

**U.S. MASTERS HOLDINGS LIMITED**  
**ARBN 052 123 930**

**Appendix 4E**

**Preliminary Final Report**  
**For the year ending 30 June 2013**

**Results for announcement to the market**

**23 August 2013**

			<b>30 June 2013</b>	<b>30 June 2012</b>
			<b>\$'000s</b>	<b>\$'000s</b>
Revenue from ordinary activities	Down	77% to	5	22
Loss from ordinary activities	Down	5% to	(724)	(765)
after tax attributable to members				
Net loss for the year	Down	5% to	(724)	(765)
attributable to members				

Dividends	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL

The attached Annual Report contains full details of the Group's audited financial results for the year ended 30 June 2013.

The financial reports have been compiled in accordance with International Financial Reporting Standards.

	2013	2012
Net Tangible Assets cents per ordinary share	1.8	5.4

**U.S. MASTERS HOLDINGS LIMITED**  
**Annual Report including Financial Statements**  
**for the year ended 30 June 2013**

**Incorporated in the British Virgin Islands IBC No 29457**  
**Australian Registered Body Number 052 123 930**

**U.S. MASTERS HOLDINGS LIMITED**

**Financial Statements  
for the year ended 30 June 2013**

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## **U.S. MASTERS HOLDINGS LIMITED**

### **Corporate Information**

#### **BOARD OF DIRECTORS**

Gordon Galt (Chairman)  
James Beecher  
Michael Davies  
Geoffrey Pigott

#### **SECRETARIES**

James Beecher  
Equity Trust (BVI) Limited

#### **SHARE REGISTRIES**

Equity Trust (BVI) Limited  
P.O. Box 438  
Palm Grove House  
Road Town, Tortola  
British Virgin Islands  
Telephone: (284) 494-2616

Computershare Registry Services Pty Limited  
Yarra Falls, 452 Johnston Street,  
Abbotsford, Victoria 3067  
Australia  
Telephone: (613) 9415-4000

#### **REGISTERED OFFICES**

Equity Trust (BVI) Limited (Registered Agent)  
P.O. Box 438  
Palm Grove House  
Road Town, Tortola  
British Virgin Islands  
Telephone: (284) 494-2616

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88 Phillip Street  
Sydney NSW 2000  
Australia  
Telephone: (612)8314 5580

WEBSITE: [www.usmasters.com](http://www.usmasters.com)

## **U.S. MASTERS HOLDINGS LIMITED**

### **Directors' Report**

**for the year ended 30 June 2013**

Expressed in Australian Dollars

The directors present their report together with the financial statements of U.S. Masters Holdings Limited ("the Company") and its subsidiaries ("the Group") for the 12 months ended 30 June 2013.

### **Principal Activity**

The principal activity of the Group during the financial period was investment, no significant change in the nature of that activity has occurred during the year.

### **Review and results of operations**

During the period the Group continued to conduct its investment activities while continuing to explore other opportunities that Directors believe may result in an increase in shareholder value. Global equity markets experienced significant volatility over the year to 30 June 2013.

In the 12 months to 30 June 2013 the Group's investments were not traded generating \$20,000 in unrealized losses (2012: \$9,000 in unrealized gains and \$15,000 in realized losses). This investment result was offset by income of \$25,000 from interest income (2012: \$28,000). At 30 June 2013 the Group's equity portfolio had a market value of \$6,000. The Group has restricted its investments in equities and has maintained adequate cash balances.

The operating loss of the Group after income tax for the year was \$724,000 (2012: \$765,000).

The net asset value of U.S. Masters Holdings Limited was \$437,000 as at 30 June 2013 compared with \$977,000 at 30 June 2012.

In order to preserve cash the Company again issued shares to directors in lieu of paying directors fees for the financial year - 220,000 shares to each of the directors, a total of 880,000 shares, at an issue price of \$0.20 per share ( 2012: 293,333 to each director, total of 1,173,332 shares, issue price of \$0.15).

The performance of specific investments and of the stock market in general and the expenses associated with operating the Group continued to be the most significant features contributing to the operating performance. The expenses of the Group for the year relate primarily to investigating potential long term investments for the Group and maintaining the Company as a listed entity on the ASX.

The financial reports have been compiled in accordance with International Financial Reporting Standards.

### **Significant Changes in State of Affairs**

Other than set out in this Report there were no significant changes in the state of affairs of the Group.

### **Significant Post Balance Dates Events**

The directors are not aware of any significant events in the Group that have occurred since 30 June 2013.

## **Dividends**

No dividends have been declared or paid since the start of the financial period and the Directors do not recommend the payment of a final dividend for the year ended 30 June 2013 (2012: \$nil).

## **Principal Activity**

The principal activity of the Group during the financial period was investment, and no significant change in the nature of that activity has occurred during the period.

## **Currency and Rounding**

The financial statements are expressed in Australian Dollars and have been rounded to the nearest thousand dollars.

## **Board of Directors**

The names of the Directors of the Company during or since the end of the financial year are:

### **Mr. Gordon Galt G.Eng. (Mining, Hons), BComm, GDipAppFin (Finsia),MAusIMM, MAICD Non-Executive Chairman– appointed 1 July 2010**

Gordon is a senior mineral resources executive and an experienced Director with international mineral industry experience. During his career, Gordon has worked in senior management, technical and operational roles across a wide range of commodities, primarily in gold, coal, magnesium and copper/lead/zinc. Gordon is by training a mining engineer with post-graduate qualifications in finance. Both degrees are from the University of Queensland. During the past ten years Gordon has worked mainly as the Managing Director of companies engaged in the development and operation of large resource projects, and he has also spent a period of time in banking. Gordon is currently engaged in funds management and corporate advisory work. He is a director of Aquila Resources Ltd, Delta SBD Ltd and NuCoal Resources Ltd.

### **Mr. Michael Davies BA Hons, MBA Non-Executive Director – appointed 1 July 2010**

Michael is a specialist in resource financing, with over 20 years experience in major banks (Barclays, BZW and ABN AMRO) originating, structuring and arranging debt and providing corporate advice to natural resources companies. His experiences encompass iron ore, coal, gold, base and precious metals, industrial mineral, petrochemical, oil and gas projects in Africa, Australia, Papua New Guinea, Europe, North America and Asia. Michael is currently engaged in funds management and corporate advisory work. He is a non executive director of NuCoal Resources Ltd and Realm Resources Ltd.

### **Geoff Pigott BA (Hons) Geology, MA. MAIG Non-Executive Director– appointed 1 July 2010**

Geoff has had 45 years experience as a professional geologist since graduating from Trinity College Dublin. He has worked in Europe, South Africa and Australia with a number of major mining companies including the Rio Tinto Group, Anglo-American, Freeport McMoran, Newmont and Newcrest Mining. He has experience of the gold, coal and base metal industries in a career that encompasses mineral exploration, resource development and mining. Recent positions include the position of Manager – Exploration and Development with Eagle Mining Corporation Limited, Chief Geologist with Kinross Gold Australia and Head of Exploration for ASX listed company Aquila Resources Limited, a position he held from 2003 until 2008 during which time Geoff assembled Aquila's extensive portfolio of coking coal, iron ore and manganese projects in Australia and Southern Africa.

**Mr. James David Beecher B.Com, MBA, FCPA, FAICD**  
**Non-Executive Director – appointed 1 July 2010**  
**Company Secretary and Local Agent – appointed 1 March 2012**

James has over 30 years experience in senior finance, accounting and secretarial positions in resources, financial services and services companies. James has been Chief Financial Officer or Finance Director of NRMA Limited, Savage Resources Limited and Austen & Butta Limited. He held senior accounting positions with the Commonwealth Bank including Group Financial Controller and Group Chief Accountant. He is currently a Director of ASX listed NuCoal Resources Ltd. He has been a Non Executive Director of Findlay Securities Ltd and MIL Resources Ltd and Company Secretary of Gloucester Coal Limited. He is Deputy Chair of the Australian Institute of Company Directors Reporting Committee and was a member of the Urgent Issues Group of the Australian Accounting Standards Board.

## **Remuneration Report**

### **Remuneration**

As approved by shareholders in General Meeting on 19 December 2012 in lieu of payment of directors fees in cash directors were issued 220,000 ordinary shares each as payment for their services. (2012: Issue of 293,333 ordinary shares to each director in lieu of payment of directors fees in cash as payment for their services). The issue price for the director shares was \$0.20 per share, the last sale price of the Company's shares prior to the date of the Notice of the Meeting that approved the issue. At this issue price of \$0.20 per share the value of the issue of 220,000 ordinary shares to each director was \$44,000 (2012: 293,333 shares for each director, valued at \$0.19 per share). The issue of these shares were satisfied by the issue of treasury shares held by the Company.

As approved by shareholders in General Meeting on 19 December 2012 4,600,000 ordinary shares were issued to the U.S. Masters Executive Share Plan Trust on behalf of personnel to be held in conformity with the Share Plan Rules, satisfied by the issue of treasury shares held by the Company. Included in this issue was the issue of 1,000,000 ordinary shares to the U.S. Masters Executive Share Plan Trust on behalf of each director. The shares are subject to detailed Share Plan Rules which include:

Each tranche of Shares will not be able to be released from the Share Plan unless and until the following performance hurdles have been achieved:

- (i) tranche one = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.40 per share;
- (ii) tranche two = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.60 per share;
- (iii) tranche three = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.80 per share; and
- (iv) tranche four = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$1.00 per share.

No other remuneration has been paid by the Group.

The remuneration levels were set at nominal levels with directors' fees not paid in cash in order to conserve the Group's cash resources.

## Directors Interests in Shares

The relevant interest of each director in the shares issued by the Company, as notified by the Directors to the Australian Securities Exchange, at the date of this report is as follows:

## Movements in Shares

The movement during the reporting period in the number of ordinary shares held, directly, indirectly or beneficially, by each director is as follows:

	Held at 1 July 2012	Acquisitions	Disposals	Held at 30 June 2013 (1)
G Galt	1,353,154	1,220,000	-	2,573,154
M Davies	4,228,121	1,486,200	-	5,714,321
G Pigott	893,333	1,220,000	-	2,113,333
J Beecher	937,080	1,220,000	-	2,157,080

(1) 1,000,000 of these shares for each director are held by the U.S. Masters Executive Share Plan Trust on behalf of each director in conformity with the Share Plan Rules including performance hurdles determining vesting conditions.

## Directors' Benefits and Interests in Contracts or Proposed Contracts with the Group

Except as disclosed in Note 10 to the Financial Statements since the end of the previous financial year, no director of the Group has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of directors' remuneration shown in the financial statements, by reason of a contract made by the Group with a director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

## Auditors

Ernst & Young, the Group's auditors, provided non-audit services being taxation services in the amount of \$4,400 to the Group for the year ending 30 June 2013 (2012: \$2,750). The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors.

Ernst & Young have confirmed their independence to the Group.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the directors.



J Beecher  
Director

23 August 2013

## **Corporate Governance**

The Company has followed the ASX Corporate Governance Council Principles and Recommendations ('the CGC Principles and Recommendations') to the extent appropriate for the size and nature of its business.

Set out below are statements disclosing the extent to which the Company has followed the CGC Principles and Recommendations in the reporting period and where Recommendations have not been followed reasons for not following them.

### **Principle 1: Lay solid foundations for management and oversight**

The Group does not have any management with all functions reserved to the Board and the Group's operations conducted by its 4 directors and consultants. As there are no senior executives no review takes place.

### **Principle 2: Structure the board to add value**

As the Group's operations are conducted by its 4 directors all the directors can be viewed as executive directors. The directors are each significant shareholders in the Company. The Group pays rent and administration fees to a company of which G Galt and M Davies are directors.

As such the Company does not have a majority of independent directors and the Chair is not an independent director.

All directors bring an independent judgement to bear on board decisions. Directors have the right to seek independent professional advice in appropriate circumstances at the Group's expense. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Due to the Group's size and the nature of its business the Group does not have a CEO.

Due to the Group's size and the nature of its business the Board does not have any sub-committees. As such the Nominations Committee is the full Board. The criteria for board membership and the selection of appropriate members of the board is considered by the board itself.

All directors are subject to re-election in accordance with the ASX Listing Rules that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Performance of the Board and directors is evaluated subjectively by the Chairman on a continuing basis. This process has taken place in the reporting period.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are shown in the Directors' Report at pages 6&7.

### **Principle 3: Promote ethical and responsible decision-making**

Due to the Group's size and the nature of its business the Group does not have a policy concerning diversity and therefore has no measurable outcomes for achieving gender diversity. The four directors are male. The Group's principal consultant is female.

Due to the Group's size and the nature of its business the Group does not have a formal code of conduct.

#### **Principle 4: Safeguard integrity in financial reporting**

Due to the Group's size and the nature of its business the Board does not have any sub-committees. As such the Audit Committee is the full Board and does not have a separate Charter. As the Company does not have independent directors the Audit Committee cannot be structured to consist of only non executive directors and a majority of independent directors. As the full Board comprises the Audit Committee the Chair is the non independent Chair of the Board.

#### **Principle 5: Make timely and balanced disclosure**

The Group, its Directors and consultants are aware of continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure. The Group does not have formal written policies regarding disclosure, but uses strong informal systems carried out by experienced individuals.

#### **Principle 6: Respect the rights of shareholders**

The Group does not have a formal written communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies. The Group communicates with shareholders via its website and timely announcements to the ASX.

#### **Principle 7: Recognise and manage risk**

Due to the Group's size and the nature of its business the Group has not established policies for the oversight and management of material business risks. Oversight and management of material business risks is the responsibility of the directors and of the Board.

Due to the Group's size and the nature of its business the Group has no management to design and implement risk management and internal control systems. The Board is responsible for risk management and internal control systems.

#### **Principle 8: Remunerate fairly and responsibly**

Due to the Group's size and the nature of its business the Board does not have any sub-committees. As such the Remuneration Committee is the full Board. As the Company does not have independent directors the Remuneration Committee cannot be structured to consist of a majority of independent directors. As the full Board comprises the Remuneration Committee the Chair is the non independent Chair of the Board. The Group does not have executives. Shares are issued to directors in lieu of payment of directors fees. As approved by shareholders in General Meeting on 19 December 2012 4,600,000 ordinary shares were issued to the U.S. Masters Executive Share Plan Trust on behalf of personnel to be held in conformity with the Share Plan Rules. Included in this issue was the issue of 1,000,000 ordinary shares to the U.S. Masters Executive Share Plan Trust on behalf of each director. The shares are subject to detailed Share Plan Rules including performance hurdles determining vesting conditions. The Company does not have a policy prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

## U.S. MASTERS HOLDINGS LIMITED

### Statement of comprehensive income for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

	Note	30 June 2013 \$000	30 June 2012 \$000
<b>Investment income</b>			
Net realised gain on sale of investments		-	(15)
Net change in unrealised loss on investments	3	(20)	9
Interest and dividend income (net of withholding taxes)		25	28
<b>Total investment income</b>		<u>5</u>	<u>22</u>
<b>Expenses</b>			
Accommodation costs		21	21
Share based payments		189	223
Legal, professional and consulting fees		335	355
Travel costs		90	77
Sundry expenses		91	109
Foreign exchange loss		3	(2)
<b>Total expenses</b>		<u>729</u>	<u>787</u>
<b>Loss for the year</b>		<u>(724)</u>	<u>(765)</u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<u>(724)</u>	<u>(765)</u>
Opening accumulated deficit		(17,520)	(16,755)
Closing accumulated deficit		<u>(18,244)</u>	<u>(17,520)</u>
Basis and diluted loss per share \$		<u>(0.03)</u>	<u>(0.06)</u>
Weighted average number of ordinary shares during the year used in the calculation of loss per share (basic and diluted)		20,716,373	13,481,350

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

## U.S. MASTERS HOLDINGS LIMITED

### Statement of Financial Position

At 30 June 2013

Expressed in thousands of Australian Dollars

	Notes	30 June 2013 \$000	30 June 2012 \$000
<b>Assets</b>			
Cash at bank		423	1,030
Investments		6	26
Prepayments		40	15
Debtors		-	1
<b>Total Current Assets</b>		<u>469</u>	<u>1,072</u>
<b>Liabilities</b>			
Accrued expenses		<u>32</u>	<u>95</u>
<b>Total Current Liabilities</b>		<u>32</u>	<u>95</u>
<b>Net Assets</b>		<u>437</u>	<u>977</u>
<b>Total shareholders' interests</b>			
23,508,921 (2012: 18,028,921) ordinary shares with a par value of US\$0.50 per share	5	11,222	10,650
Share premium reserve	7	7,557	7,958
Foreign currency translation reserve		(111)	(111)
Share based payment reserve	8	13	-
Accumulated deficit		(18,244)	(17,520)
<b>Total shareholders' interests</b>		<u>437</u>	<u>977</u>
<b>Net asset value cents per share (excluding treasury stock)</b>		<u>1.8</u>	<u>5.4</u>

The above statement of financial position is to be read in conjunction with the accompanying notes.

## U.S. MASTERS HOLDINGS LIMITED

### Statement of Changes in Equity For the year ended 30 June 2013

Expressed in thousands of Australian Dollars

	Share Capital	Share Premium Reserve	Foreign Currency Translation Reserve	Share Based Payment Reserve	Retained losses	Total
<b>Equity</b>						
Balance at 1 July 2011	4,357	12,790	(111)	-	(16,755)	281
Total comprehensive loss for the period	-	-	-	-	(765)	(765)
Issue of 7,970,427 Entitlement Offer and Shortfall Shares	5,258	(4,062)	-	-	-	1,196
Reissue of 395,684 Treasury Stock	261	(202)	-	-	-	59
Issue of 1,173,332 Director Shares	774	(551)	-	-	-	223
Issue costs	-	(17)	-	-	-	(17)
<b>Balance at 30 June 2012</b>	<b>10,650</b>	<b>7,958</b>	<b>(111)</b>	<b>0</b>	<b>(17,520)</b>	<b>977</b>
Balance at 1 July 2012	10,650	7,958	(111)	0	(17,520)	977
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(724)</b>	<b>(724)</b>
Issue of 880,000 Director Shares	572	(396)	-	-	-	176
Share Based Payment	-	-	-	13	-	13
Issue Costs	-	(5)	-	-	-	(5)
<b>Balance at 30 June 2013</b>	<b>11,222</b>	<b>7,557</b>	<b>(111)</b>	<b>13</b>	<b>(18,244)</b>	<b>437</b>

The above statement of changes in equity is to be read in conjunction with the accompanying notes.

## U.S. MASTERS HOLDINGS LIMITED

### Statement of Cash Flows for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

	Notes	30 June 2013 \$000	30 June 2012 \$000
<b>Cash flow from operating activities</b>			
Proceeds from sale of investments		-	263
Interest and dividends received		25	27
Expenses paid		(627)	(525)
<b>Cash flows from operating activities</b>	14	<u>(602)</u>	<u>(235)</u>
<b>Cash flow from investing activities</b>			
		-	-
<b>Cash flow from financing activities</b>			
Share issues		-	1,255
Cost of share issues		(5)	(17)
Cash held in trust		-	27
<b>Cash flow from financing activities</b>		<u>(5)</u>	<u>1,265</u>
Net increase/(decrease) in cash and cash equivalents		(607)	1,030
Cash and cash equivalents at beginning of year		1,030	-
Cash and cash equivalents at end of year		<u>423</u>	<u>1,030</u>
Cash and cash equivalents comprise:			
Cash at bank		423	1,030
Cash and cash equivalents		<u>423</u>	<u>1,030</u>

The above statement of cash flows is to be read in conjunction with the accompanying notes.

## **U.S. MASTERS HOLDINGS LIMITED**

### **Notes to and forming part of the Financial Statements for the year ended 30 June 2013**

Expressed in thousands of Australian Dollars

#### **1. GENERAL INFORMATION**

U.S. Masters Holdings Limited was incorporated under the laws of the British Virgin Islands on 14 May 1990 under the International Business Companies Act (Cap. 291). The liability of the members is limited by shares. The Company maintains its Registered Office in the British Virgin Islands.

The financial statements are presented in thousands of Australian Dollars (June 2012: Australian Dollars).

The Group has determined that its functional currency is Australian dollars (June 2012: Australian Dollars).

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the Group's financial statements are set out below:

##### **(a) Basis of preparation**

The financial statements of U.S. Masters Holdings Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the historical cost accounting convention.

The accounting policies have been consistently applied by the Group and are consistent with those of the previous year.

The following standards and interpretations have been issued by the IASB but are not yet effective and have not been adopted by the Group for the period ending 30 June 2013:

- IFRS 9 Financial instruments addresses classification, measurement and derecognition of financial assets and liabilities. This standard will be effective 1 July 2015.
- IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. The standard will be effective 1 July 2013.

The Company does not expect these will have significant effects on the Group's financial statements.

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and brokers with maturities of three months or less.

##### (c) Cash held in trust

At 30 June 2011 cash in trust was held by a Director on trust for the Company while the Company opened a new Australian based bank account. This cash was transferred into a Company Australian based bank account during the year ended 30 June 2012.

##### (d) Investments

Investments are carried at fair value. Any increases or decreases in carrying values are recognised in the financial statements as an unrealized gain or loss.

Investments in securities traded on a securities exchange are valued at the last reported bid price on the day of valuation or, if there has been no sale on such exchange on the date on which the valuation is being made, then at the mean between the closing bid and asked prices on such exchange on such date.

Securities traded in the over-the-counter market are valued at the last bid price if the security is reported or, if not reported, at the mean between the last bid and asked prices. Restricted securities and other securities for which quotations are not readily available are valued at fair value.

##### (e) Investment transactions and income recognition

Investment transactions are accounted for on the trade date (the date on which the order to buy or sell is executed). Gains or losses arising from the sale of investments are determined using the cost basis. Income from investments is recorded on an accrual basis. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

##### (f) Foreign currency

The Group has determined that its functional currency is Australian dollars (June 2012: Australian Dollars).

Transactions in currencies other than the Group's functional currency are converted at the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities are translated at the spot rate at the reporting date. Resulting exchange differences are recognised in the result for the period.

Foreign exchange differences arising from translation of transactions in the functional currency into the reporting currency are reported in the foreign currency translation reserve.

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (g) Prepayments

Prepayments are carried at amortised cost less any provision for impairment. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non current.

##### (h) Trade payables and accrued expenses

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

##### (i) Income 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

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

- ▶ When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (i) Income tax (continued)

► When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each reporting 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 reporting date.

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.

### (j) Share-based payment transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

### (k) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 3. NET CHANGE IN UNREALISED GAIN ON INVESTMENTS

	<b>30 June 2013 \$000</b>	<b>30 June 2012 \$000</b>
Market value of investments	6	26
Investments at cost	84	84
Closing unrealised loss on investments	(78)	(58)
Opening unrealised loss on investments	(58)	(67)
Net change in unrealised gain/(loss) on investments	(20)	9
	=====	=====

#### 4. TAXATION

The Company is an Australian resident for taxation. The Company is exempt from all forms of taxation in the British Virgin Islands including income, capital gains and withholding taxes.

	<b>30 June 2013 \$000</b>	<b>30 June 2012 \$000</b>
(a) The components of income tax expense are:		
Current tax	-	-
Deferred tax benefit	-	-
Total tax benefit	-	-

	<b>30 June 2013 \$000</b>	<b>30 June 2012 \$000</b>
(b) Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	724	765
Tax at statutory tax rate of 30% (2012: 30%)	217	229
Tax effect of equity raising costs debited to equity	2	5
Tax effect of tax losses and temporary differences not recognised	(219)	(234)
Income tax expense	-	-

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 4. TAXATION (CONTINUED)

	30 June 2013 \$000	30 June 2012 \$000
(c) Tax losses:		
Net unused tax losses for the current year for which no tax loss has been booked as a deferred tax asset	219	234
Losses carried forward	424	190
Potential deferred tax benefit	643	424
Net deferred tax liability	-	-
Net deferred tax asset – not booked	<u>643</u>	<u>424</u>

The benefit of income tax losses will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the Group in realising benefit from the deductions from the losses.

#### 5. SHARE CAPITAL

	30 June 2013 \$000	30 June 2012 \$000
<b>Authorised</b>		
1,000,000,000 ordinary shares of US\$0.50 par value each	500,000	500,000
<b>Issued and fully paid</b>		
61,406,937 (2012: 61,406,937) ordinary shares of US\$0.50	40,511	40,511
<b>Treasury stock:</b>		
Opening balance 43,378,016 shares (2012: 44,947,032)	29,861	30,896
Reissued during the period as ordinary shares to the U.S. Masters Executive Share Plan Trust 4,600,000 shares and as Director shares 880,000 shares (30 June 2012: issued shares 395,684 shares and as director shares 1,173,332 shares)	(572)	(1,035)
Closing balance 37,898,016 shares (2012: 43,378,016)	<u>29,289</u>	<u>29,861</u>
Net share capital 23,508,921 shares (2012: 18,028,921)	<u>11,222</u>	<u>10,650</u>

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 5. SHARE CAPITAL (CONTINUED)

During the year the Company issued:

- 4,600,000 ordinary shares satisfied by the issue of treasury shares held by the Company to the U.S. Masters Executive Share Plan Trust on behalf of personnel to be held in conformity with the Share Plan Rules;
- 880,000 ordinary shares satisfied by the issue of treasury shares held by the Company to directors at an issue price of \$0.20 per share in lieu of paying directors fees for the year.

Each ordinary share carries the right to one vote at annual and general meetings and is entitled to participate in any dividends or other distributions of the Company.

#### 6. TREASURY STOCK

The Company holds treasury shares in itself which were purchased pursuant to an on-market buy-back scheme on the Australian Securities Exchange. During the year 5,480,000 shares were issued by reissuing Treasury Shares (2012: 1,569,016 shares were issued by reissuing Treasury Shares.)

	<b>30 June 2013 \$000</b>	<b>30 June 2012 \$000</b>
37,898,016 (2012: 43,378,016) ordinary shares at cost net of premium on purchase of treasury shares	29,690	28,133
	=====	=====

#### 7. SHARE PREMIUM RESERVE

Opening balance	7,958	12,790
Issue of 7,970,427 Entitlement Offer and Shortfall Shares at par	-	(4,062)
Reissue of 395,684 Treasury Shares	-	(202)
Issue of Director Shares at par	(396)	(551)
Issue Costs	(5)	(17)
Closing balance	<u>7,557</u>	<u>7,958</u>
	=====	=====

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 8. SHARE BASED PAYMENTS

As approved by shareholders in General Meeting on 19 December 2012 4,600,000 ordinary shares were issued to the U.S. Masters Executive Share Plan Trust on behalf of personnel to be held in conformity with the Share Plan Rules, satisfied by the issue of treasury shares held by the Company. Included in this issue was the issue of 1,000,000 ordinary shares to the U.S. Masters Executive Share Plan Trust on behalf of each director. The shares are subject to detailed Share Plan Rules which include:

Each tranche of Shares will not be able to be released from the Share Plan unless and until the following performance hurdles have been achieved:

- (i) tranche one = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.40 per share;
- (ii) tranche two = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.60 per share;
- (iii) tranche three = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$0.80 per share; and
- (iv) tranche four = When the U.S. Masters Holdings Ltd's share price (as traded on the ASX) has exceeded \$1.00 per share.

The assessed fair value of shares at grant date was calculated using a binomial option pricing model. The model takes into account a number of factors including the exercise price, the term of the shares, the vesting and performance criteria, the non tradeable nature of the shares, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the shares.

The grant date for the shares was 3 January 2013.

The shares have no set expiry date. The fair value of the shares has been calculated on an assumed term of 3 years and the fair value calculated is being expensed over 3 years.

The risk free rate in calculating the fair value of the shares was assumed to be 2.5%.

The estimated volatility in calculating the fair value of the shares was assumed to be 25%.

The fair values calculated were:

- tranche 1: 3.01cents per share;
- tranche 2: 0.34 cents per share;
- tranche 3: 0.005 cents per share;
- tranche 4: 0.001 cents per share.

An amount of \$13,000 was recorded as an expense of share based payments (2012: \$nil).

## U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)  
for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

### 9. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record historical exchange differences arising from the translation of the financial statements in the functional currency to the reporting currency for the periods when the functional and presentation currencies were different.

	<b>30 June 2013 \$000</b>	<b>30 June 2012 \$000</b>
Balance at the beginning of the financial year	(111)	(111)
Foreign exchange movement on translation	-	-
Balance at the end of the financial year	<u>(111)</u> =====	<u>(111)</u> =====

### 10. SEGMENT REPORTING

The Group operates entirely as an investing Group and therefore has only one operating segment and all revenues and expenses are attributable to that segment

### 11. RELATED PARTY TRANSACTIONS

The Group had the following commercial dealings with its directors and their associates during the period:

- (a) Each director was issued 220,000 ordinary fully paid shares in the Company in lieu of payment of directors fees in cash for the full financial year as approved by shareholders at the general meeting on 19 December 2012 (2012: Issue of 293,333 ordinary shares to each director in lieu of payment of directors fees in cash). The total amount of remuneration calculated for the Directors is \$176,000 (2012: \$223,000);
- (b) The U.S. Masters Executive Share Plan Trust was issued 1,000,000 ordinary fully paid ordinary share in the Company on behalf of each director to be held in conformity with the Share Plan Rules;
- (c) During the year the Group paid rent of \$20,691 (2012: \$20,691) and administration fees of \$26,400 (2012: \$26,400) to Taurus SM Holdings Pty Ltd, a company of which Michael Davies and Gordon Galt are directors.

### 12. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities of the Group at year end.

## U.S. MASTERS HOLDINGS LIMITED

### Notes to and forming part of the Financial Statements (continued) for the year ended 30 June 2013

Expressed in thousands of Australian Dollars

#### 13. FINANCIAL INSTRUMENTS

Financial assets of the Group include cash and cash equivalents, investments and interest, prepayments and dividends receivable.

Financial liabilities comprise accrued expenses.

Accounting policies for financial assets and liabilities are set out in note 2.

##### (a) Fair values

The carrying amounts of cash and cash equivalents, interest, prepayments and dividends receivable and accrued expenses approximate their fair value due to the relatively short period to maturity of these instruments. Investments are carried at fair value.

The Group classifies fair value measurement using the hierarchy that reflects the significance of the inputs used in making the measurements. Investments held by the Group are fair valued using Level 1 measurements within the hierarchy. The fair value of the investments held by the Group is estimated by using quoted prices in active markets for identical assets or liabilities. The basis for determining fair values is disclosed in note 2.

There are no off-balance sheet financial assets or liabilities at yearend.

##### (b) Credit risk

The Group purchases equities through the ASX or direct from the investee or its broker as part of a placement. The credit risk is through settlement risk with the ASX, the investee company or its broker.

At the year end there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Group believes that there has been no impairment required on any of the financial assets.

##### (c) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash plus a cash buffer to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements.

The Board receives information regarding cash balances. At the balance sheet date it is indicated that the Group expected to have sufficient liquid resources to meet its obligations under reasonably expected circumstances.

**U.S. MASTERS HOLDINGS LIMITED**  
**Notes to and forming part of the Financial Statements (continued)**  
**for the year ended 30 June 2013**  
Expressed in thousands of Australian Dollars

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Foreign exchange currency risk**

The Group's year end statement of financial position exposure to foreign currency risk was as follows, based on notional amounts. The following are financial assets and liabilities in currencies other than the functional currencies of the entity in which they are recorded:

	2013 USD '000	2012 USD '000
Cash and cash equivalents	4	-
Accounts payable	(8)	(20)
Prepayments and Debtors	33	-
Total statement of financial position exposure	25	(20)
Income statement gains/(losses) of 10% weakening of Australian dollar against USD, AUD*	2	(2)
Income statement gains/(losses) of 10% strengthening of Australian dollar against USD, AUD*	(2)	2

\*This analysis assumes that all other variables, in particular interest rates, remain constant.

**(e) Interest risk:**

At balance date, the Group is exposed to floating weighted average interest rates of 3.55% on short term deposits of \$350,000 (2012: deposits at call 3.65% on \$240,000 and: 4.8% on short term deposits of \$700,000). All other financial assets and liabilities are non-interest bearing.

At balance date, the Group had the following mix of financial assets exposed to Australian variable interest rate risk:

	GROUP	
	2013 \$'000	2012 \$'000
<b>Financial Assets</b>		
Cash	350	940
<b>Net exposure</b>	350	940

**Risk Exposures and Responses**

Judgments of reasonably possible movements:	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
+ 1% (100 basis points)	3	9	-	-
- 1% (100 basis points)		(9)	-	-

**U.S. MASTERS HOLDINGS LIMITED**  
**Notes to and forming part of the Financial Statements (continued)**  
**for the year ended 30 June 2013**  
Expressed in thousands of Australian Dollars

**14. CASH FLOW RECONCILIATION**

	<b>30 June 2013 \$'000</b>	<b>30 June 2012 \$'000</b>
Operating profit/(loss)	(724)	(765)
Share based remuneration	189	223
Decrease/ (Increase) in investments balances	20	267
Decrease/(Increase)in prepayments/debtors	(25)	(6)
Increase/(decrease) in payables	(62)	46
	<hr/>	<hr/>
	(602)	(235)
	=====	=====

**15. PARENT GROUP**

The Group financial statements represent the Parent Company's financial information in all significant respects as the fully owned subsidiaries of U.S. Masters Holdings Limited, USH Colombia S.A.S and Sociedad Minera U.S. Masters Chile Limitada have been dormant for the reporting period and the balances held within the subsidiaries are immaterial.

**U.S. MASTERS HOLDINGS LIMITED**

**Directors' Statement  
for the year ended 30 June 2013**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of US Masters Holdings Limited, I state that:

In the opinion of the directors

- a) the financial statements and notes of the Group are in accordance with the International Financial Reporting standards, including:
  - (i) giving a true and fair view of the financial position as at 30 June 2013 and its performance, for the year ended on that date of the Group; and
  - (ii) complying with IAS 1; and
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This statement has been made in accordance with a resolution of directors.



J Beecher  
Director  
23 August 2013

## **Independent auditor's report to the members of US Masters Holdings Limited**

### **Report on the financial report**

We have audited the accompanying financial report of US Masters Holdings Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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.

#### ***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 International Accounting Standards and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's responsibility***

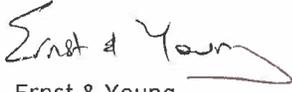
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

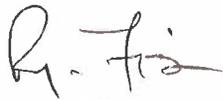
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion the financial report of US Masters Holdings Limited is in accordance with the International Financial Reporting Standards, including giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date.



Ernst & Young



Ryan Fisk  
Partner  
Sydney  
23 August 2013

## U.S. MASTERS HOLDINGS LIMITED

### Additional Information for the year ended 30 June 2013

Expressed in Australian Dollars

## SHAREHOLDERS

At 20 August 2013, there were 247 holders of the ordinary shares of the Company

The voting rights attaching to the ordinary shares are as follows:

- (a) at meetings of members or classes of members, each member entitled to vote may vote in person or proxy or attorney; and
- (b) on a show of hands, every person present who is a member has one vote, and on a poll every person present or by proxy or attorney has one vote for each ordinary share held.

Details of the top 20 shareholders as at 20 August 2013 were:

Rank	Name	Units	% of Units
1.	U S MASTERS HOLDINGS LTD	37,898,016	61.72
2.	MR MICHAEL DAVIES	4,714,321	7.68
3.	U S MASTERS SHARE PLAN PTY LTD	4,600,000	7.49
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	1,685,234	2.74
5.	CFO ADVISORS PTY LIMITED <THE BEECHER FAMILY A/C>	1,157,080	1.88
6.	MR GEOFFREY FRANCIS PIGOTT	1,113,333	1.81
7.	MRS MICHELE PIGOTT	659,821	1.07
8.	MR ROHAN KRISHNA MENON	559,824	0.91
9.	MR ANTHONY JAMES JOHN HAWKE	445,300	0.73
10.	CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	400,000	0.65
11.	MR GEOFFREY LEVY <B & G LEVY INVESTMENT A/C>	400,000	0.65
12.	DR MICHAEL ANDERSON + MRS LISA JANE ANDERSON	333,333	0.54
13.	MR DAVID BEAMOND	333,333	0.54
14.	MR JOHN MCNAMEE	333,333	0.54
15.	CITICORP NOMINEES PTY LIMITED	327,475	0.53
16.	DIAMOND STONE LIMITED	266,666	0.43
17.	MR SCOTT SPEEDIE	255,983	0.42
18.	LOCOPE PTY LTD	240,000	0.39
19.	ALCARDO INVESTMENTS LTD	200,000	0.33
20.	PRUDENCE MARY LEEMING	200,000	0.33
<b>Totals: Top 20 holders of ORDINARY FULLY PAID</b>		<b>56,123,052</b>	<b>91.40</b>

## U.S. MASTERS HOLDINGS LIMITED

### Additional Information (continued) for the year ended 30 June 2013

Expressed in Australian Dollars

### SHAREHOLDERS (Continued)

The shareholding shown in the above table in the name of U.S. Masters Holdings Ltd is Treasury Shares that the Company holds in itself which were purchased pursuant to an on-market buy-back scheme on the Australian Securities Exchange. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

The table below shows details of the top 20 shareholders as at 20 August 2013 excluding the holding by the Company of Treasury Shares:

Rank	Name	Units	% of Units
1.	MR MICHAEL DAVIES	4,714,321	20.05
2.	U S MASTERS SHARE PLAN PTY LTD	4,600,000	19.57
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	1,685,234	7.17
4.	CFO ADVISORS PTY LIMITED <THE BEECHER FAMILY A/C>	1,157,080	4.92
5.	MR GEOFFREY FRANCIS PIGOTT	1,113,333	4.74
6.	MRS MICHELE PIGOTT	659,821	2.81
7.	MR ROHAN KRISHNA MENON	559,824	2.38
8.	MR ANTHONY JAMES JOHN HAWKE	445,300	1.89
9.	CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	400,000	1.70
10.	MR GEOFFREY LEVY <B & G LEVY INVESTMENT A/C>	400,000	1.70
11.	DR MICHAEL ANDERSON + MRS LISA JANE ANDERSON	333,333	1.42
12.	MR DAVID BEAMOND	333,333	1.42
13.	MR JOHN MCNAMEE	333,333	1.42
14.	CITICORP NOMINEES PTY LIMITED	327,475	1.39
15.	DIAMOND STONE LIMITED	266,666	1.13
16.	MR SCOTT SPEEDIE	255,983	1.09
17.	LOCOPE PTY LTD	240,000	1.02
18.	ALCARDO INVESTMENTS LTD	200,000	0.85
19.	PRUDENCE MARY LEEMING	200,000	0.85
20.	MS ROBYN GULDBRANDSEN	180,000	0.77
<b>Totals: Top 20 holders of ORDINARY FULLY PAID</b>		<b>18,225,036</b>	<b>77.52</b>

### Substantial Shareholders:

Shareholder:

Number of Shares:

CFO Advisers Pty Ltd	2,157,080
Michael Neil Macgregor Davies	5,714,321
Gordon Thomas Galt	2,573,154
Geoffrey Francis Pigott	2,113,333

## U.S. MASTERS HOLDINGS LIMITED

### Additional Information (continued) for the year ended 30 June 2013

Expressed in Australian Dollars

The distribution of shareholders as at 20 August 2013 was as follows:

No. Shares	Shareholders
1 - 1,000	25
1,001 - 5,000	71
5,001 - 10,000	49
10,001 - 100,000	63
100,001 - and over	39
	<hr/>
	247
	<hr/>

Number of shareholders holding less than a marketable parcel of securities  
at 20 August 2013:

39

### INVESTMENTS AT 30 JUNE 2013

	Holding Number	Market Value \$000
Equities:		
Argentina Mining Ltd	112,000	2
Argentina Mining Ltd – Options	56,000	-
Gold Anomaly Ltd	1,250,000	1
Mundo Minerals Ltd	88,000	3
		<hr/>
		6
		<hr/> <hr/>

The total number of transactions during the year was 0.

The total amount of brokerage paid or accrued during the year was \$nil.

There is no management agreement in place and no management fees were paid or accrued during the year.