207,320	-
	1,374,185	1,223,449

4. INCOME TAX EXPENSE

	Consolidated 2015 $	Consolidated 2014 $
(a) Income tax expense:		
The major components of income tax expense are:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in profit or loss	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4. INCOME TAX EXPENSE (continued)

(b) Numerical reconciliation of income tax expense recognised in profit or loss and tax expense calculated at the statutory tax rate

	Consolidated 2015 $	Consolidated 2014 $
Accounting loss from continuing operations before income tax	(1,972,600)	(2,126,153)
At the parent entity's statutory tax rate of 30% (2014: 30%)	(591,780)	(637,846)
Non-deductible expenses	-	-
Foreign tax credits	-	-
Adjustment for foreign income tax rates	-	2,316
Deferred tax assets/(liabilities) not recognised	(48,396)	(64,036)
Current year tax losses not recognised	640,176	699,566
Aggregate income tax expense	-	-

(c) Tax losses

The Group has tax losses for which no deferred tax asset is recognised on the balance sheet that are available indefinitely for offset against future taxable income, subject to continuing to meet relevant statutory tests. As at 30 June 2015 the total revenue losses carried forward were estimated to be approximately $8,863,000. Tax losses incurred prior to 30 June 2010 have been forfeited as the company failed the continuity of ownership test and same business test as required by the Australian taxation legislation in order to utilise company tax losses.

(d) Unrecognised temporary differences

At 30 June 2015, the Group has temporary differences for which a deferred tax asset has not been recognised of approximately $161,321 (2014: $169,614). These temporary differences exclude unused tax losses (see Note 4(c)).

(e) Tax consolidation

Effective from 1 July 2003, Anatolia Energy Ltd and its 100% owned Australian resident subsidiaries formed a tax consolidated group under tax consolidation legislation. Anatolia Energy Ltd is the head entity of the tax consolidate group. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. No deferred tax assets have been recognised with respect to unused tax losses as it is not probable that they will be recoverable in the future.

To date, there is no tax sharing agreement in place for tax liabilities incurred.

Under the terms of the tax funding agreement, Anatolia Energy Ltd and each of the entities in the income tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in the amount receivable or payable to the other entity in the tax consolidated group.

Anatolia Uranium Pty Ltd is not currently eligible to join the tax consolidated group due to a non-resident interposed entity. Anatolia Uranium (BVI) Ltd, Mozawl Mining, Constellres Limited and A Dur Madencilik Ltd Sti are not members of the tax consolidated group, as they are not Australian resident companies and Mozawl Mining is also not wholly owned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5. EARNINGS PER SHARE

	Consolidated	
	2015	2014
	$	$
Loss attributable to ordinary equity holders of the parent	(1,972,600)	(2,126,153)
Net loss for the period	(1,972,600)	(2,126,153)
Weighted average number of ordinary shares for basic loss per share	294,193,224	213,620,271
Basic and diluted loss per share (cents per share)	(0.67)	(1.00)
Basic and diluted loss per share attributable to ordinary equity holders of the parent	(0.67)	(1.00)

At 30 June 2015 there were a total of 52,400,000 (2014: 12,234,000) unlisted vested options on issue and 47,917,750 (2014: 47,917,750) listed options on issue. Refer to Note 13 for details on these options.

The total number of potential ordinary shares that are anti-dilutive is 100,317,750 (2014: 60,151,750).

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	$	$
Current		
Cash at bank and on hand	2,064,428	1,167,851
	2,064,428	1,167,851
Reconciliation to cash flow statement		
For the purposes of the cash flow statement, cash and cash equivalents consist of the following at 30 June:		
Cash at bank and on hand	1,564,428	112,985
Term deposits	500,000	1,054,866
	2,064,428	1,167,851

Cash at bank and term deposits earn interest at floating rates based on the bank's variable interest rate and the cash balance. Interest rates during the 2015 financial year varied between 0% to 3.60% in Australia and 0% to 2% in Turkey (2014: 0% to 10.25%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6. CASH AND CASH EQUIVALENTS (continued)

	Consolidated 2015 $	Consolidated 2014 $
Reconciliation of net loss after tax to cash flows from operations		
Net loss	(1,972,600)	(2,126,153)
Depreciation and amortisation	39,628	39,131
Loss attributable to minority equity interest	-	(2,546)
Interest received	(84,701)	(55,960)
Impairments	198,226	159,711
Share option expenses	161,884	335,964
Foreign exchange translations	(6,286)	71,966
Changes in assets and liabilities		
(Increase)/Decrease in other operating receivables	(1,749)	273,926
(Increase)/Decrease in prepayments	34,042	(24,026)
((Increase)/Decrease in other non-current assets	(316,696)	(467,309)
(Decrease)/Increase in trade creditors and accruals	993,529	60,167
Net cash used in operating activities	(954,723)	(1,735,129)

7. TRADE AND OTHER RECEIVABLES

	Consolidated 2015 $	Consolidated 2014 $
Current		
GST receivable	35,866	37,927
Other receivables	23,062	19,252
	58,928	57,179

Trade and other receivables mostly comprise of Goods and Services Tax receivable from Australian operations. As the Group only trades with recognised third parties, there is no requirement for collateral.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

8. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2015	2014
	$	$
Non-current		
Balance at 1 July	17,698,795	14,685,260
Expenditure incurred	5,173,640	3,173,246
Less: impairment expense	(184,176)	(159,711)
	22,688,259	17,698,795

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

Capitalised costs amounting to $5,173,640 (2014: $3,425,803) have been included in cash flows from investing activities in the statement of cash flows.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2015	2014
	$	$
Non-current		
Leasehold improvements, at cost	2,898	2,898
Less: Accumulated depreciation	(117)	(44)
Less: Impairment expense	(2,781)	-
	-	2,854
Plant and equipment, at cost	120,395	102,618
Less: Accumulated depreciation	(90,808)	(56,259)
Less: Impairment expense	(11,269)	-
	18,318	46,359
Furniture and fittings, at cost	102,465	71,471
Less: Accumulated depreciation	(68,962)	(34,821)
	33,503	36,650
Total property, plant and equipment	51,821	85,863

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year were as follows:

	Leasehold Improvements	Plant and Equipment	Furniture and Fittings	Total
Carrying amount at 1 July 2013	-	38,184	40,850	79,034
Additions	2,898	31,519	12,056	46,473
Disposals	-	-	-	-
Foreign exchange movements	-	(183)	(330)	(513)
Depreciation expense	(44)	(23,161)	(15,926)	(39,131)
Balance at 30 June 2014	2,854	46,359	36,650	85,863
Additions	-	2,181	10,835	13,016
Disposals	-	-	-	-
Foreign exchange movements	-	2,962	3,858	6,820
Impairment	(2,781)	(11,269)	-	(14,050)
Depreciation expense	(73)	(21,915)	(17,840)	(39,828)
Balance at 30 June 2015	-	18,318	33,503	51,821

10. OTHER NON-CURRENT ASSETS

	Consolidated	
	2015	2014
Non-current	$	$
VAT refundable	779,122	467,309
Prepayments	4,883	-
	784,005	467,309

Other non-current assets comprise of Value Added Tax receivable from Turkish operations.

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2015	2014
Current	$	$
Trade creditors	328,100	259,912
Other creditors and accruals	309,151	50,018
	637,251	309,930

The above trade and other payables carry the following terms and conditions:

- Trade creditors are non-interest bearing and are generally cleared on 30 to 60 day terms.
- Other creditors are non-interest bearing and have payment terms of between 30 and 90 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. INTEREST-BEARING LIABILITIES

	Consolidated	
	2015	2014
	$	$
Current		
Convertible Loan	970,009	-
	970,009	-
Summary of balance		
Convertible loan – face value	1,000,000	-
Amount classified as equity	(29,991)	-
Carrying amount of liability	970,009	-

Terms and conditions

On 23 June 2015, the Company entered into a Convertible Loan Agreement with Uranium Resources Inc. for a secured loan of up to A$2,000,000 which is available for drawdown in two tranches of up to A$1,000,000 each. The first tranche was drawn down on 26 June 2015 and the second tranche is available after September 2015.

Maturity:	31 December 2015
Conversion price:	A$0.08 per share
Conversion terms:	- Change of control of Anatolia; - Anatolia shareholders vote against the merger with Uranium Resources Inc.; or - The merger does not otherwise close by 30 December 2015.
Interest:	12% p.a.
Interest payment:	Cash or shares in the form of Anatolia shares valued at the 20-day VWAP of Anatolia at the time of the interest payment, at the election of Uranium Resources Inc.
Repayment:	- Within 4 months of the termination date should the merger be terminated; - Immediately upon change of control of Anatolia; or - If during conversion period, Uranium Resources Inc., can elect for conversion into Anatolia shares.
Security:	35% of the shares held in Anatolia Uranium Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. CONTRIBUTED EQUITY

	Consolidated 2015 $	Consolidated 2014 $
(a) Ordinary shares		
Ordinary shares	62,300,664	56,688,422

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Number	$
Movement in ordinary shares on issue		
At 1 July 2014	234,741,169	56,688,422
Share placements (i)	75,000,000	6,000,000
Share issue costs	-	(387,758)
At 30 June 2015	309,741,169	62,300,664

(i) During the 2015 financial year, the Company raised $6,000,000 (before costs) from the following:

a. On 3 September 2014, the Company issued 50,000,000 fully paid ordinary shares at 8.0 cents per share.

b. On 8 October 2014, the Company issued 25,000,000 fully paid ordinary shares at 8.0 cents per share.

	Number	$
(b) Listed options		
At 1 July 2014	47,917,750	-
At 30 June 2015	47,917,750	-

All listed options are exercisable at $0.18 with an expiry date of 15 June 2017.

	Number	$
(c) Unlisted options – vested and exercisable		
At 1 July 2014	12,234,000	-
Options issued (ii)	48,583,333	41,667
Options expired (iii)	(8,417,333)	-
At 30 June 2015 (i)	52,400,000	41,667

At 30 June 2015 the following unlisted options were on issue:

(i) Unlisted options on issue are exercisable as follows:
400,000 options exercisable at $0.08 with an expiry date of 30 November 2017. These options were issued pursuant to shareholder approval at the Annual General Meeting held on 30 November 2012 and are fully vested.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. CONTRIBUTED EQUITY (continued)

(c) Unlisted options – vested and exercisable (continued)

(i) Unlisted options on issue are exercisable as follows (continued):
1,000,000 options exercisable at $0.065 with an expiry date of 30 November 2017. These options were issued pursuant to shareholder approval at the Annual General Meeting held on 30 November 2012 and fully vested on 1 August 2014.

10,750,000 options exercisable at $0.05 with an expiry date of 28 November 2018. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 23 January 2014 following approval in the Company's Annual General Meeting on 29 November 2013.

37,500,000 options exercisable at $0.12 with an expiry date of 30 September 2016. These options were issued pursuant to a placement to sophisticated investors on 15 October 2014 following approval at a General Meeting on 8 October 2014.

1,000,000 options exercisable at $0.08 with an expiry date of 6 March 2017. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan.

1,000,000 options exercisable at $0.09 with an expiry date of 2 March 2018. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan.

750,000 options exercisable at $0.12 with an expiry date of 8 October 2019. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 8 October 2014 following approval in the Company's General Meeting on 8 October 2014.

(ii) Unlisted options issued as follows:
37,500,000 options exercisable at $0.12 with an expiry date of 30 September 2016. These options were issued pursuant to a placement to sophisticated investors on 15 October 2014 following approval at a General Meeting on 8 October 2014.

750,000 options exercisable at $0.12 with an expiry date of 8 October 2019. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 8 October 2014 following approval in the Company's General Meeting on 8 October 2014.

1,000,000 options exercisable at $0.08 with an expiry date of 6 March 2017. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan.

1,000,000 options exercisable at $0.09 with an expiry date of 2 March 2018. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan.

8,333,333 options exercisable at $0.08 with an expiry date of 31 March 2015. These options were issued for cash in consideration for Azarga Resources agreeing to amend the Put Option Agreement.

(iii) Unlisted options expired as follows:
8,333,333 options exercisable at $0.08 with an expiry date of 31 March 2015.

84,000 options exercisable at $0.18 with an expiry date of 14 November 2014.

(iii) Unlisted options – unvested
250,000 options exercisable at $0.12 with an expiry date of 8 October 2019. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 8 October 2014 following approval in the Company's General Meeting on 8 October 2014.

500,000 options exercisable at $0.09 with an expiry date of 28 February 2019. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 10 March 2015.

1,000,000 options exercisable at $0.08 with an expiry date of 20 January 2020. These options were issued pursuant to the Company's Executive and Non-Executive Incentive Options Plan on 10 March 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13. CONTRIBUTED EQUITY (continued)

	Number	$
(d) A Class Performance Shares		
At 1 July 2014	11,692,202	-
At 30 June 2015	11,692,202	-

The A Class Performance Shares are convertible to 10,631,375 ordinary shares upon achievement of milestones prior to 10 February 2016.

	Number	$
(e) D Class Performance Shares		
At 1 July 2014	50	-
At 30 June 2015	50	-

The D Class Performance Shares are convertible to 2,109,500 ordinary shares at the holder's discretion prior to 14 January 2016.

(f) Capital Management

Given the current changing nature of the operations of the Company, the short term gearing objective is for minimal or no debt with all working capital requirements to be met from fresh issues of equity to retail and sophisticated investors.

The company does not propose to pay any dividend for 2015 and considers it unlikely that an interim dividend will be paid during the 2016 financial year.

14. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and cash equivalents raised from issuing equity instruments and a convertible loan. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. When necessary, the Group may also enter into short term financing transactions, principally debtor factoring, in order to manage cash flows arising from the Group's operations. It is, and has been throughout the financial year, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated	
	2015 $	2014 $
Financial assets		
Cash and cash equivalents	2,064,428	1,167,851
Trade and other receivables	22,257	19,251
Total financial assets	2,086,685	1,187,102
Financial liabilities		
Trade and other payables	637,251	309,930
Interest-bearing liabilities	970,009	-
Total financial liabilities	1,607,260	309,930

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14. FINANCIAL INSTRUMENTS (continued)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to these financial statements.

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. The Group's exposure to interest rate risk relates primarily to cash and cash equivalents. The majority of the Group's cash and cash equivalents is invested with Australian financial institutions. Interest rate risk relating to trade and other payables is not significant and would result in an immaterial impact if interest rates had moved.

At balance date, the Group had the following financial assets exposed to variable interest rate risk that are not designated in cash flow hedges:

	Consolidated	
	2015 $	2014 $
Financial assets		
Cash and cash equivalents (i)	2,064,428	1,167,851
Financial liabilities		
Convertible loan (note 12)	(970,009)	-
Net exposure	1,094,419	1,167,851

(i) Cash and cash equivalents earn interest at floating rates based on the bank's variable interest rate and the cash balance. Interest rates during the 2015 financial year varied between 0% and 3.6% (2014: 0% and 10.25%).

At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	Consolidated	
	Loss (Higher) / Lower $	Equity (Higher) / Lower $
Year ended 30 June 2015		
+1% (100 basis points)	10,944	(10,944)
-1% (100 basis points)	(10,944)	10,944
Year ended 30 June 2014		
+1% (100 basis points)	11,679	(11,679)
-1% (100 basis points)	(11,679)	11,679

Credit risk

Credit risk arises from the financial assets of the Group, which primarily comprises cash and cash equivalents and trade and other receivables. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to the Group. The maximum exposure is equal to the carrying amount of these assets as indicated in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The Group manages this risk by investing with recognised credit worthy third parties. Cash and cash equivalents are usually spread amongst a number of financial institutions all of which have credit ratings of AA- or better, to minimise the risk of counterparty default. At year end, the majority of cash and cash equivalents are held by two financial institutions with a credit rating of AA.

The following table provides information regarding the credit risk relating to cash and cash equivalents based on Standards & Poor's counterparty credit ratings.

	Consolidated	
	2015 $	2014 $
Cash and cash equivalents		
AA rating	-	-
AA- rating	1,873,523	1,127,342
A1 rating	-	-
BB+ rating	190,905	40,509
	2,064,428	1,167,851

	Consolidated	
	2015 $	2014 $
Trade and other receivables		
Not rated	22,257	19,251
	22,257	19,251

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Group's policy is to ensure that trade debtors are repaid and managed within normal industry trading terms.

	Expiring within 1 year	
	2015	2014
	$	$
Financial assets		
Cash and cash equivalents	2,064,428	1,167,851
Trade and other receivables	22,257	19,251
Total financial assets	2,086,685	1,187,102
Financial liabilities		
Trade and other payables	(637,251)	(309,930)
Interest-bearing liabilities	(970,009)	-
	(1,607,260)	(309,930)
Net inflow on financial instruments	479,425	877,172

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the Australian functional currency of the Group. With cash and exploration and evaluation assets being held by the Turkish subsidiary A Dur Madencilik Ltd Sti, fluctuations in the exchange rates may impact on the Group's financial results.

The Group has not entered into any derivative financial instruments to hedge such transactions.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than Australian dollars:

	Consolidated	
	2015	2014
	$AUD	$AUD
Financial assets		
Cash and cash equivalents – Turkish lira	190,905	40,509
Trade and other payables – Turkish lira	(158,666)	(31,619)
Net exposure	32,239	8,890

Fair values

All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

15. RELATED PARTY DISCLOSURES

(a) Controlled entities consolidated

The consolidated financial statements include the financial statements of Anatolia Energy Limited and the subsidiaries listed in the table below.

Name	Country of Incorporation	Class of Shares	% Equity Interest 2015	% Equity Interest 2014
Anatolia Uranium Pty Ltd	Australia	Ordinary	100	100
Anatolia Uranium (BVI) Pty Ltd	British Virgin Islands	Ordinary	100	100
Mozawl Mining	Mauritius	Ordinary	80	80
Constellres Ltd	Cyprus	Ordinary	100	100
A Dur Madencilik Ltd Sti	Turkey	Ordinary	100	100

Anatolia Energy Ltd acquired a total ownership interest of 100% in Anatolia Uranium Pty Ltd upon the merger of joint-venture partner Vetter Uranium Ltd into wholly-owned subsidiary Anatolia Uranium (BVI) Ltd on 30 April 2013. Anatolia Energy Ltd retains a 35% direct interest in Anatolia Uranium Pty Ltd and holds a 65% indirect interest through the company's interest in Anatolia Uranium (BVI) Ltd.

Anatolia Uranium Pty Ltd holds a 100% ownership interest in A Dur Madencilik Ltd Sti, a company incorporated in Turkey which holds the licence and mining tenement for the Temrezli uranium project.

(b) Related party transactions

Transactions with key management personnel are included in the Remuneration Report in the Directors' Report.

16. COMPENSATION OF KEY MANAGEMENT PERSONNEL

For details of remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2015, refer to the remuneration report.

	Consolidated 2015 $	Consolidated 2014 $
Short-term	454,202	204,484
Post-employment	132,917	-
Equity-settled share based payments	68,134	258,348
Total	655,253	462,832

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. EVENTS SUBSEQUENT TO THE REPORTING DATE

Significant activities which occurred after the reporting date include:

(i) On 17 July 2015, the Company issued 2,109,500 fully paid ordinary shares on conversion of Class D performance shares.

(ii) On 4 September 2015, the Federal Court of Australia ordered the convening of Scheme Meetings to enable all securityholders to vote on the proposed merger with URI by way of Scheme of Arrangement.

(iii) On 8 September 2015, the Company despatched the Scheme Booklet to its shareholders relating to the proposed acquisition of the Company by URI including a Notice of Scheme Meetings, a Notice of Shareholder General Meeting and a Notice of Performance Shareholder General Meeting to be held on 9 October 2015.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any matters or circumstances which significantly affected or could significantly affect the operations of the consolidated group, the results of the operations, or the state of affairs of the consolidated group in future financial years.

18. REMUNERATION OF AUDITORS

The auditor of Anatolia Energy Limited is Moore Stephens Chartered Accountants.

	Consolidated	
	2015	2014
	$	$
Amounts received or due and receivable by Moore Stephens for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	36,500	46,700
	36,500	46,700

19. SEGMENT INFORMATION

During the 2015 financial year, the Group only operated in one operating segment, being minerals exploration in Turkey.

20. DIVIDENDS PAID OR PROPOSED

No dividends have been paid during the year ended 30 June 2015 (2014: Nil). No dividends are proposed for the year ended 30 June 2015 (2014: Nil).

21. COMMITMENTS

The Group has no commitments at 30 June 2015.

22. CONTINGENT LIABILITIES

The Company and the Group had no contingent liabilities at 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23. SHARE BASED PAYMENTS

Summary of options granted

A total of 4,500,000 share options were granted during the year ended 30 June 2015 as share based payments. The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued in consideration for services received during the year ended 30 June 2015:

	2015 Number	2015 WAEP $	2014 Number	2014 WAEP $
Outstanding at the beginning of the year	12,150,000	(0.053)	1,400,000	(0.069)
Issue of options to key management personnel (i)	2,000,000	(0.10)	8,250,000	(0.050)
Issue of options for other services	2,500,000	(0.086)	2,500,000	(0.050)
Outstanding at the end of the year	16,650,000	(0.064)	12,150,000	(0.053)

The outstanding balance as at 30 June 2015 is 16,650,000 options (2014: 12,150,000). Options granted are expensed over the vesting period of the options. The amount expensed for share based payments during the financial year was $161,885.

The weighted average remaining contractual life of options outstanding at year-end was 4.25 years.

The weighted average fair value of options granted during the year was $0.0349. These values were calculated using the Binomial option pricing model using the following inputs:

- Share price: $0.06 - $0.08
- Expected average life of the option: 1 - 3 years
- Expected share price volatility: 100%
- Risk-free interest rate: 2.25%

The expected volatility of the Company has been determined having regard to the historical volatility of the market price of the Company's shares. The life of the options is based on the expected exercise patterns, which may not eventuate in the future.

(i) Unlisted options were approved for issue to the directors of the Company at the General Meeting held on 8 October 2014 and were subsequently issued on 9 October 2014. The exercise price, expiry date and vesting dates of the options are as follows:

Director	Number	Exercise Price	Expiry Date	Vesting Date
Patrick Burke	500,000	$0.12	28 November 2018	8 October 2014
	250,000	$0.12	28 November 2018	8 April 2015
	250,000	$0.12	28 November 2018	8 October 2015
	1,000,000			
Tom Young	1,000,000	$0.08	20 January 2020	20 January 2016

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 30 June 2015, the parent company of the group was Anatolia Energy Limited.

	Consolidated	
	2015	2014
	$	$
Result of the parent entity		
Profit/(loss) for the period	(1,434,891)	(1,311,444)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the period	(1,434,891)	(1,311,444)
Financial position of parent entity at year end		
Current assets	1,925,500	1,194,500
Total assets	26,918,184	21,304,752
Current liabilities	1,443,657	241,119
Total liabilities	1,443,657	241,119
Total equity of the parent entity comprising of:		
Share capital	62,300,664	56,688,422
Reserves	2,910,161	2,676,619
Retained earnings	(39,736,299)	(38,301,408)
Total equity	25,474,527	21,063,633

25. GUARANTEES

The Group and the parent entity have not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

26. CONTRACTUAL COMMITMENTS

At 30 June 2015 the consolidated group and the parent entity had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: nil).

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Anatolia Energy, I state that:

1. In the opinion of the Directors, the financial statements and associated notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
   i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
   ii. Complying with Accounting Standards and Corporation Regulations 2001.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

3. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dr Hikmet Akin

Chairman

30 September 2015

SECURITY HOLDER INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

As at 24 September 2015 the distribution of equity securities is;

Quoted Securities:

Shares

311,850,669 fully paid ordinary shares. All issued ordinary shares carry one vote and the right to receive dividends.

Options

$0.18 exercise price, expiry 15 June 2017

Number on Issue:	47,917,750		
Individual holders with 20% or more:	BLENHAM VENTURES LIMITED	20,000,000	41.74
	RMB RESOURCES LIMITED	20,000,000	41.74

The number of holders, by size of holding, in each class of quoted securities as at 24 September 2015 is:

	Ordinary Shares		Options $0.18 (expiry 15/06/2017)	
	Holders	Number	Holders	Number
1 - 1,000	42	14,611	56	12,069
1,001 - 5,000	33	93,585	17	43,150
5,001 - 10,000	95	817,682	0	0
10,001 - 100,000	356	14,820,139	9	276,126
100,001 and over	203	296,104,652	14	47,586,405
TOTALS	729	311,850,669	96	47,917,750

Substantial shareholders of fully paid ordinary shares as at 24 September 2015 are:

Substantial Shareholders	Number	Percent
J P MORGAN NOMINEES AUSTRALIA LIMITED	41,888,564	13.43
AZARGA RESOURCES LIMITED	36,030,049	11.55
BLENHAM VENTURES LIMITED	20,000,000	6.41
RMB RESOURCES LIMITED	20,000,000	6.41
CITICORP NOMINEES PTY LIMITED	17,550,238	5.63

Marketable Parcels

The number of shareholders holding less than a marketable parcel of ordinary shares as at 24 September 2015 is 113.

SECURITY HOLDER INFORMATION (CONTINUED)

Unquoted Securities:

Options:

Number	Exercise Price	Expiry
400,000	$0.08	30/11/2017
1,000,000	$0.065	30/11/2017
10,750,000	$0.05	28/11/2018
1,000,000	$0.12	08/10/19
37,500,000	$0.12	30/09/16
500,000	$0.09	28/02/19
1,000,000	$0.08	06/03/17
1,000,000	$0.09	02/03/18
1,000,000	$0.08	20/01/20

Performance Shares:

Class A – expire 10 February 2016

Number on Issue:	11,692,202	(converts to 10,631,375 fully paid ordinary shares on achievement of JORC compliant milestones)

SECURITY HOLDER INFORMATION (CONTINUED)

Twenty largest holders of quoted fully paid ordinary shares as at 25 September 2015

SHAREHOLDER	SHARES	%
J P MORGAN NOMINEES AUSTRALIA LIMITED	41,888,564	13.43
AZARGA RESOURCES LIMITED	36,030,049	11.55
BLENHAM VENTURES LIMITED	20,000,000	6.41
RMB RESOURCES LIMITED	20,000,000	6.41
CITICORP NOMINEES PTY LIMITED	17,550,238	5.63
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	15,301,977	4.91
NATIONAL NOMINEES LIMITED	9,687,040	3.11
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,547,609	3.06
EXPLORATION CAPITAL PARTNERS 1998-B LIMITED PARTNERSHIP	9,000,000	2.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	8,850,773	2.84
BNP PARIBAS NOMS PTY LTD <DRP>	7,084,040	2.27
WESTRADE RESOURCES PTY LTD <SHEPPARD SUPER A/C>	5,186,173	1.66
MRS ALLISON ANNETT <THE ANNETT INVESTMENT A/C>	4,802,937	1.54
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,983,355	0.96
SERDAR AKCA	2,740,683	0.88
OCCASIO HOLDINGS PTY LTD <OCCASIO UNIT A/C>	2,531,457	0.81
REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	2,500,000	0.80
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	2,473,016	0.79
MR TIMOTHY GUY LYONS + MRS HEATHER MARY LYONS <GNOWELLEN SUPER FUND A/C>	2,289,740	0.73
RINEHURST HOLDINGS LIMITED	2,109,500	0.68
TOP 20 HOLDERS OF ORDINARY SHARES (TOTAL)	222,557,151	71.37
BALANCE OF REMAINING HOLDERS	89,293,518	28.63
TOTAL ORDINARY SHARES ON ISSUE	311,850,669	100.00

Twenty largest holders of quoted 18c options having expiry date of 15 June 1017 as at 25 September 2015

OPTION HOLDER	OPTIONS	%
BLENHAM VENTURES LIMITED	20,000,000	41.74
RMB RESOURCES LIMITED	20,000,000	41.74
RICHMOND PARTNERS MASTER LTD	2,417,750	5.05
CITICORP NOMINEES PTY LIMITED	2,000,000	4.17
WESTRADE RESOURCES PTY LTD <SHEPPARD SUPERANNUATION A/C>	606,863	1.27
REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	537,909	1.12
TWOFIVETWO PTY LTD	484,118	1.01
BLACKSWAN GROUP PTY LTD <THE BLACKSWAN A/C>	360,655	0.75
J P MORGAN NOMINEES AUSTRALIA LIMITED	272,179	0.57
MR BRETT JAMES RUDD	250,000	0.52
MRS ALLISON ANNETT <THE ANNETT INVESTMENT A/C>	235,995	0.49
MR KEITH WILLIAM SHEPPARD <THE SHEPPARD FAMILY A/C>	200,000	0.42
HIKMET AKIN	120,448	0.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	100,488	0.21
MR LESLIE FONG <L R FONG FAMILY A/C>	72,500	0.15
AKIN COMMODITY CONSULTING LTD	67,107	0.14
TATLOW NOMINEES PTY LTD <TATLOW SUPER FUND A/C>	30,000	0.06
TECHNICAL RESOURCES PTY LTD <IUSTINI SUPER FUND NO 1 A/C>	25,000	0.05
WATERSON HOLDINGS PTY LTD <THE MJ WATERSON FAMILY A/C>	22,207	0.05
MR RONALD LAURENCE WILKIE	21,000	0.04
TOP 20 HOLDERS OF 18c OPTIONS	47,824,219	99.80
BALANCE OF REMAINING HOLDERS	93,531	0.20
TOTAL 18c OPTIONS ON ISSUE	47,917,750	100.00

Stock Exchange Listing

Anatolia Energy Ltd's ordinary fully paid shares are listed on the Australian Securities Exchange Limited (Code: "AEK").
Anatolia Energy Ltd's 18c options expiring 15 June 2017 are listed on the Australian Securities Exchange Limited (Code: "AEKO").

INTERESTS IN TENEMENTS

The Company has a 100% interest in the following 8 tenements, all of which are located in the Anatolia region of Turkey.

No.	License Registration No	License Status	Province	District
1	201200147	Operation	Yozgat	Sorgun
2	200711984	Operation	Yozgat	Sorgun
3	200800329	Operation	Yozgat	Sorgun
4	201300488	Operation pending	Yozgat	Sorgun
5	200810035	Operation pending	Yozgat	Sefaatli
6	200902709	Operation	Yozgat	Sorgun
7	201100582	Exploration	Yozgat	Sefaatli
8	201100583	Exploration	Yozgat	Sefaatli
9	201101104	Exploration	Yozgat	Sorgun