ABN 59 009 815 605

# E3SIXTY LIMITED (FORMERLY KNOWN AS ESPERANCE MINERALS LIMITED AND ITS CONTROLLED ENTITIES)

# ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

## DIRECTORS
John Rawicki (Executive Director)
Alan Beasley (Non-Executive Chairman) – *resigned 6 August 2019*
Anthony Karam (Non-Executive Director)
Nick Caughey – *appointed 30 September 2019*

## COMPANY SECRETARY
John Rawicki

## REGISTERED OFFICE – E3SIXTY LIMITED
ABN 59 009 815 605
Level 14, 3 Spring Street
SYDNEY NSW 2000

Phone: +61 2 8321 7944

## SHARE REGISTRY
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Phone: +61 8 9315 2333
Fax: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

## PRINCIPAL PLACE OF BUSINESS
Level 14, 3 Spring Street
SYDNEY NSW 2000

## SOLICITORS
HWL Ebsworth Lawyers

## AUDITORS
RSM Australia Partners

## BANKERS
Westpac Banking Corporation

## STOCK EXCHANGE LISTING
E3Sixty Limited shares are listed on the Australian Stock Exchange (ASX: E3S)

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# DIRECTORS' LETTER

Dear Shareholder

Since December 2016, the Company has been working on a transaction with Greenenz Company Limited NZ (Proposed Transaction) to transform the Company into an electronic waste (e-waste) technology business.

Greenenz Company Limited, a company registered in New Zealand, has developed the Greenenz Technology that efficiently recovers high concentrations of precious metals (including gold, silver and palladium) from electronic waste in an environmentally-friendly manner utilising a gasification technology incorporating patented core componentry and known as E360:BRG™. The gasification process also generates heat which can be utilised as an energy source. Precious metals can be recovered from the concentrate by traditional extraction methods, either smelting or hydrometallurgy.

On completion of the transaction and its re-listing, the Company will have the right to use the proprietary Greenenz Technology developed by Greenenz Company. Using the Greenenz Technology incorporated in Processing Plants, E3Sixty will be able to establish Projects to recover high concentrations of precious metals (including gold, silver, and palladium) from e-waste in an environmentally-friendly manner and provide the secure destruction of data.

The transaction is subject to the Company re-complying with chapters 1 and 2 of the ASX Listing Rules among other things. The Company is currently in the process of finalising the Prospectus and Project Agreement documentation, and will announce an indicative relisting timetable to market in due course.

The Company believes the transaction with Greenenz will create long-term shareholder value and looks forward to the Company's relisting on the ASX.

Yours faithfully,

**John Rawicki**
**Managing Director**
(on behalf of the Board)

Dated at Sydney this 30th day of September 2019

## CORPORATE ACTIVITIES

During the year the Company raised a total of $582,000 via the issue of Converting Notes. The terms of the Notes are contained in the financial statements below.

# CORPORATE GOVERNANCE STATEMENT

E3Sixty Limited ("E3Sixty"), through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with E3Sixty. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

This statement outlines the main corporate governance practices of E3Sixty during the financial year against those requirements, which are captured now under the heading Corporate Governance Principles and Recommendations 3rd Edition, published in March 2014 by the ASX Corporate Governance Council. The third edition of the *Principles and Recommendations* take effect on or after 1 July 2014. This report is based on the new 3rd edition.

## ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Corporate Governance Principles and Recommendations on how to achieve best practice for each principle are set out in a different format to that used previously, with a comment for each recommendation identifying whether E3Sixty's approach conformed to the principles. It should be noted that E3Sixty is currently a small cap listed company and that where its processes do not fit the model of the 8 principles, the Board believes that there are good reasons for the different approach being adopted.

Reporting against the 8 Principles, we advise as follows:

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

*1.1 A listed entity should disclose:*

*(a) the respective roles and responsibilities of its board and management; and*

*(b) those matters expressly reserved to the board and those delegated to management.*

The primary responsibilities of E3Sixty's board include:

- the establishment of long term goals of the company and strategic plans to achieve those goals;
- the review and adoption of the annual business plan for the financial performance of the company and monitoring the results on a monthly basis;
- the appointment of the Managing Director;
- ensuring that the company has implemented adequate systems of internal control together with appropriate monitoring of compliance activities; and
- the approval of the annual and half-yearly statutory accounts and reports.

The board meets on a regular basis, during the year, to review the performance of the company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled monthly board meetings, each board member is provided with a formal board package containing appropriate management and financial report.

The responsibilities of senior management including the Managing Director are contained in letters of appointment and job descriptions given to each appointee on appointment and updated at least annually or as required.

The primary responsibilities of senior management are:

(i) achieve E3Sixty's objectives as established by the Board from time to time;

(ii) operate the business within the cost budget set by the Board;

(iii) ensure that E3Sixty's appointees work with an appropriate Code of Conduct and Ethics; and

(iv) ensure that E3Sixty appointees are supported, developed and rewarded to the appropriate professional standards

*1.2 A listed entity should:*

*(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*

*(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

Currently the company does not employ senior executives. The performance of the Executive Chairman and any Executive Directors is reviewed on an annual basis, by the board.

*1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

A performance evaluation for each director has taken place in the reporting period in line with the process disclosed.

*1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company Secretary is accountable to the Board and performs all the tasks related to corporate governance. All the directors are able to communicate directly with the Company Secretary.

*1.5 A listed entity should:*

*(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*

*(b) disclose that policy or a summary of it; and*

*(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:*

*(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*

*(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.16*

The Company is committed to diversity and recognises the benefits arising from employee and board diversity.

The Company will annually monitor the progress and effectiveness of objectives developed in the policy. Given the size and nature of the Company's workforce the Company has chosen not to implement measurable objectives on which the Company will report.

*1.6 A listed entity should:*

*(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*

*(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board undertakes a self-evaluation covering the directors, the chairman and the committees once a year. The recommendations for improvement are discussed and implemented by the Board.

This performance evaluation was undertaken in the current year.

*1.7 A listed entity should:*

*(a) have and disclose a process for periodically evaluating the performance of its senior executives; and*

*(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company procedures call for a performance evaluation of all senior management once a year and develops an annual plan for the following year as part of the process. As the Company had no senior management this year no performance evaluation was undertaken.

The E3Sixty Corporate Governance Charter will be made available on the E3Sixty web site, and includes sections that provide a board charter. The E3Sixty board reviews its charter when it considers changes are required.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

E3Sixty operates in a market where it finds that it must regularly seek investor support to raise additional capital. As a consequence, Board members themselves often have a significant interest in the Company. During the major portion of the reporting period, the E3Sixty Board consisted of two non-executive directors, and one Executive Director. One non-executive Director/Chairman considers himself as independent.

*2.1 The board of a listed entity should:*

*(a) have a nomination committee which:*

*(1) has at least three members, a majority of whom are independent directors; and*

*(2) is chaired by an independent director, and disclose:*

*(3) the charter of the committee;*

*(4) the members of the committee; and*

*(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Company does not have a formally constituted Nomination and Remuneration Committee due to the overall size of the Board.

The charter of the committee will be available from the Company's new website (under construction) and it has responsibility for nominating new directors to the Board.

*2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

Skills matrix developed and current directors assessed themselves against the matrix. A summary of this information has been included in the Directors' Report.

*2.3 A listed entity should disclose:*

*(a) the names of the directors considered by the board to be independent directors;*

*(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*

*(c) the length of service of each director.*

*2.4 A majority of the board of a listed entity should be independent directors.*

The Company presently has three directors, one of whom is considered independent. The Board believes that it has the right numbers and skills within its board members for the current size of the Company.

*2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

Alan Beasley was non-Executive Chairman for the year under review. Given his knowledge and experience the Board felt that having Mr Beasley as Chairman was the most appropriate option for the Company given its size and operations.

The Board members are in regular contact with each other as they deal with matters relating to E3Sixty's business. The board uses a personal evaluation process to review the performance of directors, and at appropriate times the Chairman takes the opportunity to discuss Board performance with individual directors and to give them his own personal assessment. The Chairman also welcomes advice from Directors relating to his own personal performance. The Remuneration & Nomination Committee determines whether any external advice or training is required. The Board believes that this approach is most appropriate for a company of the size and market cap of E3Sixty.

*2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The Company does not provide an induction for all new directors. Relevant courses offered by the Australian Institute of Company Directors are bought to the attention of the Board throughout the year to assist them to maintain their skills.

## PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

*3.1 A listed entity should:*

*(a) have a code of conduct for its directors, senior executives and employees; and*

*(b) disclose that code or a summary of it.*

E3Sixty's policies contain a formal code of conduct that applies to all directors and employees, who are expected to maintain a high standard of conduct and work performance, and observe standards of equity and fairness in dealing with others. The detailed policies and procedures encapsulate the company's ethical standards. The Company is committed to being a socially responsible corporate citizen, using honest and fair business practices to achieve the best outcomes for shareholders.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

*4.1 The board of a listed entity should:*

*(a) have an audit committee which:*

*(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*

*(2) is chaired by an independent director, who is not the chair of the board, and disclose:*
*(3) the charter of the committee;*
*(4) the relevant qualifications and experience of the members of the committee; and*
*(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The company will formally appoint suitable members to the Audit, Corporate Governance and Risk Management committee in due course. The Company has not yet formed these committees due to the recent board restructure and is currently determining which board members are best suited for each role.

Currently, until the individual committees are formed, the Board members work in tandem to provide a forum for the effective communication between the board and external auditors. The Board members individually review:

- the annual and half-year financial reports and accounts prior to their approval by the board;
- the effectiveness of management information systems and systems of internal control; and
- the efficiency and effectiveness of the external audit functions.

The board members meet with and receive regular reports from the external auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

In conjunction with the auditors the Audit, Corporate Governance and Risk Management Committee monitors the term of the external audit engagement partner and ensures that the regulatory limit for such term is not exceeded. At the completion of the term, or earlier in some circumstances, the auditor nominates a replacement engagement partner. The Committee interviews the nominee to assess relevant prior experience, potential conflicts of interest and general suitability for the role. If the nominee is deemed suitable, the committee reports to the Board on its recommendation.

*4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively*

Before they approve the annual financial statements, the Board receives a declaration each year from the CEO and CFO that, in their opinion, the financial records of the Company have been properly maintained and the financial statements of the Company comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

*4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company's auditor attends each AGM and is available to answer questions from shareholders relevant to the audit.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES

*5.1 A listed entity should:*

*(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*

*(b) disclose that policy or a summary of it*

The E3Sixty board and senior management are conscious of the ASX Listing Rule Continuous Disclosure requirements, which are supported by the law, and take steps to ensure compliance. The company has a policy, which can be summarised as follows:

- the Board, with appropriate advice, to determine whether an announcement is required under the Continuous Disclosure principles;
- all announcements be monitored by the Company Secretary; and
- all media comment to be handled by the Chairman.

At each meeting of the Board, consideration is given as to whether any item covered during the meeting impacts on its continuous disclosure requirements.

## PRINCIPLE 6 RESPECT THE RIGHTS OF SHAREHOLDERS

*6.1 A listed entity should provide information about itself and its governance to investors via its website.*

E3Sixty provides information to its shareholders through the formal communications processes (e.g. ASX releases, general meetings, annual report, and occasional shareholder letters).

*6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

Investors can communicate with the Company through email or by calling the phone numbers listed on the Company's announcements and ASX website.

*6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

All shareholders receive the Notice of Meeting and Explanatory Statement for the Company's Annual General Meeting. They are able to send in questions they would like addressed at the Meeting and also by attending the meeting will have the ability to talk to any of the resolutions and have their questions answered.

They will also have the opportunity to ask questions of management once the formal part of the meeting has been completed.

*6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders can send communications to the Company via email and all emails will be responded to.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

*7.1 The board of a listed entity should:*

*(a) have a committee or committees to oversee risk, each of which:*

*(1) has at least three members, a majority of whom are independent directors; and*

*(2) is chaired by an independent director, and disclose:*

*(3) the charter of the committee;*

*(4) the members of the committee; and*

*(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

(b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. The Company has established policies for the oversight and management of material business risks.*

The Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. The Board monitors the risks and internal controls of E3Sixty through the Audit and Corporate Governance activities.

As part of the process, E3Sixty's management formally identifies and assesses the risks to the business, and these assessments are noted by the Audit Committee and the Board.

*7.2 The board or a committee of the board should:*

*(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*

(b) *disclose, in relation to each reporting period, whether such a review has taken place.*

Management is accountable to the CEO and through him to the Board, to ensure that operating efficiency, effectiveness of the risk management procedures, internal compliance control systems and policies and that they are all being monitored. Management have designed and implemented a risk management and internal control system to manage the Company's material business risks and reports to the Board annually on the effective management of those risks.

*7.3 A listed entity should disclose:*

*(a) if it has an internal audit function, how the function is structured and what role it performs; or*

*(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

Due to the size of the Company there is no internal audit function. The Board receives an annual report from Management reviewing the risk management procedures of the Company and is able to provide commentary on the report as well as identify any new risks that have emerged and not previously been recorded by the system.

*7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The annual report from management covering risk management identifies these risks and how they are being managed and is subject to critical review by the Board.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

*8.1 The board of a listed entity should:*

*(a) have a remuneration committee which:*

*(1) has at least three members, a majority of whom are independent directors; and*

*(2) is chaired by an independent director, and disclose:*

*(3) the charter of the committee;*

*(4) the members of the committee; and*

*(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

Due to the recent board restructure E3Sixty has not yet established a Remuneration and Nomination committee. However, it is a priority for the current board and will be formally established in due course.

*8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The remuneration details of non-executive directors, executive directors and senior management are set out in the Remuneration Report that forms part of the Directors' report. There are no schemes for retirement benefits, other than statutory superannuation for non-executive directors.

*8.3 A listed entity which has an equity-based remuneration scheme should:*

*(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*

*(b) disclose that policy or a summary of it.*

The remuneration details of non-executive directors, executive directors and senior management are set out in the Remuneration Report that forms part of the Directors' report.

For a small company like E3Sixty (as measured by its market capitalisation) it is not appropriate to carry a statement on prohibiting transactions in associated products.

A copy of the Remuneration and Nomination committee charter will be publicly available on the new E3Sixty web site.

# DIRECTORS' REPORT

The Directors of E3Sixty Limited (**E3Sixty** or the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2019 hereby submit the Directors' Report as part of the annual financial report. The Chairman's letter to Shareholders, the Corporate Governance Statement and the Review of Operations and Tenements all form part of the Directors' Report.

## DIRECTORS

The Directors of the Company at any time during or since the end of the financial year were:

***ALAN BEASLEY***
*Non-Executive Chairman*

Mr. Beasley was appointed to the E3Sixty Board on 15 July 2016, and resigned on 6th August 2019.

He has worked in the Investment Banking and Investment Management industries for over 30 years, with Bankers Trust Australia, Goldman Sachs, BNP Paribas. He is a director and former director of several listed and unlisted public and private companies including two public charities. He graduated with a Bachelor of Economics, (UNE) and completed an Advanced Management Program in International Investment Management, from the Hoover Graduate Business School, Stanford University, USA.

***JOHN RAWICKI***
*Executive Director*

Mr Rawicki was appointed to the E3Sixty Board on 14 March 2016, tasked with finding and negotiating a suitable transaction for the Company that would create long-term value for its shareholders. He previously served as a director of the Company from May - November 2015.

Mr Rawicki has over 13 years of stockbroking and corporate finance experience, having worked on numerous transactions within the technology and resources sectors. He has raised significant funds for both listed and unlisted junior companies, advised on reverse takeovers, IPOs and M&A activities, and provided PR services to listed companies seeking to grow their investor base. He was previously the Managing Director of BlueSky Shareholder Services, which provided investor relations and corporate advisory services to listed companies and has previously worked as an analyst at JPMorgan.

Mr. Rawicki holds a Bachelor of Commerce from the University of Sydney.

***NICK CAUGHEY***
*Non-Executive Director*

Nick Caughey has over thirty years' experience in the financial markets.

Mr Caughey worked as an institutional advisor and derivatives trader in Auckland, London, New York, Tokyo and Sydney at Merrill Lynch. Mr Caughey spent four years as Commercial Manager for Airwork NZ Ltd, where he established a presence in SE Asia and was instrumental in restructuring several operational divisions. In 1998 Mr Caughey joined ABN Amro as an institutional equity salesman in Auckland, then expanded his role in Hong Kong, Singapore and then Sydney. ABN Amro was then acquired by RBS and Mr Caughey became Head of Institutional Equity Sales with over 30 staff, globally.

Mr Caughey returned to New Zealand in 2013 where he rejoined the local broking fraternity. In 2016 he established Ensea Advisory, offering strategic, communications and financial advice to a range of listed and unlisted companies.

Nick is a member of the NZ Institute of Directors and an Authorised Financial Advisor (AFA).

***ANTHONY KARAM***
*Non-Executive Director*

Mr Karam was appointed to the E3Sixty Board on 7 February 2018 to assist the company with completion of the proposed Greenenz transaction.

Anthony Karam has eighteen years' experience as a commercial lawyer. Mr Karam has been engaged as a corporate adviser by a number of ASX listed companies and large privately owned businesses. He is currently a director of

Cassius Mining Limited; and has previously held senior board positions with the ASX listed companies Chameleon Mining NL (2009-2012), Director, and Panorama Synergy Ltd (2012-2015) where he was actively involved in having each of those companies restructured through to periods where the market capitalisation of each Company reached over $40 Million and $150 Million respectively.

## COMPANY SECRETARY

John Rawicki

## DIRECTORS' MEETINGS

During the financial year, 4 board meetings of directors were held. Attendance by each director was as follows:

| | Board Meetings | | Audit Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|
| **Director** | Meetings attended | Meetings held whilst in office | Meetings held | Meetings held whilst in office | Meetings attended | Meetings held whilst in office |
| Mr Rawicki | 4 | 4 | 4 | 4 | - | - |
| Alan Beasley | 4 | 4 | 4 | 4 | - | - |
| Anthony Karam | 4 | 4 | 4 | 4 | - | - |
| Nick Caughey | - | - | - | - | - | - |

## REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management person of E3Sixty Limited. The *Corporations Act 2001* requires that this report be shown in the Directors' Report and that it be audited. Key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company. Key management personnel comprise the Directors of the Company. The Company does not have any other specified executives.

Compensation levels for key management personnel are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. The Remuneration Committee obtains independent advice on the appropriateness of compensation packages of the Company given trends in comparable companies both locally and internationally.

## OFFICERS' REMUNERATION (AUDITED)

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- total compensation for all Directors including Directors' fees, amounted to $29,550 (2018: $56,550).
- the maximum approved total Directors fees is $250,000, which was last voted upon at the 2008 AGM;
- Non-Executive Directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of committees; and
- termination benefits have been determined on a case-by-case basis and are not contractually defined.

The following table provides details of all the Directors and executives of the Company and the nature and amount of the elements of their remuneration for the year ended 30 June 2019.

| 2019 | Short-term Employee Benefits | | | | Post-employment Benefits | Other Long-term Benefits | Termination Benefits | Share Based Payment | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Cash, salary, Directors Fees | Cash profit share, bonuses | Non-cash benefits | Allowance | Super-annuation | | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Mr Rawicki | 29,550 | - | - | - | - | - | - | - | 29,550 |
| Mr Karam | - | - | - | - | - | - | - | - | - |
| Mr Beasley | - | - | - | - | - | - | - | - | - |
| Mr Caughey* | - | - | - | - | - | - | - | - | - |
| | 29,550 | - | - | - | - | - | - | - | 29,550 |

* appointed 30 September 2019

| 2018 | Short-term Employee Benefits | | | | Post-employment Benefits | Other Long-term Benefits | Termination Benefits | Share Based Payment | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Cash, salary, Directors Fees | Cash profit share, bonuses | Non-cash benefits | Allowance | Super-annuation | | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Mr Rawicki | 31,550 | - | - | - | - | - | - | - | 31,550 |
| Ms Zhang* | 25,000 | - | - | - | - | - | - | - | 25,000 |
| Mr Karam | - | - | - | - | - | - | - | - | - |
| Mr Beasley | - | - | - | - | - | - | - | - | - |
| | 56,550 | - | - | - | - | - | - | - | 56,550 |

*Ms Zhang resigned on 7 February 2018

The remuneration policy of the Company has been designed to remunerate the Directors based upon their skills and contributions to the Company. No performance based remuneration has been granted. No options over share capital have been granted to key management personnel.

**Additional Disclosures relating to key management personnel**

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ Other | Balance at the end of the year |
|---|---|---|---|---|---|
| Mr Rawicki | - | - | - | - | - |
| Mr Beasley | - | - | - | - | - |
| Mr Karam | - | - | - | - | - |
| Mr Caughey | - | - | - | - | - |
| | - | - | - | - | - |

The tables below set out summary information about the Company's earnings and movements in shareholder wealth for the five years to 30 June 2019.

| | 30 June 2019 $ | 30 June 2018 $ | 30 June 2017 $ | 30 June 2016 $ | 30 June 2015 $ |
|---|---|---|---|---|---|
| **Revenue** | 172 | 17 | 469 | 3,615 | 1,056 |
| **Loss before tax** | (1,160,865) | (666,786) | (972,664) | (1,213,901) | (1,398,231) |
| **Loss after tax** | (1,160,865) | (666,786) | (972,664) | (1,213,901) | (1,398,231) |
| | | | | | |
| | **30 June 2018** | **30 June 2018** | **30 June 2017** | **30 June 2016** | **30 June 2015** |
| **Share price start of year** | 1.2 cents | 1.2 cents | 1.1 cents | 3.3 cents | 2 cents |
| **Share price end of year** | 12 cents* | 1.2 cents | 1.2 cents | 1.1 cents | 3.3 cents |
| **Interim dividend** | - | - | - | - | - |
| **Final dividend** | - | - | - | - | - |
| **Basic (loss) / profit per share (cents)** | (0.49) | (0.28) | (0.51) | (0.96) | (1.60) |
| **Diluted (loss) / profit per share (cents)** | (0.49) | (0.28) | (0.51) | (0.96) | (1.44) |

* post 1 for 10 consolidation.

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the year was progressing the transaction with Greenenz. Further details of these activities can be found in the Review of Operations and Tenements section.

## RESULT AND REVIEW OF OPERATIONS

The consolidated loss after income tax for the year was $1,160,865 (2018: loss $666,786).

Key aspects of the consolidated financial result were as follows:

- professional fees of $877,795 incurred in progressing the transaction with Greenenz (including advanced due diligence costs);
- New funds of $582,000 were raised by the issue of converting notes, of which $307,000 were Series F, and $275,000 were Series G. The key terms of the Series F notes are:
    - each Note has a face value of $0.20
    - Conversion price is 20 cents per ordinary share
    - the Notes are unsecured.
    - Shareholder approval was granted at the 2017 AGM for the Notes to be converted into shares, with the shares to be issued upon the Company's relisting

- The key terms of the Series G notes are:
    - each Note has a face value of $1
    - Conversion price is a 50% discount to Prospectus price
    - Secured against a contractual priority return from the cashflow generated by the first two UK Projects
    - Maturity date 31 December 2019
    - Shareholder approval will be required to convert the Notes into equity

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Company completed a 1 for 10 share consolidation in January 2019. The Company has raised a further $520,000 in working capital via the issue of Series G Converting Notes subsequent to 30 June 2019.

In the opinion of the Directors, other than the action described above, there were no significant changes in the state of affairs of the Company since the end of financial year under review.

## DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

## EVENTS SUBSEQUENT TO REPORTING DATE

In the opinion of the Directors, there have been no events subsequent to year end which would have a material effect on the Company's financial statements at 30 June 2019.

## LIKELY FUTURE DEVELOPMENTS

The Company is currently preparing Project Agreement documentation as required for the completion of the Greenenz transaction. The Company is also finalising the Prospectus document for the relisting of the Company on the ASX and expects to lodge it in the next quarter.

## DIRECTORS' INTERESTS

The relevant interest of each director in the shares of the Company as notified by the Directors to the Australian Securities Exchange in accordance with s.205G(1) of the *Corporations Act* 2001 at the date of this report is as follows:

| | ORDINARY SHARES FULLY PAID |
|---|---|
| Mr Rawicki | nil |
| Mr Karam | nil |
| Mr Beasley | nil |
| Mr Caughey | nil |

## OPTIONS

There are no options on issue.

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During or since the end of the financial year, the company has not, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred such as an officer or auditor.

# DIRECTORS' REPORT

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## NON-AUDIT SERVICES

During the year RSM Australia Partners provided tax return lodgement services to the Company and was paid a total of $7,700 for that service.

## ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar.

## OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM

There are no officers of the Company who are former partners of RSM.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 19 and forms part of the directors' report for the financial year ended 30 June 2019.

## AUDITOR

RSM continues in office in accordance with section 327 of the *Corporations Act 2001*. This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

Signed in accordance with a resolution of the Board

John Rawicki
**Managing Director**

Dated at Sydney this 30 day of September 2019

**RSM Australia Partners**

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GPO Box 5138 Sydney NSW 2001

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F +61 (0) 2 8226 4501

www.rsm.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of E3Sixty Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

RSM

**RSM AUSTRALIA PARTNERS**

GNS

**Gary N Sherwood**
Partner

Sydney NSW
Dated: 30 September 2019

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## for the Year Ended 30 June 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| Financial income | **2** | 172 | 17 |
| **OTHER INCOME** | | | |
| Administration expenses | | (13,584) | (14,123) |
| Overseas travelling | | (77,682) | (30,595) |
| Compliance and regulatory expenses | | (56,663) | (54,528) |
| Professional fees | | (877,796) | (210,286) |
| Directors fees and benefits | | (31,878) | (56,550) |
| Finance costs | | (103,434) | (300,721) |
| **LOSS BEFORE INCOME TAX** | | (1,160,865) | (666,786) |
| Income tax | **3** | - | - |
| **LOSS FOR THE YEAR** | | (1,160,865) | (666,786) |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | | (1,160,865) | (666,786) |
| Basic and diluted loss per share | **5** | (0.49) cents | (0.28) cents |

The consolidated statement of profit and loss and other comprehensive income is to be read in conjunction with the attached notes to the financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## As at 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | **13(b)** | (2,259) | 298,396 |
| Accounts receivable | | - | - |
| Prepayments | | 6,506 | - |
| **Total Current Assets** | | 4,247 | 298,306 |
| **Non-current Assets** | | | |
| Office equipment - cost | | - | - |
| **Total Non-current assets** | | - | - |
| **Total Assets** | | 4,247 | 298,396 |
| **Current Liabilities** | | | |
| Trade and other payables | **6** | 485,344 | 258,882 |
| Shares application received | | - | - |
| Borrowings | **7** | 2,186,405 | 1,600,291 |
| **Total Current Liabilities** | | 2,671,748 | 1,859,173 |
| **TOTAL LIABILITIES** | | 2,671,748 | 1,859,173 |
| **Net Liabilities** | | (2,667,501) | (1,560,777) |
| **Equity** | | | |
| Issued capital | **8** | 12,441,611 | 12,441,611 |
| Reserves | **18** | 562,895 | 508,749 |
| Accumulated losses | | (15,672,007) | (14,511,143) |
| **Equity attributable to equity holders of the parent** | | (2,667,501) | (1,560,783) |
| Non-controlling interest | | - | 6 |
| **TOTAL EQUITY** | | (2,667,501) | (1,560,777) |

The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## for the Year Ended 30 June 2019

| | Note | Issued Capital $ | Reserve $ | Accumulated Losses $ | Non-controlling interest $ | Total Equity $ |
|---|---|---|---|---|---|---|
| **BALANCE AT 30 JUNE 2017** | | **12,441,611** | **244,847** | **(13,844,357)** | **6** | **(1,157,893)** |
| Net loss for the year | | - | - | (666,786) | - | (666,786) |
| Total comprehensive loss for the year | | - | - | (666,786) | - | (666,786) |
| Issue of shares during this year | | - | - | - | - | - |
| Conversion of convertible notes | 18 | - | 263,902 | - | - | 263,902 |
| **BALANCE AT 30 JUNE 2018** | | **12,441,611** | **508,749** | **(14,511,143)** | **6** | **(1,560,777)** |
| Net loss for the year | | - | - | (1,160,865) | - | (1,560,777) |
| Total comprehensive loss for the year | | - | - | (1,160,865) | (6) | (1,160,871) |
| Issue of shares during this year | | - | - | - | - | - |
| Equity component of convertible notes issue | 18 | - | 54,146 | - | - | 54,146 |
| **BALANCE AT 30 JUNE 2019** | | **12,441,611** | **562,895** | **(15,672,008)** | **-** | **(2,667,501)** |

The consolidated statement of changes in equity is to be read in conjunction with the attached notes to the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (915,260) | (322,261)17 |
| Interest received | | 172 | 17 |
| Other receipts | | 32,447 | 3,982 |
| **NET CASH USED IN OPERATING ACTIVITIES** | **13(a)** | (882,641) | (318,262) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for Property, Plant & Equipment | | - | - |
| **NET CASH USED IN INVESTING ACTIVITIES** | | - | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Issue of shares | | - | - |
| Proceeds from borrowings | | - | - |
| Issue of convertible notes | | 581,985 | 603,000 |
| **NET CASH PROVIDED BY FINANCING ACTIVITIES** | | 581,985 | 603,000 |
| Net decrease/increase in cash held | | (300,656) | 284,738 |
| Cash at the beginning of the financial year | | 298,396 | 13,658 |
| **CASH AT THE END OF THE FINANCIAL YEAR** | **13(b)** | (2,259) | 298,396 |

The consolidated statement of cash flows is to be read in conjunction with the attached notes to the financial statements.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

E3Sixty Limited (**E3Sixty** or the **Company**) is a company domiciled in Australia. The financial statements of E3Sixty and its controlled entities (the **Company**) are for the year ended 30 June 2019.

The Company is a for-profit entity.

The financial statements were approved by the Board of Directors on 30 September 2019.

### BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements comprise the consolidated financial statements of the Company.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements comply with International Financial Reporting Standards ('IFRS'). Material accounting policies adopted in the preparation of those financial statements are presented below. They have been consistently applied unless otherwise stated. The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets, and financial liabilities. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

### (A) GOING CONCERN

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

The consolidated entity's statement of profit or loss and other comprehensive income for the year ended 30 June 2019 reflected a net loss of $1,160,865 and net current liabilities and a deficiency of net assets of $2,667,501 at that date. The consolidated entity's consolidated statement of cash flows for the year ended 30 June 2019 reflected net cash used in operating activities of $(882,641). Further, the consolidated entity was suspended from quotation under ASX listing rule 17.3 on 28 September 2016 and will continue to remain suspended until the consolidated entity is able tom demonstrate compliance with Chapter 1 & 2 of the ASX listing rules.

The Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report after consideration of the following factors:

- The directors are working closely with the ASX to have the consolidated entity relisted;
- As disclosed in recent ASX releases, the company is in the process of finalising the proposed transaction with Greenenz. If successful, the transaction will assist in the company being relisted and the generation of trading revenues and profits;
- The Directors are confident that the consolidated entity will be able to raise additional capital through share issues. The company has raised $582,000 during the year;
- The ability of the consolidated entity to continue to raise further capital to meet expenditure requirements.

However, should the consolidated entity be unsuccessful in the above, there is a material uncertainty which may cast significant doubt as to whether the consolidated entity would be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

### (B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as 'the Company' in these financial statements). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of the acquisition and up to the effective date of disposal as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Company. All intra-Company transactions, balances, income and expenditure are eliminated in full on consolidation.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Company, are shown separately within the Equity section of the consolidated Statement of Financial Position and in the consolidated Statement of Profit and Loss and Other Comprehensive Income.

### (C) INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Current tax liabilities/ (assets) are therefore measured at the amounts expected to be paid to/ (recovered from) the relevant taxation authority.

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

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

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available, against which the benefits of the deferred tax asset can be utilised.

### (D) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as an intangible exploration and evaluation asset. When a licence is relinquished or a project abandoned, the related costs are recognised in the profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with the determination of reportable segments.

Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Amortisation is not charged on exploration and evaluation assets until they are available for use.

Pre-licence costs are recognised in profit or loss as incurred. Expenditure deemed unsuccessful is recognised in profit or loss immediately.

### (E) FINANCIAL INSTRUMENTS

(i) Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

iv) Impairment

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### (F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### (G) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

### (H) REVENUE AND OTHER INCOME

Financial Income comprises interest income. Interest income is recognised in profit or loss as it accrues, using the effective interest rate method.

Other income is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

### (I) IMPAIRMENT

The carrying amount of non-financial assets other than exploration and evaluation assets are reviewed each reporting date to determine whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

#### Calculation of recoverable amount

The recoverable amount of receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of other assets is the greater of their net selling price 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 assessment of the time value of money and the risks specific to the asset.

### (J) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

### (K) PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 12.

### (L) CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### (M) TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### (N) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### (O) BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

### (P) FINANCE COSTS

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### (Q) ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### (R) EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of any dilutive potential ordinary shares, which comprise convertible notes and share options.

### (S) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### Deferred Tax Assets not brought to Account

The carrying amount of deferred income tax assets is reviewed at each balance 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.

### (T) APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

***AASB 9 Financial Instruments***

The consolidated entity has adopted AASB 9 from 1 July 2018. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

***AASB 15 Revenue from Contracts with Customers***

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

## (U) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED NOT YET EFFECTIVE

**Standards and Interpretations in issue not yet adopted**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Company:

| Standard Name | Effective date for entity | Requirements | Impact |
|---|---|---|---|
| AASB 16 Leases | 1 January 2019 | The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. | The directors have assessed the reporting requirements for AASB 9/16 in future periods and have concluded that the changes are unlikely to have a material impact on the financial report. |

## 2. INCOME

| | 2019 $ | 2018 $ |
|---|---|---|
| **FINANCIAL INCOME** | | |
| Interest income – other sources | 172 | 17 |

## 3. INCOME TAX

| | 2019 $ | 2018 $ |
|---|---|---|
| **(a) Loss before tax** | (1,160,865) | (666,786) |
| Prima facie tax (credit) / expense on loss before income tax using corporate rate of 27.5% (2018: 27.5%) | (319,238) | (183,366) |
| **Difference from income tax expense due to:** | | |
| Current year losses not brought to account | 319,238 | 183,366 |
| **Income tax attributable to consolidated entity** | - | - |
| **(b) Balance of franking account at year end** | - | - |

## 4. DEFERRED TAX ASSETS AND LIABILITIES

| | 2019 $ | 2018 $ |
|---|---|---|
| **Deferred tax assets – not recognised** | | |
| Deferred tax assets arising from tax losses not recognised calculated at 27.5%: | | |
| Tax losses - Revenue | 4,210,047 | 3,655,755 |
| Capital losses | - | 554,292 |
| | 4,210,047 | 4,210,047 |

## 5. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of $1,160,865 (*2018:* $666,786) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 236,373,492 (*2018:* 236,373,492), calculated as follows:

| | 2019 Cents | 2018 Cents |
|---|---|---|
| Basic and diluted (loss) / earnings per share | (0.49) | (0.28) |
| **Weighted average number of ordinary shares:** | | |
| Fully paid ordinary shares used in calculation of basic and diluted (loss) / earnings per share (pre-consolidation basis) | 236,373,492 | 236,373,492 |

## 6. TRADE AND OTHER PAYABLES

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **Current** | | |
| Other creditors and accruals (i) | 485,344 | 258,882 |
| | 485,344 | 258,882 |

**(i)** The average credit period is 45 days (2018: 45 days). No interest is charged on overdue payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit terms.

## 7. BORROWINGS

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **Current** | | |
| Series A Convertible Notes | 180,000 | 180,000 |
| Series B Convertible Notes | 120,000 | 120,000 |
| Series E Convertible Notes | 652,000 | 652,000 |
| Series F Convertible Notes | 1,000,000 | 693,000 |
| Series G Convertible Notes | 275,000 | - |
| Less: Equity component of convertible notes | (44,709) | (44,709) |
| Add: Effective interest on convertible notes | - | - |
| | 2,186,405 | 1,600,291 |

At the Company's 2017 AGM (held on 28 November 2018) – Resolution 12 - shareholder approval was received for 2,190,156 consolidated shares to be issued to the holders of Series A and B notes upon the conversion of the notes (with conversion to take place upon the relisting date of the Company on the ASX).

At the Company's 2017 AGM - Resolution 13 - shareholder approval was received for 22,820,000 consolidated shares to be issued to the holders of Series E notes upon the conversion of the notes (with conversion to take place upon the relisting date of the Company on the ASX).

At the Company's 2017 AGM - Resolution 14 - shareholder approval was received for 20,000,000 consolidated shares to be issued to the holders of Series F notes upon the conversion of the notes (with conversion to take place upon the relisting date of the Company on the ASX).

During FY19 the Company raised $275,000 via the issue of Series G converting notes. The conversion of the notes is subject to shareholder approval. Its terms are:

- each Note has a face value of $1
- Conversion price is a 50% discount to Prospectus price
- Secured against a contractual priority return from the cashflow generated by the first two UK Projects
- Maturity date 31 December 2019
- Shareholder approval will be required to convert the Notes into equity

## 8. ISSUED CAPITAL

| | 2019 $ | 2018 $ |
|---|---|---|
| 236,373,492* (2018: 236,373,492) Fully paid ordinary shares: | 12,441,611 | 12,441,611 |

| | 2019 $ | 2018 $ | 2019 No. | 2018 No. |
|---|---|---|---|---|
| **(a) Movement in fully paid ordinary shares** | | | | |
| Opening balance | 12,441,611 | 12,441,611 | 236,373,492 | 236,373,492 |
| Movement during the year (iii) | - | - | - | - |
| Closing balance | 12,441,611 | 12,441,611 | 236,373,492 | 236,373,492 |

*pre-consolidation

**(b) Terms of Issue:**

**Fully paid ordinary shares**

Ordinary shares participate in dividends and are entitled to one vote per share at shareholders meetings. In the event of winding up the company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation in proportion to the number of shares held.

**Options***:

| | 2019 $ | 2018 $ |
|---|---|---|
| **Movement in options** | | |
| Opening balance | 130,265,000 | 130,265,000 |
| Movement during the year (expired unexercised) | (130,265,000) | - |
| Closing balance | - | 130,265,000 |

* Strike price $0.10 (pre-consolidation), expiry date 31-Aug-2018

## 9. SEGMENT INFORMATION

The Company operates in a single segment being mining and exploration activities in Australia. However, since December 2016, the Company has been evaluating and progressing a transaction in the industrial technology sector focused on the processing of electronic waste.

## 10. FINANCIAL RISK MANAGEMENT

**Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks and trade and other payables. The Company does not use derivative financial instruments to hedge exposure to financial risks.

**(i) Treasury Risk Management**

There have been no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

**(ii) Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business. Refer to Note 1(A) regarding the Company and the Company's ability to continue as going concerns.

**(iii) Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

## 10. FINANCIAL RISK MANAGEMENT (CONT'D)

*Interest rate risk*

The Company does not enter into interest rate swaps, forward rate agreements, or interest rate options to manage cash flow risks associated with interest rates on borrowings that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Refer to Note 1(A) regarding the Company and the Company's ability to continue as going concerns.

The tables that follow reflect an undiscounted contractual maturity analysis for financial assets and liabilities.

Cash flows from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

| | Within 1 year | | 1 to 5 years | | Over 5 years | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
| *Financial liabilities – due for payment:* | | | | | | | | |
| Trade and other payables | 485,344 | 258,882 | - | - | - | - | 302,436 | 258,882 |
| Borrowings | 2,186,405 | 1,600,291 | - | - | - | - | 2,369,313 | 1,859,173 |
| | 2,671,749 | 1,859,173 | - | - | - | - | 2,671,749 | 1,859,173 |
| *Financial assets – cash flows realisable* | | | | | | | | |
| Cash and cash equivalents | (2,259) | 298,396 | - | - | - | - | (2,259) | 298,396 |
| Accounts Receivable | - | - | | | | | - | - |
| Prepayments | 6,506 | - | | | | | 6,506 | - |
| | 4,247 | 298,396 | - | - | - | - | 4,247 | 298,396 |

*Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. There is negligible credit risk on financial assets, excluding investments, since there is no exposure to individual customers or countries and the Company's exposure is limited to the amount of cash, short-term investments and receivables which have been recognised in the statement of financial position.

*Price risk*

Although the Company does not currently hold any mining leases, should it enter into any agreements for mining leases the Company will be exposed to commodity price risk. Changes in market price for commodities impact the economic viability of the mining leases. The Company has not entered into any hedges in relation to these commodities. It is not possible to quantify the effect on profit or equity of any change in commodity prices.

## 11. PARENT ENTITY DISCLOSURES

Set out below is the supplementary information about the Parent Entity.

| Financial position | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **Assets** | | |
| Current assets | 4,247 | 298,396 |
| Non-current assets | - | 7 |
| Total assets | 4,247 | 298,403 |
| | | |
| **Liabilities** | | |
| Current liabilities | 2,671,748 | 1,859,173 |
| Total liabilities | 2,671,748 | 1,859,173 |
| | | |
| **Equity** | | |
| Issued capital | 12,441,611 | 12,441,611 |
| Reserves | 562,895 | 508,749 |
| Accumulated losses | (15,672,007) | (14,511,130) |
| Total equity | (2,667,501) | (1,560,770) |
| | | |
| **Financial performance** | | |
| Loss for the year | (1,160,865) | (666,794) |
| Other comprehensive income | - | - |
| Total comprehensive loss | (1,160,865) | (666,794) |

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2019.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## 12. CASH FLOW INFORMATION

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **(a) Reconciliation of cash flows from operations with loss after income tax** | | |
| Loss after income tax | (1,160,865) | (972,664) |
| **Non cash flows in operating activities:** | | |
| Depreciation expenses | | 1,598 |
| Unwinding effective interest on convertible notes | | 63,902 |
| Non-cash operating expenses | - | - |
| Equity component on convertible notes | - | - |
| **Changes in assets and liabilities:** | | |
| • Increase in payables | 278,224 | 74,042 |
| • Decrease in receivables | - | 8,982 |
| **Net Cash Used in Operating Activities** | (882,641) | (318,262) |
| **(b) Reconciliation of cash and cash equivalents** | | |
| Cash at bank | (2,259) | 298,396 |
| **(c) Credit Standby Arrangements with Banks** | | |
| Overdraft facility limit | 25,000 | 25,000 |
| Amount utilised | - | - |
| | 25,000 | 25,000 |

## 13. RELATED PARTY TRANSACTIONS

### KEY MANAGEMENT PERSONNEL COMPENSATION IS AS FOLLOWS:

| | 2019 $ | 2018 $ |
|---|---|---|
| Short-term employee benefits | 29,550 | 56,550 |
| Post-employment benefits | - | - |
| | 29,550 | 56,550 |

Information regarding individual Directors' compensation is provided in the remuneration report section of the Directors' report.

There were no other material contracts involving Directors' interests existing at year end.

### OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS:

There were no transactions with other key management personnel.

### MOVEMENT IN SHARES

The movement during the reporting period in the number of ordinary shares in E3Sixty held directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

| Director | Held at 30 June 2017 | Purchases | Sales | Other | Held at 30 June 2018 | Purchases | Sales | Other | Held at 30 June 2019 |
|---|---|---|---|---|---|---|---|---|---|
| **Fully Paid Ordinary Shares** | | | | | | | | | |
| Mr Rawicki | - | - | - | - | - | - | - | - | - |
| Mr Karam | - | - | - | - | - | - | - | - | - |
| Mr Caughey | - | - | - | - | - | - | - | - | - |
| Mr Beasley | - | - | - | - | - | - | - | - | - |

### TRANSACTIONS WITH RELATED PARTIES

No related party transactions took place during the year.

## 14. SUBSIDIARIES

The Company does not have any subsidiaries as at 30 June 2019. Former subsidiary, Dingo Resource Holdings Pty Limited, was deregistered on 4/11/2018.

## 15. AUDITORS' REMUNERATION

| | 2019 $ | 2018 $ |
|---|---|---|
| Auditing and reviewing financial reports – RSM Australia Partners | 20,000 | 20,545 |

For the year ended 30 June 2019 the auditor appointed is RSM Australia Partners. During the year RSM Australia Partners provided tax return lodgement services to the Company and was paid a total of $7,700 for that service.

## 16. COMMITMENTS AND CONTINGENCIES

As at 30 June 2019 there are no contingencies nor commitments that affect the company and consolidated entity.

## 17. EVENTS SUBSEQUENT TO BALANCE DATE

The Company has raised a further $520,000 in working capital via the issue of Series G Converting Notes subsequent to 30 June 2019.

There have been no other events subsequent to year end which would have a material effect on the Company's financial statements at 30 June 2019.

## 18. RESERVES

Share premium reserve

The share premium reserve records items recognised as expenses on valuation of the equity component on convertible notes issued (note 7).

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| Share premium reserve | 562,895 | 508,749 |

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **(a) Movement in share premium reserve** | | |
| Opening balance | 508,749 | 244,847 |
| Equity component on convertible notes | 54,146 | - |
| Transfer to share capital of converted notes | - | 263,902 |
| Closing balance | 562,895 | 508,749 |

# DIRECTOR'S DECLARATION

The Directors of E3Sixty Limited declare that:

(a) based on the matters set out in Note 1(A), in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

(c) in the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of directors made pursuant to S.295 (5) of the Corporations Act 2001.

John Rawicki
**Managing Director**

Dated at Sydney this 30th day of September 2019.

RSM Australia Partners

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# INDEPENDENT AUDITOR'S REPORT
To the Members of E3sixty Limited (Formerly known and Esperance Minerals Limited)

## Disclaimer of Opinion

We were engaged to audit the financial report of E3sixty Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the declaration by those charged with governance.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

## Basis for Disclaimer of Opinion

*Going concern*

As stated in Note 1 (A) the consolidated entity's consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2019 reflected a net loss of $1,160,865. The consolidated statement of financial position reflected net current liabilities and a deficiency of net assets of $2,663,254 at that date. The consolidated entity's consolidated statement of cash flows for the year ended 30 June 2019 reflected net cash used in operating activities of $882,641. Further, the consolidated entity was suspended from quotation under ASX listing rule 17.3 on 28 September 2017 and will continue to remain suspended until the consolidated entity is able to demonstrate compliance with Chapter 1 and 2 of the ASX listing rules. As stated in Note 1, these events or conditions, along with other matters as set forth in Note1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

We have been unable to obtain sufficient appropriate audit evidence as to whether the consolidated entity may be able to raise sufficient capital to fund its operations, and to have its suspension from quotation on the ASX lifted, hence removing significant doubt of its ability to continue as a going concern within 12 months of the date of this auditor's report.

*Borrowings*

As stated in Note 7, the company has issued a series of convertible notes carried at a value of $2,182,291 as at 30 June 2019. Our audit procedures have identified possible errors with regards to the application of the requirements of the Australian Accounting Standards that potentially impacts on the interest charges, the accrued interest payable, the split between equity, debt, and a derivative liability in respect of the conversion option, as well as a fair value gain or loss on any derivative. We have not been able to obtain sufficient appropriate audit evidence as to the classification and valuation of the convertible notes and related balances, and were therefore unable to determine what adjustments were necessary to the financial statements.

*Unrecorded Liability*

A claim of $108,000 has been made by a past Director in relation to Directors' fees allegedly owing that have not been accrued as at 30 June 2019. The company is currently disputing the claim and has taken the position that no fees are owing, as such no agreement has been reached in respect of the existence or quantum of any alleged liability. The financial statements do not contain any amounts or disclosures in relation to this claim. We have not been able to obtain sufficient appropriate audit evidence in relation to this claim.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Corporations Act 2001 and the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.
This description forms part of our auditor's report.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 14 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of E3sixty Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

**RSM AUSTRALIA PARTNERS**

GNS

**G N SHERWOOD**
Partner

Sydney, NSW
Dated: 4 October 2019

# SHAREHOLDER INFORMATION (post consolidation)
# At 30 JUNE 2019

## THE NUMBER OF SHAREHOLDERS AND THE DISTRIBUTION OF THEIR HOLDINGS IN EACH CLASS:

| | Fully Paid | Options |
|---|---|---|
| 1 - 1,000 | 986 | - |
| 1,001 - 5,000 | 64 | - |
| 5,001 - 10,000 | 25 | - |
| 10,001 - 100,000 | 65 | - |
| 100,001 and over | 44 | - |
| | 1,184 | - |

## SHAREHOLDERS WITH HOLDINGS LESS THAN A MARKETABLE PARCEL OF 2500 SHARES:

1018

## THE TWENTY LARGEST SHAREHOLDERS HOLD:

| Fully Paid | Options |
|---|---|
| 65.5% | - |

## SUBSTANTIAL SHAREHOLDERS:

| | Share Holding | |
|---|---|---|
| BNP Paribas Nominees Pty Ltd | 1,755,915 | 7.43% |
| SJL Management Pty Ltd | 1,500,000 | 6.35% |
| Andrew Murray Gregor | 1,200,000 | 5.08% |

## TOP TWENTY HOLDERS OF FULLY PAID SHARES

| | Number | % |
|---|---|---|
| BNP PARIBAS NOMINEES PTY LTD | 1,755,915 | 7.4% |
| SJL MANAGEMENT PTY LTD | 1,500,000 | 6.3% |
| MR ANDREW MURRAY GREGOR | 1,200,000 | 5.1% |
| ABROCARD PTY LTD | 1,000,000 | 4.2% |
| PAN INVESTMENTS GROUP PTY LTD | 1,000,000 | 4.2% |
| SANPEREZ PTY LTD | 987,500 | 4.2% |
| MONEYBUNG PTY LTD | 840,000 | 3.6% |
| CITICORP NOMINEES PTY LIMITED | 774,943 | 3.3% |
| O'CONNELL STREET HOLDINGS PTY | 715,000 | 3.0% |
| HSBC CUSTODY NOMINEES | 714,443 | 3.0% |
| MR YOUNG-TAE HAN | 659,963 | 2.8% |
| MR ALEXANDER NAUM & | 607,000 | 2.6% |
| MR KEIRAN JAMES SLEE | 531,530 | 2.2% |
| MR YOUNG TAE HAN | 511,816 | 2.2% |
| Q SUPA PTY LTD | 500,000 | 2.1% |
| YAN SU HUA INVESTMENT TRUST | 500,000 | 2.1% |
| TRAYBURN PTY LTD | 446,748 | 1.9% |
| MR JODET DURAK | 438,762 | 1.9% |
| PITT STREET ABSOLUTE RETURN | 435,000 | 1.8% |
| MS BOZENA RAWICKA | 365,800 | 1.5% |
| | 15,484,420 | 65.5% |

## VOTING RIGHTS:

All ordinary shares carry one vote per share without restriction.