Appendix 4D

Half Year Report
to the Australian Securities Exchange

Part 1

Name of Entity	EPAT Technologies Limited (formerly Minquest Limited)
ABN	21 146 035 127
Half Year Ended	31 December 2016
Previous Corresponding Reporting Period	Half Year Ended 31 December 2015

Part 2 – Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	25	777%
Loss from continuing activities after tax attributable to members	(6,978)	8,270%
Net loss attributable to members	(6,978)	8,270%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The Company completed the acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd, undertook a change of nature of business and completed a capital raising of $4.7m. Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 3 – Contents of ASX Appendix 4D

Part 4 – Commentary on Results

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Part 6 – Net Tangible Assets per Security

	2016	**2015**
Net tangible asset backing per ordinary security	0.52 cents	1.07 cents

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	**Electronic Pain Assessment Technologies (EPAT) Pty Ltd**
Date control gained	**23 September 2016**
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	**($223,929)**
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	**($285,073)**
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	**N/A**

Name of entity (or group of entities) lost	Merah African Exploration Limited, Merah West Africa Limited, Oresearch Limited, Merah Resources Canada Limited
Date control lost	31 August 2016
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining control	Nil
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	**N/A**

Part 8 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2016 %	2015 %	2016 $A'000	2015 $A'000
Name of entity	**N/A**	**N/A**	**N/A**	**N/A**
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:
Not applicable
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:
Not applicable

Attachments Forming Part of Appendix 4D

Attachment No.	**Details**
1	Interim Financial Report

Signed by Company Secretary
Ian Hobson
Dated: 22 February 2017

ePAT Technologies Limited (formerly MinQuest Limited)

ABN 21 146 035 127

Half year report for the half-year ended

31 December 2016

Corporate directory

Board of Directors

Mr John Murray	Non-Executive Chairman
Mr Philip Daffas	Managing Director
Mr Adam Davey	Non-Executive Director
Mr Ross Harricks	Non-Executive Director

Company Secretary

Mr Ian Hobson

Registered Office

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Subiaco, Western Australia 6008

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Principal Place of Business

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Sydney NSW 2000

Postal Address

PO Box 226
Subiaco, Western Australia 6904

Website

Website: www.epattechnologies.com

Auditors

BDO Audit Pty Ltd

Share Registry

Boardroom Pty Ltd
Grosvenor Place
Level 12, 225 George Street
Sydney, NSW 2000
Tel: + 1 300 737 760
Fax: +61 2 9290 9655

Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

EPT

Half year report for the half-year ended 31 December 2016

Contents

Directors' report

The directors of ePAT Technologies Limited formerly MinQuest Limited ("ePAT Technologies" or "the Company") submit herewith the financial report of the Company and its subsidiary ("Group" or "Consolidated Entity") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Names of Directors

The names of the directors of the Company during or since the end of the half-year are noted below. Directors were in office for the entire period unless otherwise stated:

Mr John Murray (appointed 30 September 2016)
Mr Philip Daffas (appointed 30 September 2016)
Mr Ross Harricks (appointed 30 September 2016)
Mr Adam Davey
Mr Paul Niardone (resigned 30 September 2016)
Mr Jeremy Read (resigned 30 September 2016)
Mr Frank Terranova (resigned 5 September 2016)

Operating results

On 23 September 2016, the Company completed the acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd ("ePAT"). For accounting purposes, ePAT has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of ePAT's financial statements. The consolidated results reflect a full period of ePAT plus ePAT Technologies from the date of acquisition, 23 September 2016 to 31 December 2016. The comparative period results are stated under the "Company" columns for 2015 but reflect ePAT.

The loss of the Group for the half-year ended 31 December 2016, after accounting for income tax benefit, amounted to $6,977,675. The loss after tax for ePAT was $83,365 for the half-year ended 31 December 2015. The half-year ended 31 December 2016 operating results are attributed to the following:

- Corporate restructure cost (non-cash) of $4,574,424 following the acquisition (31 December 2015: $ nil);
- Share based payments in respect of options issued to Directors of $1,728,066 (non-cash) (31 December 2015: $ nil); and
- Corporate and administration expenses of $476,673 (31 December 2015: $22,673).

Review of operations – pre-acquisition

- On 18 July 2016, the Company announced that it had completed an issue of 300,000 convertible notes to raise $300,000 to assist in meeting the costs of the proposed acquisition of ePAT and to provide working capital. The convertible notes were converted to ordinary shares at a conversion price of $0.02 per share on 26 September 2016.

- On 18 July 2016, the Company advised Pacific Ridge Exploration that it had elected to not make any further ownership payments under the Fyre Lake farm in joint venture agreement, effectively bringing that agreement to an end. The Company fully impaired all capitalised exploration expenditure relating to the Fyre Lake Project in the year ended 30 June 2016.

- On 25 July 2016 the Company executed a share purchase agreement for the acquisition of one hundred percent of the issued capital of ePAT. The significant terms of the agreement were:

- Completion of the sale and purchase of 100% of the issued capital of ePAT is to occur on a date and time agreed by the parties, following the satisfaction or waiver of the latest condition precedent to be satisfied or waived. The conditions precedents were:

  - the Company obtaining all necessary Shareholder approvals;
  - the Company obtaining conditional approval for the re-quotation of the Company's Shares following Completion of the Acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules;
  - the Company divesting its entire legal and beneficial interests in its mineral projects;
  - completion of a capital consolidation by the Company on terms to be mutually agreed;
  - the Company completing a capital raising of at least $4,000,000;
  - Curtin University selling all of its ePAT shares; and
  - to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such restrictions as mandated by the Listing Rules in respect of any other securities to be issued in relation to the transaction.

- In exchange for the Company acquiring ePAT, the Company agreed to issue the following consideration to ePAT shareholders:

  (i) 213,219,616 shares to be issued at completion; and

  (ii) $1,000,000 worth of shares to be issued if the Company announces that either of the following milestones have been met within 12 months from the date of completion of the acquisition:

    (A) Regulatory approval having been received to enable commercial use of the ePAT App in Australia, the United States of America or Europe. (In this context, "Regulatory Approval" means approval by the Therapeutic Goods Administration of Australia, Food and Drug Administration of the United States, or a CE mark from the relevant authority in Europe); or

    (B) the execution of a binding licence agreement to licence the ePAT App to:

      - one or more residential aged care facility owners managing in total in excess of 150 beds;
      - one or more medical clinics which service in total in excess of 2,000 patients per year;
      - a metropolitan hospital with in excess of 200 beds;

      (each an "End User") or

      - a global distribution partner with multiple End Users as existing customers.

- On 25 August 2016, the Company issued a Prospectus for the purposes of raising between $4,000,000 and $5,750,000 through the issue of up to 287,500,000 fully paid ordinary shares at an issue price of $0.02 per share and satisfying the requirements of Chapters 1 and 2 of the ASX Listing Rules. The offer under the Prospectus was underwritten to the amount of $4,500,000.

- On 31 August 2016, an Extraordinary General Meeting of the Company's shareholders approved a number of resolutions relating to the proposed acquisition of ePAT and related matters as summarised below:

  - the Company changing the nature and scale of its activities as a result of the acquisition. Upon completion of the acquisition, the Company will effectively change from a mineral explorer to a health and technology company.

  - the Company changing its name from "MinQuest Limited" to "ePAT Technologies Limited", with effect from the date that ASIC alters the details of the Company's registration.

  - the Company consolidating its shares on the basis of every seven shares being consolidated into four Shares.

  - the Company issuing the consideration shares to the ePAT shareholders in consideration for the acquisition of 100% of the shares of ePAT.

  - the Company issuing up to 287,500,000 shares to the public under a Prospectus to raise up to $5,750,000.

  - the Company issuing up to 45,000,000 Underwriter Options to the Underwriters (or their nominees).

  - the election of Mr John Murray, Mr Ross Harricks and Mr Philip Daffas as Directors of the Company subject to the completion of the acquisition.

- On 5 September 2016 Mr Frank Terranova resigned as director of the Company and Mr Paul Niardone assumed the role of Non-Executive Chairman.

- On 7 September 2016 the Company announced that the consolidation of the Company's capital on the basis of every seven shares being consolidated into four shares had been completed.

- On 16 September 2016 the Company was advised by the ASX that the Company's application for relisting of the Company's shares had been conditionally approved.

- On 16 September 2016 the offer under the Prospectus dated 25 August 2016 closed with the Company receiving applications for 236,625,000 shares to raise $4,732,500 before transaction costs. The shares were allotted on 27 September 2016.

Review of operations – post-acquisition

- On 23 September 2016, the Company was advised that Curtin University had completed the sale of its shareholding in ePAT. This represented the fulfilment of the final condition precedent under the share purchase agreement dated 25 July 2016.

- On 23 September 2016 and 26 September 2016, the Company completed the allotment of the various equity securities required as a consequence of the acquisition of ePAT.

- On 27 September 2016, the Company changed its name to ePAT Technologies Ltd and allotted the shares pursuant to the prospectus.

- On 30 September 2016, John Murray was appointed non-executive chairman, Philip Daffas was appointed managing director, Ross Harricks was appointed non-executive director and Ian Hobson was appointed company secretary.

- On 30 September 2016 Jeremy Read and Mr Paul Niardone resigned as directors.

- On 7 October 2016, the Company issued 2,475,000 at $0.02 per share in lieu of remuneration to Stephen Kelly, the former company secretary. Mr Kelly resigned as company secretary on the same day.

- On 21 December 2016, the Company issued 90,198,155 options exercisable at 2 cents and expiring 24 November 2019 to the directors as approved by shareholders at the annual general meeting on 23 November 2016.

Overview of Group Strategy

The Group's strategy is to continue to develop it's mobile application (**ePAT App**) which uses cameras in smartphones and tablets to capture a brief video of the person, which is analysed in real time using facial recognition software to detect the presence of facial micro-expressions that are indicative of the presence of pain.

This data is then combined with other indicators of pain, such as vocalisations, behaviours and movements captured through the ePAT App to calculate a pain severity score.

Due to its ease of use and its reproducibility, it is intended that the ePAT App will be able to be used in the first instance to detect and measure a person's pain, and then further measurements can be used to monitor the effectiveness of pain management provided to the person.

The ePAT App is being developed and will be rolled out globally in two phases: first, the ePAT App for Dementia for persons who have lost the ability to communicate with their carers, and the second, the ePAT App for Children who have not yet learnt to speak.

Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors

John Murray
Chairman
22 February 2017
Sydney, NSW

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF EPAT TECHNOLOGIES LIMITED

As lead auditor for the review of ePAT Technologies Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ePAT Technologies Limited and the entities it controlled during the period.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 22 February 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ePAT Technologies Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ePAT Technologies Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ePAT Technologies Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ePAT Technologies Limited is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit Pty Ltd

BDO

C R Jenkins
Director

Brisbane, 22 February 2017

Directors' declaration

The directors declare that:

(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; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 '*Interim Financial Reporting*' and giving a true and fair view of the financial position at 31 December 2016 and performance of the Consolidated Entity for the period ended on that date.

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

On behalf of the directors

John Murray
Chairman
22 February 2017
Sydney, NSW

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016

		Consolidated	Company
	Note	31 Dec 2016 $	31 Dec 2015 $
Continuing operations			
Revenue	3	5,061	2,265
Other income	4	20,049	598
Research and development expenses		(223,622)	(63,555)
Corporate administration expenses		(476,673)	(22,673)
Corporate restructure expenses	8	(4,574,424)	-
Share based payment expenses		(1,728,066)	-
Loss before income tax		**(6,977,675)**	**(83,365)**
Income tax benefit		-	-
Loss for the period attributable to Owners of EPAT Technologies Limited		**(6,977,675)**	**(83,365)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		**-**	**-**
Total comprehensive loss for the period		**(6,977,675)**	**(83,365)**
Loss and total comprehensive loss attributable to:			
Owners of EPAT Technologies Limited		**(6,977,675)**	**(83,365)**
Loss per share:			
Basic and diluted (cents per share)	5	(0.0)	(0.1)

Condensed notes to the financial statements are included on pages 13 to 24.

Consolidated statement of financial position as at 31 December 2016

	Note	Consolidated 31 Dec 2016 $	Company 30 Jun 2016 $
Current assets			
Cash and cash equivalents		3,553,510	75,079
Trade and other receivables		51,976	1,782
Total current assets		**3,605,486**	**76,861**
Current liabilities			
Trade and other payables		117,885	8,728
Provisions		1,687	-
Total current liabilities		**119,572**	**8,728**
Total liabilities		**119,572**	**8,728**
Net assets		**3,485,914**	**68,133**
Equity			
Issued capital	6	8,502,533	357,143
Reserves	7	2,250,066	-
Accumulated losses		(7,266,685)	(289,010)
Total equity		**3,485,914**	**68,133**

Condensed notes to the financial statements are included on pages 13 to 24.

Consolidated statement of changes in equity for the half-year ended 31 December 2016

Company	Issued capital $	Reserves $	Accumulated losses $	Total $
Balance at 1 July 2015	**528,571**	**-**	**(131,149)**	**397,422**
Loss for the period	-	-	(83,365)	(83,365)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	-	314,057
Transactions with owners in their capacity as owners:				
Share cancellation	(171,428)	-	-	(171,428)
Balance at 31 December 2015	**357,143**	**-**	**(214,514)**	**142,629**
Consolidated				
Balance at 1 July 2016	**357,143**	**-**	**(289,010)**	**68,133**
Loss for the period	-	-	(6,977,675)	(6,977,675)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period			**(6,977,675)**	**(6,977,675)**
Issue of ordinary shares (*refer to note 6*)	9,224,069	-	-	9,224,069
Share issue costs (*refer to note 6*)	(1,078,679)	-	-	(1,078,679)
Recognition of share based payments	-	2,250,066	-	2,250,066
Balance at 31 December 2016	**8,502,533**	**2,250,066**	**(7,266,685)**	**3,485,914**

Condensed notes to the financial statements are included on pages 13 to 24.

Consolidated statement of cash flows for the half-year ended 31 December 2016

		Consolidated	Company
		Half-year ended	
		31 Dec 2016	31 Dec 2015
	Note	$	$
Cash flows from operating activities			
Payments to suppliers and employees		(679,471)	(86,777)
Interest received		5,061	2,265
Rebates and grants received		20,049	598
Net cash used in operating activities		(654,361)	(83,914)
Cash flows from investing activities			
Cash from acquisition of subsidiary	8	18,243	-
Net cash provided by investing activities		18,243	-
Cash flows from financing activities			
Proceeds / (repayment) from issue / (buy-back) of shares		4,732,500	(171,428)
(Payment)/refund of share issue costs		(617,951)	-
Net cash (used in)/provided by financing activities		4,114,549	(171,428)
Net increase in cash and cash equivalents		**3,478,431**	
Cash and cash equivalents at the beginning of the period		75,079	345,405
Cash and cash equivalents at the end of the period		**3,553,510**	**90,063**

Condensed notes to the financial statements are included on pages 13 to 24

Condensed notes to the financial statements for the half-year ended 31 December 2016

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting'*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with annual financial statements of the Company for the year ended 30 June 2016 together with any public announcements made during the following half year.

The half-year financial report was authorised for issue by the directors on 22 February 2017.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Reverse acquisition

ePAT Technologies Limited acquired Electronic Pain Assessment Technologies (EPAT) Pty Ltd on 23 September 2016. From a legal and taxation perspective ePAT Technologies Limited is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in the Australian Accounting Standard AASB3 "Business Combinations" (AASB 3) notwithstanding ePAT Technologies Limited being the legal parent of the Group. At the time of the acquisition ePAT Technologies Limited divested all of its operations, and its activities were limited to managing its cash balances, filing obligations (ie, a listed shell), and completion of the acquisition. It is therefore considered that ePAT Technologies Limited will not be a business for the purposes of AASB3 as it will have no processes or outputs.

The transaction has therefore been accounted for as a reverse acquisition from a consolidated perspective, where Electronic Pain Assessment Technologies (EPAT) Pty Ltd is the accounting acquirer and ePAT Technologies Limited is the legal acquirer. The half–year financial report includes the consolidated financial statements of the new ePAT Technologies Limited group for the period 23 September 2016 to 31 December 2016 and represents a continuation of Electronic Pain Assessment Technologies (EPAT) Pty Ltd financial statements with exception of the capital structure. The amount recognised as equity instruments in these consolidated statements represents the issued equity of ePAT Technologies Limited adjusted to reflect the equity issued by ePAT Technologies Limited on acquisition. Refer to note 6 on issued capital and note 8 on the accounting for the acquisition. The comparable figures are those of Electronic Pain Assessment Technologies (EPAT) Pty Ltd.

Under the reverse acquisition principles, the consideration provided by Electronic Pain Assessment Technologies (EPAT) Pty Ltd was determined to be $4,422,069 which is the deemed fair value of the 222,103,433 shares owned by the former MinQuest Limited shareholders at the completion of the acquisition, valued at the capital raising share price.

The excess of the deemed fair value of the shares owned by the ePAT Technologies Limited (formerly MinQuest Limited) shareholders and the fair value of the identifiable net assets of ePAT Technologies Limited immediately prior to the completion of the merger is accounted for under "AASB 2 "Share–based Payment" and resulted in the recognition of $4,574,424 being recorded as

"Corporate Restructure Expense". The net assets of ePAT Technologies Limited were recorded at fair value at completion of the merger. No adjustments were required to the historical values.

New accounting policies for the merged group
Upon completion of the EPAT Acquisition, the business of the Company changed to that of the consolidated group resulting in the need to consider and / or adopt new accounting policies. Significant new accounting policies adopted by the consolidated group are outlined below.

(a) Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

(b) Intangible assets

Intellectual property rights are recognised at cost of acquisition less accumulated amortisation and any impairment losses. For intellectual property rights not yet in use, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Intangible assets have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project following commercialisation of the assets.

Significant accounting policies of the Company and EPAT
Set out below are the significant accounting policies that have been applied in the preparation of the consolidated financial statements:

(a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of all subsidiaries of the Company and the results of all subsidiaries from the date that control was obtained. The Company controls another entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is fully transferred. They are deconsolidated from the date control ceases.

The financial statement of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest without a loss of control is accounted for as an equity transaction.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the financial statements. Losses incurred by the consolidated entity are attributed to the non-controlling interests in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary, together with any cumulative translation differences in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gains or losses in profit or loss.

(b) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

(c) Impairment of Assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired.

If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(d) Share-based Payment Transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a suitable option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(e) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purpose of the Statement of Cash Flows, cash includes on hand and other funds held at call net of bank overdrafts.

Significant accounting judgements and key estimates

The preparation of interim 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 expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the key estimates made by management in applying the Company's accounting policies have been applied to the valuation of share based payments, refer to note 7.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty have been applied to the reverse acquisition, refer to note 8.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Consolidated Entity do not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB 8 "Operating Segments'" states that similar operating segments can be aggregated to form one reportable segment. Following the acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd the Group aggregated all its reporting segments into one reportable operating segment. Prior to that, the Company operated as a corporate shell having ceased its previous exploration activities in the prior period.

3. Revenue

	Consolidated	Company
	31 Dec 2016	31 Dec 2015
	$	$
Interest income	**5,061**	**2,265**

4. Other income

	Consolidated	Company
	31 Dec 2016	31 Dec 2015
	$	$
Rebates	49	598
Grants	**20,000**	**-**
Total Other Income	**20,049**	**598**

5. Loss per share

	Consolidated	Company
	31 Dec 2016	31 Dec 2015
	$	$
Basic and diluted loss per share (cents per share)	**(0.0)**	**(0.1)**

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Consolidated	Company
	31 Dec 2016	31 Dec 2015
	$	$
Loss for the half-year attributable to the owners of the Company	**(6,977,675)**	**(83,365)**

	Consolidated 31 Dec 2016 No.	Company 31 Dec 2015 No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**365,121,486**	**1,000,001**

Options on issue are considered to be anti-dilutive while the entity is making losses.

6. Issued capital

	Consolidated 31 Dec 2016 $	Company 30 June 2016 $
Fully paid Ordinary shares	**8,502,533**	**357,143**

	Consolidated		Company	
	31 December 2016		30 June 2016	
	No.	**$**	**No.**	**$**
Balance at beginning of the reporting period	1,000,001	357,143	1,000,001	357,143
Merger of EPAT Technologies Ltd and Electronic Pain Assessment Technologies (EPAT) Pty Ltd				
Elimination of existing Electronic Pain Assessment Technologies (EPAT) Pty Ltd shares	(1,000,001)	-	-	-
Existing ePAT Technologies Limited shares on acquisition	222,103,433	4,442,069	-	-
Issue of EPAT Technologies Ltd shares on acquisition	213,219,616	-	-	-
Issued pursuant to capital raising	236,625,000	4,732,500		
Issued in lieu of remuneration	2,475,000	49,500		
Capital raising costs	-	(1,078,679)	-	-
Balance at end of period	**674,423,049**	**8,502,533**	**1,000,001**	**357,143**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

7. Reserves

	Consolidated 31 Dec 2016 $	Company 30 June 2016 $
Option reserve:		
Balance at beginning of the reporting period	-	-
Issue of 45,000,000 Underwriter options	522,000	-
Issue of 90,198,155 Director options	1,728,066	-
Total reserves at end of period	**2,250,066**	**-**

Options issued during the period:

Options	Consolidated		Company	
	31-Dec-16		30-Jun-16	
	No.	$	No.	$
Balance at beginning of the reporting period	-	-	-	-
Existing ePAT Technologies Ltd shares on acquisition	103,035,179	-	-	-
Issue of options to underwriters	45,000,000	522,000	-	-
Issue of director options	90,198,155	1,728,066	-	-
Balance at end of period	**238,233,334**	**2,250,066**	**-**	**-**

Underwriter options

45,000,000 options were granted Underwriter pursuant to the Prospectus dated 25 August 2016. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following table lists the inputs to the model used for valuation of the unlisted options:

Item	Inputs
Volatility (%)	100%
Risk free interest rate (%)	1.54%
Expected life of option (years)	3.03
Expected dividend yield	nil
Exercise price per terms and conditions	$0.025
Underlying security price at grant date	$0.020
Expiry date	7 October 2019
Value per option	$0.0116

Director options

90,198,155 options were granted to the Directors as approved by shareholders at the annual general meeting on 23 November 2016. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Refer to note 10 for details of the vesting conditions. The following table lists the inputs to the model used for valuation of the unlisted options:

Item	Inputs
Volatility (%)	100%
Risk free interest rate (%)	1.54%
Expected life of option (years)	3.003
Expected dividend yield	nil
Exercise price per terms and conditions	$0.020
Underlying security price at grant date	$0.037
Expiry date	24 November 2019
Value per option	$0.0271

8. Acquisition accounting & share based payment expense

Subsidiary acquired

On 25 July 2016 the Company executed a share purchase agreement for the acquisition of one hundred percent of the issued capital of Electronic Pain Assessment Technologies (EPAT) Pty Ltd.

The consideration for this acquisition was made up as follows:

(i) 213,219,616 shares to be issued at completion; and

(ii) $1,000,000 worth of shares to be issued if the Company announces that either of the following milestones have been met within 12 months from the date of completion of the acquisition:

(A) Regulatory approval having been received to enable commercial use of the ePAT App in Australia, the United States of America or Europe. (In this context, “Regulatory Approval” means approval by the Therapeutic Goods Administration of Australia, Food and Drug Administration of the United States, or a CE mark from the relevant authority in Europe); or

(B) the execution of a binding licence agreement to licence the ePAT App to:

- one or more residential aged care facility owners managing in total in excess of 150 beds;
- one or more medical clinics which service in total in excess of 2,000 patients per year;
- a metropolitan hospital with in excess of 200 beds;

(each an "End User”) or

- a global distribution partner with multiple End Users as existing customers.

From a legal and taxation perspective ePAT Technologies Limited is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in the Australian Accounting Standard AASB 3 “Business Combinations” notwithstanding ePAT Technologies Limited being the legal parent of the Group. The transaction has been accounted for as a reverse acquisition from a consolidated perspective, where Electronic Pain Assessment Technologies (EPAT) Pty Ltd is the accounting acquirer and ePAT Technologies Limited is the legal acquirer.

The excess of the fair value of the shares owned by the ePAT Technologies Limited shareholders and the fair value of the identifiable net assets of ePAT Technologies Limited immediately prior to the completion of the merger is accounted for under “AASB 2 “Share –based Payment” and resulted in the recognition of $4,574,424 being recorded as “Corporate Restructure Expense”. The net assets of ePAT Technologies Limited were recorded at fair value at completion of the merger. No adjustments were required to the historical values.

Assets acquired and liabilities of EPAT Technologies Limited assumed at the date of acquisition	EPAT Technologies Limited $
Current assets	
Cash and cash equivalents	18,243
Trade receivables	12,025
Total assets	**30,268**
Current liabilities	
Trade and other payables	134,372
Provisions	28,251
Total liabilities	**162,623**
Net liabilities acquired	**(132,355)**

The fair values of the assets acquired and the liabilities assumed approximate their carrying value. The initial accounting for the acquisition of EPAT Technologies Limited (the legal acquirer) has been determined at the end of the reporting period.

Corporate restructure expense on acquisition	
Fair value of notional shares issued to affect the transaction	4,442,069
Less fair value of identifiable net liabilities acquired- EPAT Technologies Limited	(132,355)
Corporate restructure expense	**4,574,424**

9. Interests in Subsidiaries

The consolidated financial statements include the financial statements of ePAT Technologies Limited and its subsidiary company Electronic Pain Assessment Technologies (EPAT) Pty Ltd. The following subsidiaries were disposed of / acquired during the period:

Name	Country of Incorporation	Percentage of equity interest held by Consolidated Entity % 31 Dec 2016	 30 June 2016
Electronic Pain Assessment Technologies (EPAT) Pty Ltd	Australia	100	-
Merah African Exploration Limited	Zambia	-	100
Merah West Africa Limited	Ghana	-	100
Oresearch Limited	Australia	-	100
Merah Resources Canada Limited	Canada	-	100

10. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report at 30 June 2016. During the period under review there were a number of changes to key management personnel. Director resignations were received from:

Mr Paul Niardone (resigned 30 September 2016)
Mr Jeremy Read (resigned 30 September 2016)
Mr Frank Terranova (resigned 5 September 2016)

On 30 September 2016, the following personnel were appointed directors of the Company (excluding Mr Davey who remained a director) and entered into letters of appointment on the following key terms:

Name	Position	Cash Remuneration inclusive of superannuation	Notice period / termination provisions	Options equivalent to % of fully diluted shares on issue
Mr John Murray	Non- Executive Chairman	$80,000	Nil	3%
Mr Adam Davey	Non-Executive Director	$40,000	Nil	1.5%
Mr Ross Harricks	Non-Executive Director	$40,000	Nil	1.5%
Mr Philip Daffas	Managing Director	$225,000*	3 months	5%

*During the initial term expiring on 31 January 2017, Mr Daffas will work 3 days per week and will receive a pro-rated salary of $135,000.

At the annual general meeting held on 23 November 2016, shareholders approved the issue of the following options exercisable at 2 cents per share and expiring on 24 November 2019 and vesting on certain conditions:

Name	Position	Unlisted options allotted 19 December 2016
Mr John Murray	Non- Executive Chairman	24,599,497
Mr Adam Davey	Non-Executive Director	12,299,748
Mr Ross Harricks	Non-Executive Director	12,299,748
Mr Philip Daffas	Managing Director	40,999,162
	Total	**90,198,155**

The options issued to directors are to vest as follows:

i. One third after one year of service.

ii. One third after the Company makes an announcement that Regulatory Approval to enable commercial use of the EPAT App in Australia, the United States or Europe is received, or the Company has announced the execution of a binding licence agreement to licence the EPAT App to:
   a. one or more residential aged care facilities facility owners managing in total in excess of 150 beds; or
   b. one or more medical clinics which service in total in excess of 2,000 patients per year; or
   c. a metropolitan hospital with in excess of 200 beds;
   (each an "End User");
   d. or a global distribution partner with multiple End Users as existing customers.

iii. One third upon the Company generating cumulative revenue of $1,000,000.

The options issued to directors are expensed as follows:

	Number of options	Vesting Date	Value $	Expensed 31 December 2016	To be expensed 30 June 2017	To be expensed 30 June 2017
Tranche 1	30,066,052	30 Sept 2017	814,286	99,495	473,909	240,882
Tranche 2	30,066,052	Performance based	814,286	814,286	-	-
Tranche 3	30,066,052	Performance based	814,286	814,286	-	-
Total	**90,198,155**		**2,442,857**	**1,728,066**	**473,909**	**240,882**

11. Dividends

No dividends were paid or declared for the half-year ended 31 December 2016 and the directors have not recommended the payment of a dividend.

12. Commitments and contingencies

As set out in note 8 above, the Company has agreed to issue $1,000,000 worth of shares as deferred consideration shares if the Company achieves certain milestones within 12 months from the date of completion of the acquisition of Electronic Pain Assessment Technologies (EPAT) Pty Ltd (23 September 2016).

Otherwise, there has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

13. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.