



FOY GROUP LIMITED

ABN 23 003 669 163

And Controlled Entities

HALF YEAR REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended June 30, 2015 and any public announcements made by FOY Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Corporations Act 2001.

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CORPORATE DIRECTORY

DIRECTORS

Paul Dickson (Executive Chairman)
Stuart Clark (Managing Director)
Bevan Dooley (Executive Director)
Clifford M James (Non-Executive Director)
Kilroy Genia (Non-Executive Director)
David McIntosh (Non-Executive Director)

SECRETARY

Joshua Herbertson

REGISTERED OFFICE

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SHARE REGISTER

Boardroom Pty Limited
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AUDITOR

Hall Chadwick
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Ph: (02) 9263 2600

SOLICITOR

Thomson Geer
Level 25, 1 O'Connell Street
Sydney, NSW, 2000

BANKERS

Westpac Bank Limited
275 George Street
Sydney, NSW, 2000

STOCK EXCHANGE LISTING

FOY Group Limited shares are listed on the Australian Securities Exchange.
ASX Code: FOY

WEBSITE ADDRESS

www.foygroup.com.au

DIRECTORS REPORT

The Directors present their report together with the financial report of the consolidated entity consisting of FOY Group Limited and the entities it controlled, for the half year ended 31 December 2016 and Auditor's Report thereon.

DIRECTORS

The names of Directors in office at any time during or since the end of the half year and up to the date of this report are:

<u>Name of Director</u>	<u>Role</u>	<u>Appointed</u>
Paul Dickson	Executive Chairman	24-10-14
Stuart Clark	Managing Director	25-08-16
Bevan Dooley	Executive Director	24-10-14
David McIntosh	Non-Executive Director	15-12-14
Clifford M. James	Non-Executive Director	22-12-14
Kilroy Genia	Non-Executive Director	21-01-15

All directors remain in office at the date of this report.

REVIEW OF OPERATIONS

The Board of FOY Group Limited ("FOY" or the "Company") is pleased to update shareholders on the Company's activities for the half year ended 31 December 2016.

ACT FACILITY

As previously advised to Shareholders, the Company has invested significant resources into the establishment of a 200 tonnes per day (TPD) end of life plastic to fuel facility in the ACT, which will be capable of producing 212,500 litres a day of diesel and petrol.

FOY embarked on extensive discussions with relevant domestic government entities external to NSW and following a review of financial projections and regulatory frameworks it was decided that the ACT site offers the most significant advantages.

To date the following progress has been made:

- The company has formally tendered for a 99-year lease of a site in Hume, ACT.
- Preliminary engineering is complete;
- Environmental Impact Study (EIS) was been submitted to the Environment and Planning Directorate (EPD) in the ACT;
- This authority concluded that the EIS sufficiently addressed the scoping document issued by the EPD; and
- An inquiry panel has been established to review the FOY application. This panel is expected to report back to the ACT government at the end of April.

INTERNATIONAL OPPORTUNITIES

While the ACT project remains of high importance for FOY, international opportunities continue to gain momentum and the Board are continuing to progress in other jurisdictions outside Australia. In line with this, FOY advised that it entered into a high-level heads of agreement with a view to forming a joint venture with GEP Fuel & Energy LLC, a USA based company planning to construct a 1,500 fstopd facility in the continental USA. On 29 November 2016, FOY announced the incorporation of two US entities in the state of Delaware.

The first, Integrated Green Partners, LLC (“IGP”) has been formed with US company GEP Fuel and Energy Indiana, LLC. FOY will hold a controlling position on the board of directors of IGP and will own its shares in IGP via the newly formed and wholly owned US subsidiary of FOY Group Limited, Integrated Green Energy US, Inc.

The Directors believe the incorporation of these entities will allow FOY greater opportunities to exploit the waste plastic to fuel technologies in the US market upon completion of the Business Sale Agreement (BSA) with Integrated Green Technology Limited (IGE) and the proposed capital raising.

Upon completion of the IGE Transaction, FOY’s intention is to roll out the WPTF solution in a range of international jurisdictions via a model of:

- Developing and protecting intellectual property;
- Maintaining a high quality of safety, efficiency and profitability at constructed sites;
- Building the brand;
- Maintaining control of all plants in all jurisdictions; and
- Maintaining the Company’s core values.

With the acquisition the IGE technologies, FOY will become an R&D and technology company with a focus on improving the environment through the removal of harmful end of life plastics that would otherwise go to landfill. As a creator of valuable intellectual property, FOY intends to continue with ongoing innovation whilst constantly refining the waste plastics to fuel technology patented by IGE.

In addition to the progress made in the US, FOY is advancing opportunities for the suite of IGE technologies in:

- China;
- UK;
- Western Europe;
- India; and
- Indonesia.

FUNDING

The Company does not currently generate any revenue and relies solely on equity fundraising and / or debt financing to fund its operations.

During the 6 months to 31 December 2016, the Company raised \$509,500 to continue to fund the Company’s immediate needs for its Amazon Bay Project in Papua New Guinea, general working capital requirements and to fund expenses associated with advancing the IGE Transaction to the stage of receiving Shareholder approval and re-complying with Chapters 1 and 2 of the ASX Listing Rules.

The Company has approval from the ASX to raise an additional \$69,000 if deemed necessary by the Board.

PNG STRATEGY

In line with the Board’s commitment to its existing PNG assets, specifically the Amazon Bay Project, FOY was successful in having its three exploration licenses renewed for a further two years in the 6 months to 31 December 2016. The Company has continued to progress its PNG strategy and the future development of the Amazon Bay Project and has undertaken the following activities:

- Continued active dialogue with the PNG Mineral Resource Authority (MRA) regarding its renewal application for the Company’s existing tenements;
- Delivered presentations to the PNG Mineral Resource Authority regarding green energy and the iron sands development; and
- Continued to explore alternative processing techniques for the iron sand deposits.

SUMMARY OF PNG TENEMENTS

The Company's focus in PNG continues to be on the Amazon Bay Project.

Project	Tenement	Interest
Amazon Bay	EL 1396	90% interest (TVI Pacific Inc. FOY substantial shareholder holds 10%)
Amazon North	EL 2149	100% interest
Maruta	EL 2281	100% interest

FINANCIAL RESULT

The Group has incurred a net loss of \$792,695 for the six months ended 31 December 2016. (FY 2015: net loss \$672,786).

The Company continues to make a concerted effort to reduce its operating costs during the period required to complete the Proposed Transaction and until the Company is operating on a cash flow positive basis.

GOING CONCERN BASIS OF ACCOUNTING

During the half year ended 31 December 2016, the Group incurred an operating loss before tax of \$792,695 and net cash outflows from operating activities of \$394,899 as disclosed respectively in the statement of profit or loss and other comprehensive income and the statement of cash flows.

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

Refer Note 1: "Going concern basis of accounting"

DIVIDENDS PAID, RECOMMENDED OR DECLARED

No dividends were paid, declared or recommended during the half year and up to the date of this report.

This report is made in accordance with a resolution of the Directors



Stuart Clark
Managing Director
16 March 2017

**FOY GROUP LIMITED
ABN 23 003 669 163
AND CONTROLLED ENTITIES
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FOY GROUP LIMITED**

SYDNEY

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Sydney NSW 2000
Australia

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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 16 March 2017

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Consolidated	
	31/12/2016	31/12/2015
Note	\$	\$
Revenue from continuing operations		
Other revenue		
Finance income	6	237
Other income	-	-
Expenses		
Administrative expenses	(103,550)	(101,307)
Consultants expenses	(53,581)	(45,970)
Corporate expenses	(360,962)	(143,865)
Depreciation and amortisation	(893)	(4,489)
Due diligence and transaction costs	(148,968)	(320,591)
Employment expenses	(54,677)	(1,035)
Exploration and Tenement Expenses	-	-
Finance costs	(45)	(9,427)
Insurance expenses	(23,194)	(13,116)
Occupancy expenses	(46,831)	(33,223)
Loss before income tax expense	(792,695)	(672,786)
Income tax benefit	-	-
Net loss for the period	(792,695)	(672,786)
Other comprehensive income		
Items that may be subsequently be classified to profit or loss		
Exchange differences arising in translation of foreign operations	175,018	(151,621)
Total comprehensive income for the period, net of tax	(617,677)	(824,407)

	Cents / Share	
	31/12/2016	31/12/2015
	\$	\$
Basic and diluted loss per share	(0.01)	(0.01)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 31 DECEMBER 2016**

	Note	Consolidated	
		31/12/2016	30/06/2016
		\$	\$
Current assets			
Cash and cash equivalents	3	39,797	42,642
Trade and other receivables		25,317	17,394
Other current assets		35,898	47,363
Total current assets		101,012	107,399
Non-current assets			
Plant and equipment		156,460	1,927
Intangible Assets		31,688	16,115
Mineral rights	4	12,924,467	12,924,467
Exploration and evaluation assets	5	2,541,556	2,441,851
Total non-current assets		15,654,171	15,384,360
Total assets		15,755,183	15,491,759
Current liabilities			
Trade and other payables		1,741,330	1,437,080
Loans and other borrowings	6	437,722	348,432
Total current liabilities		2,179,052	1,785,512
Total liabilities		2,179,052	1,785,512
Net assets		13,576,131	13,706,247
Equity			
Issued capital	7	110,296,989	109,809,427
Share reserve	7	2,101,201	2,101,201
Foreign currency reserve	7	467,872	292,854
Accumulated losses		(99,289,931)	(98,497,235)
Total equity		13,576,131	13,706,247

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated				
	Issued capital	Foreign currency reserve	Share reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance 1 July 2015	108,850,995	692,401	2,101,201	(97,356,682)	14,287,915
Net loss for the year	-	-	-	(672,787)	(672,787)
Other comprehensive income	-	(151,621)	-	-	(151,621)
Total comprehensive expense for the period	-	(151,621)	-	(672,787)	(824,408)
Transactions with owners in their capacity as owners:					
Shares issued net of transaction costs	958,432	-	-	-	958,432
Shares to be issued to related parties	-	-	90,000	-	90,000
Total transactions with owners recorded directly in equity	958,432	-	90,000	-	1,048,432
Balance 31 December 2015	109,809,427	540,780	2,191,201	(98,029,469)	14,511,939

	Consolidated				
	Issued capital	Foreign currency reserve	Share reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance 1 July 2016	109,809,428	292,854	2,101,201	(98,497,236)	13,706,247
Net loss for the year	-	-	-	(792,695)	(792,695)
Other comprehensive income	-	175,018	-	-	175,018
Total comprehensive expense for the period	-	175,018	-	(792,695)	(617,677)
Transactions with owners in their capacity as owners:					
Shares issued net of transaction costs	487,561	-	-	-	487,561
Shares to be issued to related parties	-	-	-	-	-
Total transactions with owners recorded directly in equity	487,561	-	-	-	487,561
Balance 31 December 2016	110,296,989	467,872	2,101,201	(99,289,931)	13,576,131

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Consolidated	
	31/12/2016	31/12/2015
	\$	\$
Cash flows from operating activities		
Payment to suppliers and employees inclusive of goods and services tax	(394,905)	(631,331)
	(394,905)	(631,331)
R & D tax refund received	-	-
Interest received	6	237
Finance costs paid		
Net cash outflow from operating activities	(394,899)	(631,094)
Cash flows from investing activities		
Purchase of property, plant and equipment	(154,535)	-
Intangible Assets	(15,574)	(9,165)
Exploration expenditure	(14,689)	(32,463)
Net cash outflow from investing activities	(184,797)	(41,628)
Cash flows from financing activities		
Proceeds from the issue of shares, or shares yet to be issued, net of transaction costs	487,561	401,500
Proceeds of borrowings	89,290	
Net cash inflow from financing activities	576,851	401,500
Net outflow in cash and cash equivalents	(2,846)	(271,222)
Cash and cash equivalents at the beginning of the period	42,642	305,164
Cash and cash equivalents at the end of the period	39,796	33,942

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL REPORT

(a) Statement of compliance

This consolidated financial report for the half year reporting period ended December 31, 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

(b) Basis of preparation

The interim financial report does not include all the notes of the type normally included in an annual financial report.

Accordingly this report is to be read in conjunction with the annual report for the year ended June 30, 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim consolidated financial statements have been presented in Australian dollars unless otherwise stated.

The accounting policies adopted were consistent with those of the previous financial year and corresponding interim reporting periods.

Going concern basis of accounting

During the half year ended 31 December 2016, the Group incurred an operating loss before tax of \$792,695 and net cash outflows from operating activities of \$394,899, as disclosed in the statement of profit or loss and the statement of cash flows, respectively. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful with fundraising and other options outlined below:

- a) The ability of the Group to raise additional funds from shareholders and new investors. The Group has successfully raised \$509,500 through an interim placement during the period. The purpose of the placement was to fund the Company's immediate needs for its Amazon Bay Project in Papua New Guinea, general working capital requirements and to fund expenses associated with advancing the proposed transaction with Integrated Green Energy Limited.
- b) Completion of the proposed transaction with Integrated Green Energy Limited, fundraising on the basis of a further placement and rights issue to develop the project and re-comply with Chapters 1 and 2 of the ASX Listing Rules.
- c) Continuation of the close and effective monitoring of the Group's operating expenditure;
- d) Consideration of options that might include the sale of part of the business.

As a result, there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

However, the Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2016. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in preparation of the Groups annual consolidated financial statements for the year ended 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS **FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

Critical Accounting Estimates and Judgments.

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

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated group successfully recovers the related exploration and evaluation asset through sale of the asset.

Factors that could impact the future recoverability include but not limited to the level of reserves and resources, technological changes, changes in the legal and political environment, costs of exploration and production, environmental restoration obligations and changes in commodity prices.

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at bank

Consolidated	
31/12/2016	30/06/2016
\$	\$
39,797	42,642
39,797	42,642

NOTES TO THE FINANCIAL STATEMENTS **FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 4: MINERAL RIGHTS

Mineral rights

Consolidated	
31/12/2016	30/06/2016
\$	\$
12,924,467	12,924,467
12,924,467	12,924,467

Reconciliations

Movement of mineral rights expenditure at the beginning and end of the current period and previous financial year is set out below:

Balance at beginning of financial period
Balance at the end of the financial period

Consolidated	
31/12/2016	30/06/2016
\$	\$
12,924,467	12,924,467
12,924,467	12,924,467

The Directors have assessed the Group's carrying value of the capitalised mineral rights and note that the future recoverability is subject to the successful development and exploitation of the exploration assets or sale of those assets and the ability of the Group to successfully implement the Bio-mass to Electricity technology acquired from Integrated Green Energy at Amazon Bay.

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure

Consolidated	
31/12/2016	30/06/2016
\$	\$
2,541,556	2,441,851
2,541,556	2,441,851

Reconciliations

Movement of exploration and evaluation expenditure at the beginning and end of the current period and previous financial year is set out below:

Balance at beginning of financial period
Exploration and evaluation expenditure in current period
Movement in foreign currency reserve
Impairment of tenements
Refund of Government Grants

Consolidated	
31/12/2016	30/06/2016
\$	\$
2,441,851	2,839,847
11,964	59,675
87,741	(399,547)
-	-
-	(58,124)
2,541,556	2,441,851

The Directors have assessed the Group's carrying value of the capitalised mineral rights and note that the future recoverability is subject to the successful development and exploitation of the exploration assets or sale of those assets and the ability of the Group to successfully implement the Bio-mass to Electricity technology acquired from Integrated Green Energy at Amazon Bay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 6: FINANCIAL LIABILITIES

Loan from IGE
Loan and interest payable to TVI Pacific Inc.
Capital promissory notes and interest payable

Consolidated	
31/12/2016	30/06/2016
\$	\$
381,566	292,277
24,081	24,081
32,075	32,075
437,722	348,432

Loan and Interest - TVI Pacific Inc.
Loan and Interest - capital promissory notes

30/06/2016	Interest Accrued	Share Issue	31/12/2016
\$	\$	\$	\$
24,081	-	-	24,081
32,075	-	-	32,075
56,156	-	-	56,156

After issuing shares to the value of \$211,528 in the year to 30 June 2015 to satisfy part of the \$400,000 loan from TVI, FOY was left with a balance of \$211,314 including interest. The principal of this loan was satisfied with the issue of a further 3,015,550 ordinary shares each with an attaching unlisted option at a conversion price of \$0.0625. The remaining balance represents interest on the loan, which stopped accruing on 30 July 2015 when the final tranche of shares was issued. The interest is payable as cash.

Capital promissory notes and interest payable

After issuing shares to the value of \$579,471 in the year to 30 June 2015 to satisfy part of the \$1,000,000 in debt securities, FOY was left with a balance of \$446,709 including interest. The principal of these Notes was satisfied with the issue of a further 5,800,403 ordinary shares each with an attaching unlisted option at a conversion price of \$0.0725. The remaining balance represents interest on the Notes, which stopped accruing on 30 July 2015 when the final tranche of shares was issued. The interest is payable as cash.

NOTE 7: EQUITY - ISSUED CAPITAL AND RESERVES

Ordinary shares
Ordinary shares - authorised and fully paid

Period Ended		Period Ended	
31/12/2016	30/06/2016	31/12/2016	30/06/2016
Shares	Shares	\$	\$
68,989,550	64,592,883	110,296,989	109,809,427
68,989,550	64,592,883	110,296,989	109,809,427

Movements in ordinary share capital

Opening balance 1 July 2016
Share placement - issue on placement to sophisticated investors
Share placement - TVI debt conversion
Share placement - capital promissory notes
Transaction costs
Balance at 31 December 2016

Consolidated No. of shares	Consolidated \$
64,592,883	109,809,427
4,396,667	509,500
-	-
-	-
-	(21,938)
68,989,550	110,296,989

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 7: EQUITY - ISSUED CAPITAL AND RESERVES (CONTINUED)

Share reserve

(i) Nature and purpose of reserve

This reserve is used to record the fair value of converting redeemable preference shares and options.

Balance at beginning of year

Share compensation expense

Options issued to TVI on completion of Tranche 2

Balance at end of year

Foreign currency reserve

(i) Nature and purpose of reserve

This reserve is used to record the exchange differences arising on translation of a foreign entity.

Balance at beginning of year

Foreign currency movements

Balance at end of year

	Period Ended	
	31/12/2016	30/06/2016
	\$	\$
	2,101,201	2,101,201
	-	-
	-	-
	2,101,201	2,101,201
	292,854	692,401
	175,017	(399,547)
	467,871	292,854

NOTES TO THE FINANCIAL STATEMENTS **FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

NOTE 8: OPERATING SEGMENTS

FOY Group Limited has two operating segments and two geographical segments. For management reporting purposes, the group is organised into business units based on its activities and has identified its business segments as follows:

- The exploration areas segment undertakes exploration and evaluation activities. Exploration and evaluation activities are currently being undertaken in the geographical segment of Papua New Guinea.
- The Corporate activities which incorporates the corporate functions of the parent entity including regulatory activities and the development of new markets and business opportunities. It is based in the geographical segment of Australia.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and financial income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 of the financial statements. Transfer prices between operating segments are on an arms length basis in a manner similar to transactions between third parties.

	Geographical Segments		
	Papua New Guinea	Australia	Total
	Operational Segments		
	Exploration	Corporate	Total
31 December 2016			
Other Income			
Finance income	-	6	6
R&D tax refund	-		-
Expenses			
Administrative expenses	(4,487)	(99,063)	(103,550)
Consultants expenses	-	(360,962)	(360,962)
Corporate expenses	-	(53,581)	(53,581)
Depreciation and amortisation	-	(893)	(893)
Due Diligence expenses	-	(148,968)	(148,968)
Employment expenses	-	(54,677)	(54,677)
Finance costs	-	(45)	(45)
Insurance expenses	(2,233)	(20,961)	(23,194)
Occupancy expenses	-	(46,831)	(46,831)
Impairment expense	-	-	-
Loss on disposal of fixed assets	-	-	-
Loss before income tax	(6,720)	(785,975)	(792,695)
Income tax benefit	-	-	-
Net loss for the period	(6,720)	(785,975)	(792,695)
Other comprehensive income			
Exchange differences arising in translation of foreign operations	-	175,017	175,017
Total comprehensive income, net of tax	(6,720)	(610,958)	(617,678)
Operating assets	15,467,733	287,450	15,755,183
Operating liabilities	(117,447)	(2,061,605)	(2,179,052)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 8: OPERATING SEGMENTS (CONTINUED)

31 December 2015

Other Income

Finance income -
Farmee release of financial liability -

Expenses

Administrative expenses (4,832)
Consultants expenses -
Corporate expenses -
Depreciation and amortisation -
Due Diligence expenses -
Employment expenses -
Finance costs -
Insurance expenses 5,133
Occupancy expenses -
Impairment expense -
Loss on disposal of fixed assets -
Loss before income tax 301

Income tax benefit -

Net loss for the period 301

Other comprehensive income

Exchange differences from translation of foreign operations -

Total comprehensive income, net of tax 301

Geographical Segments		
Papua New Guinea	Australia	Total
Operational Segments		
Exploration	Corporate	Total
-	237	237
-	-	-
(4,832)	(96,475)	(101,307)
-	(143,865)	(143,865)
-	(45,970)	(45,970)
-	(4,489)	(4,489)
-	(320,591)	(320,591)
-	(1,035)	(1,035)
-	(9,427)	(9,427)
5,133	(18,249)	(13,116)
-	(33,223)	(33,223)
-	-	-
-	-	-
301	(673,087)	(672,786)
-	-	-
301	(673,087)	(672,786)
-	165,082	165,082
301	(508,005)	(507,704)

31 December 2015

Operating assets 15,662,045
Operating liabilities (100,248)

Operational Segments		
Exploration	Corporate	Total
15,662,045	76,650	15,738,695
(100,248)	(926,508)	(1,026,756)

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to reporting date that required adjustment or disclosure in the financial statements.

DIRECTORS' DECLARATION

The Directors of FOY Group Limited declare that:

- (a) the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting reporting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paul Dickson
Chairman

Dated this 16th day of March 2017.

**FOY GROUP LIMITED
ABN 23 003 669 163
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
FOY GROUP LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Sydney NSW 2001

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Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of FOY Group Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of FOY Group Limited are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of FOY Group Limited's financial position as at 31 December 2016 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of FOY Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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**FOY GROUP LIMITED
ABN 23 003 669 163
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
FOY GROUP LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of FOY Group Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of FOY Group Limited Limited's financial position as at 31 December 2016 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the group incurred a loss of \$792,695 and has net cash outflows from operating activities of \$394,899 for the half year ended 31 December 2016. As stated in Note 1 these conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner

Dated: 16 March 2017