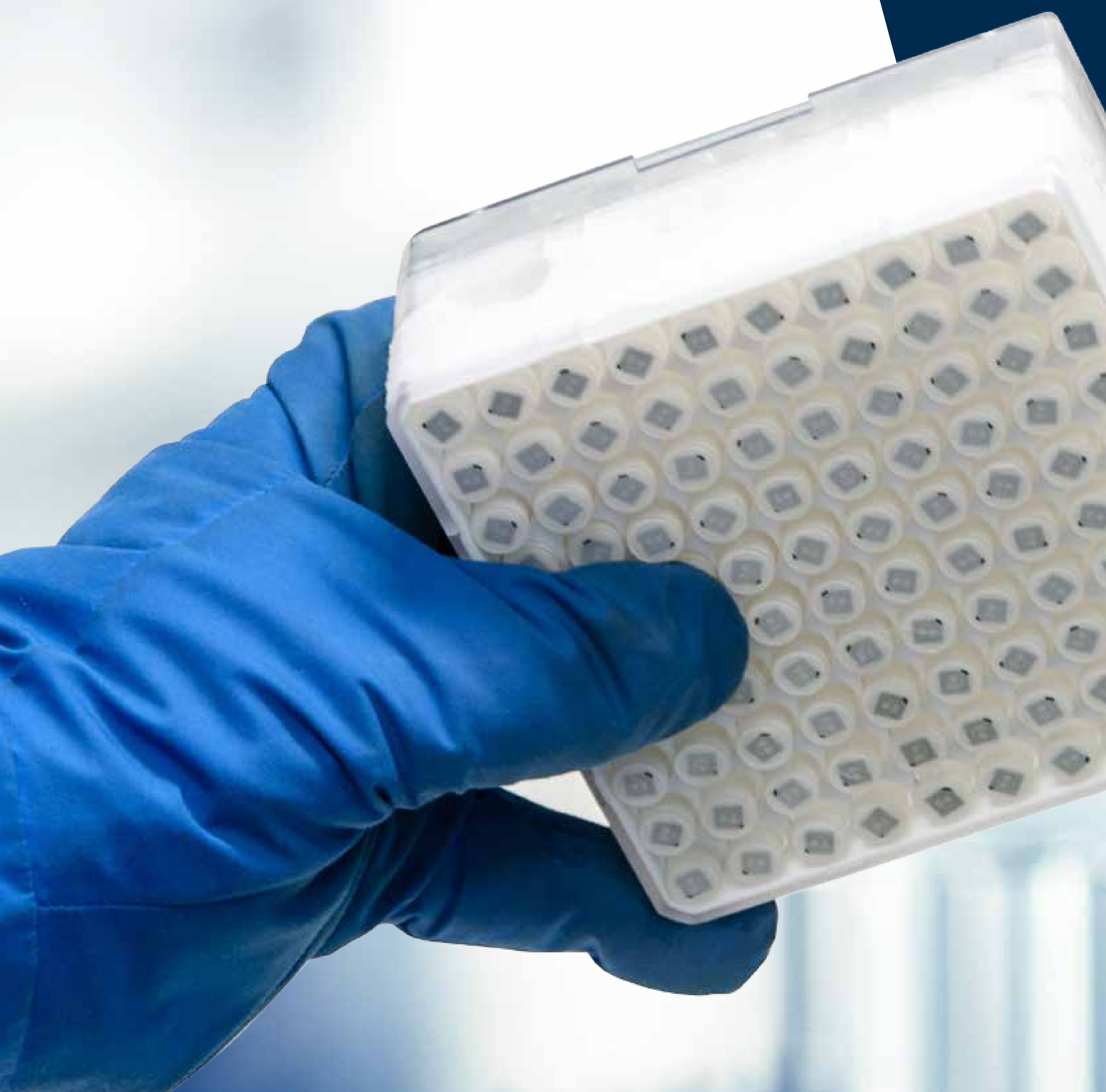
bluechiip™
Tracking Solutions

Annual Report 2017

Bluechiip Limited

ACN 104 795 922

Secure wireless ID and temperature tracking for extreme environments



Contents

2016–17 Highlights

Patents

24 Patents Granted

Highly differentiated, expanding, protected core technology 24 granted patents

Revenue

Significant Revenue Growth

Growing initial repeat licence, service and product revenues

Expected significant revenue growth in FY18 on partner's product launch

Agreements

3 Licence and Supply Agreements

Immediate, addressable market of US$250 million + from 3 recently executed licence and supply agreements

Genea BIOMEDX

Genea Biomedx IVF Tracking Market (US$20M) with upcoming product launch through Merck

Planet Innovation

Planet Innovation: Cryogenic cold chain logistics (US$30M) and adjacent market opportunities

labcon®

Labcon North America Bio-preservation market (US$200M) with initial 2mL vial market (US$40M)

Bio-preservation Market

Market Opportunity >US$2B

Growing target bio-preservation market (>US$2B) and very large adjacent markets

Partner Pipelines

Increased Partner Pipeline

Dramatically increasing partner pipeline with well over 30 opportunites and sales of 13 Developer Kits

Well advanced product development

Bluechiip Overview

What We Do

Bluechiip provides unique and patented technology that combines secure wireless tracking with integrated temperature reading for use in extreme environments.

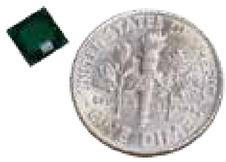
Bluechiip's strong IP portfolio includes 24 granted patents in seven families, including the core MEMS (Micro Electro Mechanical System) memory device and sample storage and monitoring systems that include sample level ID and temperature tracking.

Our Product

The core Bluechiip system consists of a wireless tracking/ measuring chip, a reader, and associated software.

- The chip: The Micro Electro Mechanical Systems (MEMS) chip is a purely mechanical device with no powered electronics. It is different from labels, barcodes and radio-frequency identification (RFID) technology in that it performs in extreme environments, operating reliably at -196°C, resistant to gamma sterilisation, is extremely difficult to clone or corrupt and provides temperature reading. It can be attached to any plastic for a variety of uses (e.g. in vials or consumables).
- The reader: The reader can be handheld or multi-point. It enables instant tracking of ID and temperature sensing, increasing productivity and reducing human error.
- The software: The easy-to-use software database has wireless connectivity and keeps a chain of custody data record for samples in one location.

Chip



+ Readers

+ Software

Primary Target Market

Bluechiip's initial target is the US$2b bio-preservation and cryo-preservation market, which processes more than 300 million samples per year of tissue, blood, serum, plasma, etc for industries such as pharmaceuticals, IVF, research and clinical trials.

Additional Markets

The Bluechiip technology also has applications in cold chain logistics, food, manufacturing, security and defence.

Bluechiip Strategy

With a maturing core technology, Bluechiip is now actively engaged in commercialization, and to date, has secured three OEM Agreements with entities in Australia and the USA. The company has a team with extensive experience in taking technology products to market. The company is initially targeting companies which handle high-value samples (where the cost of failure is high), such as IVF, regenerative medicine, cryo transport and pharmaceutical applications. These industries must take all possible steps to minimise the risk of sample failure, and they quickly grasp the value of the Bluechiip system in mitigating this risk.

Licence, R&D Services and Chip/Reader/Software Revenue Model

bluechiip™ ENABLED

Bluechiip tag in various formats

Design integration to partner products

Software integrated into partner products

Fully customizable reader electronics

Global network service and support

Competitive Advantages

There are few technologies that work in extreme environments, and no other technologies provide integrated wireless temperature reading and tracking.

Traditional tracking technologies are not suited for the above mentioned industries because:

- Labels and barcodes cannot be read through frost, and removing frost to take a reading can damage the sample.
- RFID technologies typically do not survive in low temperatures or sterilization.

Conventional temperature-sensing technologies are limited because:

- They sense the environmental temperature, not the temperature of the specific samples.
- They require wiring and electronics, which do not work in harsh environments.

Bluechiip Enabled Features

	Cryo Operational	On-Board Sensor	Non-Visual ID	Anti Counterfeit	Sterilisation Proof
Bluechiip	✓	✓	✓	✓	✓
Labels	✓	✗	✗	✗	✓
Barcodes	✓	✗	✗	✗	✓
RFID	✗	✗	✓	✗	✗

Bluechiip Enabled Benefits

- Improved productivity
- Increased Sample Quality
- Reduced Human Error

Chairman's Letter

The past 12 months have seen significant progress at Bluechiip, as the board and management continue to push towards our key objective — to get Bluechiip's unique wireless tracking technology into multiple market platforms around the world.

Bluechiip continues to grow and the company's sales pipeline continues to expand and convert. Of significance is that we secured our third Licence Agreement with Labcon North America and sold 13 developer kits to companies as far afield as China and Europe.

Sales of developer kits are crucial, in that they allow potential partners to trial our technology and evaluate how it can be incorporated into their products. Our strategy of working with Original Equipment Manufacturers (OEMs) has been a positive one.

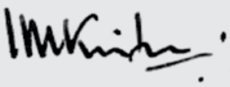
We have worked hard to secure pivotal Licence Agreements. We now have three key OEM customers signed up – Labcon North America, Planet Innovation, and Genea Biomedx. These give us access to IVF, laboratory consumables and cryogenic cold chain logistics markets. These are the obvious markets for Bluechiip's tracking technology and they are sizeable ones.

Our revenue – derived from licence fees, delivery of engineering and development services, and delivery of Bluechiip readers and MEMS chips – increased 53% during the year. We expect revenue to grow considerably this coming year.

We undertook two capital raisings during the past year totaling nearly $5 million. In September 2016 we raised $1.49 million via a rights issue and private placement. In June and July 2017 we raised $3.434 million also via a rights issue and private placement.

We were delighted that many of our existing shareholders supported these raisings and we welcome many new investors onto our share register. We will use the funds to support the development and release of OEM products through our partners, progress to production and build inventory of chips and reader platforms, continue to progress and convert our expanding pipeline of OEM opportunities and meet corporate overheads.

Finally on behalf of all shareholders and the board, we thank Andrew McLellan, our Managing Director and CEO and his team for their excellent results and hard work during the year. As always, I remain very grateful to my fellow directors for their contribution and collective wisdom and we warmly welcome Andrew Cox who joined us in July and Blair Healy in August.



Iain Kirkwood
Chairman

Managing Director's Report

This year was a pivotal one for Bluechiip. The company made significant progress on several fronts, progressing towards our ultimate goal – the application of our patented, wireless tracking technology across multiple market platforms, including the US$2b (A$2.6b) bio-preservation market and large adjacent markets.

We have seen continued and accelerating traction among our growing pipeline of partners, highlighted by the conversion of a further two partnerships into full Original Equipment Manufacturing (OEM) licence and supply agreements.

Bluechiip today is vastly different to the Bluechiip of even three years ago. Today we have a highly-differentiated core technology, protected by more than 24 granted patents, with several more patents pending and commercial sales have commenced.

We have sold developer/trial kits, which allow partners to trial our products in their own technologies and create prototypes. We have executed supplier agreements and demonstrated our products in the marketplace.

We have a clear and defined path to market via the integration of our technology with our OEM partners' technologies, generating recurring revenue from consumables. We expect significant revenue growth in the coming year – from licences, service and products – as our OEM partners launch Bluechiip-enabled products into global markets.

We are addressing, with confidence, an immediate market of more than US$250m/A$320m via our three recently executed licence and supply agreements with Labcon North America, Planet Innovation and Genea Biomedx.

- A supply and licence agreement with Labcon North America, signed on 10 April 2017, allows Labcon to buy, utilize, sell, market and promote Bluechiip's intellectual property, technology and products. It opens Bluechiip up to the US$200m/A$256m bio-preservation market, initially targeting the US$40m/A$51m 2ml vial market. Labcon North America is the world's leading manufacturer of earth friendly laboratory consumables, last year molding more than 1.4 billion products for major companies in the life sciences sector, including centrifuge tubes, pipette tips, microbiology disposables, organization tools, and a wide range of OEM/specialty items.
- A supply agreement with Planet Innovation, signed on 15 September 2016 (coupled with an equity investment in Bluechiip by the company), allows for the two parties to jointly pursue projects. Planet Innovation's development and commercialization capabilities will be used to create innovative solutions that integrate Bluechiip's tracking technology. In turn Bluechiip gains access to Planet Innovation's extensive customer network in the medical devices market. The immediate aim is to access cryogenic cold chain logistics (a US$30m/A$38m market) and adjacent market opportunities.
- A supply and development agreement with Genea Biomedx, signed 3 December 2015, which despite some delays from our partner, is continuing development to target the US$20m/A$25m in-vitro fertilization (IVF) tracking market. A launch of Genea Biomedx's Bluechiip enabled product through global distribution partner Merck is expected in this coming year.

The past year saw a significant increase in the number of developer kits delivered to potential partners. Bluechiip has now sold 13 kits to key global institutions, including the Chinese Centre for Disease, Control and Prevention (CCDC), an agency of the Chinese Ministry of Health based in Beijing, and SIAD, a European biobank solution provider for the life sciences sector.

Each sale of a developer kit has the potential to generate OEM partner agreements. Demand is being driven by an increase in marketing activity and an increase in market presence, especially in North America. In the coming year, we anticipate accelerating engagement with partners in North America, Europe and Asia, with conversion into more OEM partnerships.

While Bluechiip's revenues are still small, the above activities and engagements are leading to meaningful increases in income. Revenue increased 53% (from A$156k to A$237k) during the year and cash receipts from customers increased 145% (from A$107k to A$262k).

Managing Director's Report

These derived from licence fees, delivery of engineering and development services, and delivery of Bluechiip readers and MEMS chips.

Under the terms of our partnership agreements we expect a significant increase in market traction in the coming months with revenues expected as our partners launch Bluechiip-enabled products.

Bluechiip successfully completed two capital raisings during the year: a A$1.49m rights issue and placement in September 2016, and a A$3.434m rights issue and placement with sophisticated and professional investors in June and July 2017.

The fresh capital will enable Bluechiip to convert its unique and differentiated technology into platforms and long-term partnerships over the coming years. It has been especially gratifying that Bluechiip is now in a position to not only meet the due diligence requirements of major global OEM partners but also to have attracted the investment and support of a new group of investors while maintaining the support of long-term shareholders.

I am confident that FY18 will see a continuation of Bluechiip's momentum. We will continue development to both make the Bluechiip technology adaptable to specific requirements and to expand on our fundamental intellectual property. An example of this is our Bluechiip reader, which has been configured into several formats for customization:

- An OEM reading module is allowing our partners to incorporate the Bluechiip technology.
- Bluechiip-enabled buttons which retro-fit to partners' products, providing flexibility to adapt Bluechiip technology to a broader range of formats.
- Our multi-vial reader, which enables up to 100 samples to be read at once, has been tested in key validation customers in North America.
- And, with the mature mobile handheld reader allowing mobile use, we are now moving to manufacture across the line to expand on the bench-top reader already on the market.

During the year Bluechiip continued through a second phase project with the University of Melbourne, which is co-funded by the Government on the 'over temperature chip', which provides a permanent record if a frozen sample's temperature deviates above an ideal prescribed limit, which could cause damage and potential failure. Work on the 'over temperature chip' began last year and resulted in a provisional patent application in September 2016. Swinburne University's ARC Training Center in Biodevices is continuing to make our technology adaptable and suitable for various formats.

Bluechiip is well positioned to deliver substantial growth over the coming year into our initial target market of bio-preservation with: a highly differentiated, expanding, protected IP portfolio; a large growing target market with large adjacent market opportunities; dramatically increasing partner pipeline with well-advanced product development; partner opportunity conversion with three executed licence and supply agreements; and initial repeat revenues with licence, service and product sales expected to grow significantly in 2017-18 on partners' product launches.

I congratulate the Bluechiip team on the progress they have made over the past year, and thank the company's board for its guidance and continued support.

Andrew McLellan
Managing Director

Partner Pipeline

Engagement (Non-Disclosure Agreement) **(> 30)**	Sale of Developer/Trial Kit, Evaluation Agreement **(>13)**	Development and Supply Agreement **(3)**	Demonstration in Market **(1)**	Commercial Product "Bluechiip Enabled"
Over 30 partner pipeline opportunities up from 2 in 2015	2016/17 13 Developer and Starter Kits sold with sales accelerating	Genea Biomedx Supply and Development Agreement Planet Innovation Supply and Development Agreement Labcon North America Supply and Licence Agreement	Genea Biomedx Demonstrated ESHRE July 2016/17	

The Bluechiip patent portfolio currently has 24 granted patents and 6 patent applications pending in 9 patent families. During FY17 Family 8 provisional patent has progressed to PCT application, one patent (US 20140008355) received notification of acceptance to grant, and one provisional application (AU 2016900227) was withdrawn.

Title	Publication Number	Patents Granted	Expiry Date (filing date if not granted)
Family 1: Memory Devices			
Memory Devices	EP 1618513	United Kingdom, France, Germany, Switzerland	17 March 2024
Memory Devices	US 7,434,737	USA	14 November 2025
Family 2: Tagging Methods and Apparatus			
Tagging Methods and Apparatus	EP 2124171	United Kingdom, France, Germany, Switzerland, Italy	22 May 2028
Tagging Methods and Apparatus	US 8,186,587	USA	1 July 2030
Family 3: RFID Memory Devices			
RFID Memory Devices	EP 2297736	United Kingdom, France, Germany, Switzerland, Italy	19 June 2029
RFID Memory Devices	US 8,884,743	USA	2 July 2033
Family 4: Ringup/Ringdown Interrogation of RFID Tags			
Ringup/Ringdown Interrogation of Rfid Tags	EP 2335182	United Kingdom, France, Germany, Switzerland, Italy	30 September 2029
Family 5: Sample Storage and Monitoring System			
Sample Storage and Monitoring System	US 9,140,487	USA	21 January 2032
Sample Storage and Monitoring System	EP 2569412		Europe (7 December 2010)
Family 6: Temperature Sensing and Heating Device			
Temperature Sensing and Heating Device	AU 2011357590	Australia	22 December 2031
Temperature Sensing and Heating Device	US 20140008355	Received notice of acceptance to be granted	USA (22 December 2011)
Temperature Sensing and Heating Device	EP 2668820		Europe (22 December 2011)
Family 7: Storage Cassette and Rack System for Biospecimens			
Storage Cassette and Rack System For Biospecimens	US 20160175837		USA (30 May 2014)
Family 8: Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport			
Monitoring Apparatus for Temperature-Controlled Sample Collection and Transport	PCT/AU2017/050683		PCT (1 July 2017)
Family 9: A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items			
A Device, System and Method for Temperature Limit Indication and Detection of Temperature-Sensitive Items	AU 2016903474		AU Provisional (31 August 2016)

Directors Report

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Iain M Kirkwood – Non-Executive Chairman

Qualifications: MA (Hons) Oxon, FCPA

Appointed to the Board in November 2007, Iain serves as Chairman. He was appointed as Executive Chairman on 28 January 2014 and reverted to the role of Non-Executive Chairman on 1 July 2014. He is an experienced private consultant, investor and non-executive Director. He has considerable practical and operational experience gained from a successful financial career spanning 35 years in a range of industries including auditing, resources, manufacturing and latterly healthcare in Australia, Britain and the USA. He started his career at Arthur Andersen & Co in London. He held a range of senior financial and general management positions in Woodside Petroleum Limited, Santos Limited, Pilkington plc, F.H. Faulding & Co Limited and Clinuvel Pharmaceuticals Limited.

During the past three (3) years he has also served as a Director of the following other ASX listed companies:

- Novita Healthcare Limited (formerly Avexa Limited) (Appointed 9 August 2010)
- MHM Metals Limited (Appointed 13 February 2013, Resigned 23 March 2015)
- Vision Eye Institute Limited (VEI) (VEI was removed from the official list of ASX on 15 December 2015) (Appointed 15 November 2004)

Andrew McLellan – Managing Director and CEO

Qualifications: MBA, B Eng (Hons), GAICD

Appointed as Managing Director and CEO on 27 January 2015. Andrew has vast experience in innovation and commercialisation combined with significant technical and operational experience. Prior to joining Bluechiip, he was the CEO of Advanced Manufacturing Co-operative Research Centre (AMCRC) which he now serves as a non-executive Director. Andrew focused on bringing together industry and research to develop and commercialise ground breaking innovations. He has held a range of senior positions including Director at Leica Microsystems Pty Ltd (previously Vision BioSystems Pty Ltd, a division of the former publicly listed Vision Systems Limited), Vice President of Marketing and Business Development North America and Director of Product Management at Vision BioSystems Pty Ltd. Andrew holds a Bachelor of Engineering Degree (Hons) and an MBA (Strategy) from Monash University (Melbourne). In addition, he is also a graduate of the Australian Institute of Company Directors (GAICD).

Michael Ohanessian – Non-Executive Director

Qualifications: B Eng, MBA

Appointed to the Board on 15 December 2014. Michael is currently the CEO of Praemium Limited. Michael has considerable executive experience gained from technology-related businesses with a mixture of operational, strategic and leadership capabilities. Following a ten-year career at Mobil Oil, Michael joined the Boston Consulting Group where he consulted to clients in a wide range of industries which include banking, airlines, mining, packaging, sports, oil and gas, retailing and biotechnology.

Michael later moved on to be the CEO of Vision BioSystems, a division of the former publicly listed Vision Systems Limited, where he transformed the business over seven years from a small unprofitable contract manufacturer into a vertically integrated, profitable and growing medical diagnostics business with distribution to over 60 countries. More recently he has served as Chief Executive of Genetic Technologies Limited and has been involved in investment management and corporate advice with Lion Capital prior to joining Praemium Limited.

Andrew Cox – Non-Executive Director

Qualifications: MBA, B Commerce (MELB), ICA

Appointed to the Board on 26 July 2017. Andrew is a finance professional with experience in emerging and international markets. Andrew was a co-founder and former chairman of private equity-funded media/technology business Inlink (sold to ASX-listed oOh! Media Ltd in 2015), and is a co-founder of Rezex Pty Ltd and Xperior Pty Ltd.

Andrew began his career with KPMG in Melbourne before moving to China and Hong Kong, where he spent seven years with SG Warburg, the Australian Trade Commission and Ernst & Young. He is a member of the Murdoch Children's Research Institute Development Board and is fluent in Mandarin Chinese. Andrew holds a Bachelor of Commerce from the University of Melbourne and an MBA from the International Institute for Management Development (Lausanne, Switzerland). In addition, he is also a member of the Australian Institute of Chartered Accountants (ICA).

Blair Healy – Non-Executive Director

Qualifications: B Eng (Elec) (Hons), Royal Military College, aic

Appointed to the Board on 23 August 2017, Blair has spent the past 17 years establishing, growing and selling technology companies, both publicly and privately. After graduating from the Royal Military College, Duntroon, Blair served in the Australian Army for 8 years in various technical and command positions. He was then a systems engineering consultant in several large defence and public transport projects. He later joined Futjitsu Telecommunications as their R&D Manager and moved on to Canada's Nortel Networks as their Director Business Development & Operations Asia Pacific in Singapore. He then joined KUSP Limited as their CEO until its sale to Senetas Corporation Limited and as CEO of Innovonics Limited, which was sold to privately US owned company Integrian Pty Ltd. Between 2008 and 2013 he was founder and Managing Director of private company Cogent Energy, Australia's first low carbon distributed co-generation energy company, which was acquired by Origin Energy, and then Managing Director of Maxx Engineering Pty Ltd, a private mechanical engineering services company which was subsequently sold to ThyssenKrupp in 2015.

Company Secretary

Lee Mitchell

Qualifications: BA, LLM (Melb)

Lee is a partner at Convergence Legal, a boutique corporate advisory law firm based in Melbourne, Victoria. He is a qualified solicitor practising principally in corporate and commercial law advising on corporate and securities regulation, equity capital raisings, formulation and implementation of mergers and acquisitions, corporate governance and company secretarial matters.

He joined Bluechiip Limited as Company Secretary in September 2010.

Interests in the Shares and Performance Rights of The Company and Related Bodies Corporate

As at the date of this report, the interests of the Directors in the shares and performance rights of Bluechiip Limited were:

	Number of Ordinary Shares	Number of Performance Rights Over Ordinary Shares
Iain Kirkwood	21,683,446	-
Andrew McLellan	2,173,166	*4,125,000
Michael Ohanessian	8,672,595	-
Andrew Cox	-	-
Blair Healy	17,857,143	-

Long-term Incentive section of the remuneration report.

Dividends

No dividends were paid or declared since the start of the financial year (2016: Nil). No recommendation for payment of dividends has been made.

Principal Activities

The principal activity of the Group during the financial year was the development and commercialisation of a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

There have been no significant changes in the nature of these activities during the financial year.

Operating and Financial Review

Operating Results

The consolidated loss of the Group for the financial year after providing for income tax amounted to $2,018,633 (2016: loss of $1,676,983).

Results of Operations

The Company recognised net revenue totalling $237,773 (2016: $155,718) during the financial year from licence income received and the sale of products.

Other income increased from $682,911 to $779,990 mainly due to the R&D tax incentive income receivable during the year.

Loss before income tax increased from $1,676,983 to $2,018,633 as a result of increased operating expenses incurred of $2,969,195 (2016: $2,490,030) including the following:

- increased research and development (R&D) expenses - $585,001 (2016: $315,422) as a result of the increased research activities during the year;
- increased business development expenses - $176,274 (2016: $122,337) as a result of increased marketing and business development activities carried out in the USA and European Union;
- higher share based payment expenses - $86,748 (2016: $24,107) from the additional performance rights issued to employees during the year; and
- higher employee benefits expenses - $1,173,209 (2016: $1,066,028) a result of annual salary increment and bonus payment to selected employees for performance achievements.

Capital Structure

A material movement in the Company's share capital occurred in September 2016 when the Company completed a capital raising of $1,488,294 via a 1 for 3 rights issue and placement to sophisticated and professional investors. A total 67,649,733 new ordinary fully paid shares were issued at an issue price of $0.022 per share. Within this issue, 4,537,877 of the shares were subscribed by Iain Kirkwood and Michael Ohanessian in aggregate and were issued following receipt of shareholder approval at the 2016 AGM.

In December 2016, 1,562,000 new ordinary fully paid shares at an issue price of $0.022 were issued to Andrew McLellan, in lieu of a cash bonus entitlement.

Significant Change in the State of Affairs

Other than as detailed in this financial report, there has been no significant change in the state of affairs of the Company.

Events After Balance Date

In July 2017, the Company announced the completion of a 1 for 3 non-renounceable rights issue at an issue price of $0.028 per ordinary share and its associated top up facility (Rights Issue) together with a private placement. This resulted in a cash inflow of $3.434 million.

On 26 July 2017, Andrew Cox was appointed as a non-executive director of the Company.

On 23 August 2017, Blair Healy was appointed as non-executive director of the Company.

Except for the above, there were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in future financial years.

Basis of Preparation

The financial report has been prepared on a going concern basis which takes into account the Group's assets and liabilities and assumes that funds will be obtained from several sources as outlined in Note 2 to the Financial Statements.

The audit opinion prepared by the independent auditor Deloitte Touche Tohmatsu is not subject to any dispute or qualification.

Likely Developments and Expected Results

The year ahead will focus on pursuing the existing pipeline of Original Equipment Manufacturers (OEM) partners to translate into sales and pursuing further market and product opportunities which benefit from Bluechiip's unique technology. Bluechiip will continue with its strategy of working with OEM partners to integrate Bluechiip technology in OEM products. This is complemented by the launch of the Bluechiip Developer Kit released for OEM partner development. Bluechiip will also collaborate with OEM partners with the expected release of multi vial reader technology to address the demand for the portable and high volume biobanking sector.

The Company will continue to pursue sales, marketing and business development activities, including collaborative research and development activities with OEM players. The Company will to continue its progress with the second phase of its license and supply agreement with Genea Biomedx to incorporate Bluechiip's technology into its Assisted Reproductive Technologies (ART) medical device for sale into In Vitro Fertilisation (IVF) clinics across the globe, recording invoices for delivery of technology support service and components.

The Company will continue to work through its business development team in the USA on the expansion of its OEM pipeline in the USA, Europe and APAC markets and to convert OEM partner opportunities. Through the introduction of Bluechiip OEM Developer Kit to potential OEM partners which integrates Bluechiip's technology, the Company expects to continue research and development of solutions to meet OEM partners' requirements.

Environmental Regulation and Performance

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Options

Unissued Shares

As at the date of this report, there were no unexercised options (2016: Nil) over ordinary shares or shares issued on the exercise of options or rights.

As at the date of this report, there were 8,500,000 (2016: 1,500,000) unexercised performance rights (zero exercise price options) over ordinary shares. Further details of the performance rights and the terms are set out in the Variable Compensation - Long-term Incentive section of the remuneration report.

Indemnification of Directors and Officers

The Company has not granted any indemnity to any current or former Directors or officers against any liability other than as provided in the Company's constitution. However, it is intended that the Company will indemnify the Directors and Company Secretary against any liability incurred while discharging their duties and obligations – subject to Part 20.2 of the Corporations Act 2001.

During the financial year, the Company has paid premiums in respect of a contract insuring the Directors of the Company (as named above) and all Executive Officers of the Company against any liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The total amount of Directors & Officers Liability insurance contract premiums paid was $19,983 (2016: $18,334).

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Director's Meetings		Remuneration and Nomination Committee Meeting[i]		Audit Committee Meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
I Kirkwood	12	12	1	1	2	2
A McLellan	12	12	-	-	-	-
M Ohanessian	12	11	1	1	2	2

Committee Membership

As at the date of this report, the Company had an Audit committee and a Remuneration and Nomination committee of the Board.

Members acting on the committees of the Board during the year are:

Audit	Remuneration and Nomination
Andrew Cox (Chairman) – Appointed 28 July 2017	Michael Ohanessian (Chairman)
Iain Kirkwood (former Chairman) – Resigned as Chairman 28 July 2017	Iain Kirkwood
Michael Ohanessian	Andrew Cox (Appointed 28 July 2017)

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest one dollar under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

Auditor Independence Declaration

The Directors received the declaration set out on the following page from the auditor of Bluechiip Limited.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 27 of the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature, value and scope of the non-audit services are considered not to have compromised auditor independence.

Auditor Independence Declaration

Deloitte.

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29 August 2017

Board of Directors
Bluechiip Limited
1 Dalmore Drive
SCORESBY VIC 3179

Dear Board Members

Bluechiip Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bluechiip Limited.

As lead audit partner for the audit of the financial statements of Bluechiip Limited for the financial year ended 30 June 2017, 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.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Anneke Du Toit
Partner
Chartered Accountants

Remuneration Report

Compensation of Executives

This report outlines the compensation arrangements in place for Directors and senior executives of the Company being the Key Management Personnel (KMP) of the Company – being those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director and includes all the executives in the Company. For the purposes of this report, the term "executive" includes the interim CEO/CSO and senior executives but does not include the non-executive Directors or the secretary of the Company.

All sections contained herein have been subject to audit as required by section 308(3C) of the Corporations Act. Remuneration is referred to as compensation in this report.

Individual KMP Disclosures

Details of KMP of the Company are set out below:

Directors

Iain Kirkwood	Non-Executive Chairman
Andrew McLellan	CEO/Managing Director
Michael Ohanessian	Non-Executive Director
Andrew Cox	Non-Executive Director Appointed 26 July 2017
Blair Healy	Non-Executive Director Appointed 23 August 2017

Other than the appointment of Andrew Cox and Blair Healy, being the two changes to KMP after the reporting date, there is no other change to KMP after the reporting date and before the date of this report.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board is responsible for making recommendations to the Board on the remuneration arrangements for Non-Executive Directors (NEDs) and executives. The Board approves the remuneration arrangements for executives having regard to the recommendations made by the Remuneration and Nomination Committee including any Short-term Incentive (STI) or Long-term Incentive (LTI) arrangements. The Board also sets the aggregate fee pool for NEDs (which is subject to shareholder approval) and NED fee levels.

The Remuneration and Nomination Committee comprises all two NEDs, each of which is considered independent.

The Remuneration and Nomination Committee meets periodically as part of the Directors' meetings during the year. Executives are not present at meetings of the Committee except by invitation.

The Remuneration and Nomination Committee has not engaged any external remuneration advisers during the financial year.

Further information on the Remuneration and Nomination Committee's role, responsibilities and membership is located at **bluechiip.com/about-us/corporate-governance/**

Principles of Compensation and Strategy

The Remuneration & Nomination Committee of the Board assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Director and executive team and aligning the interests of the executives with those of the shareholders.

Bluechiip's remuneration strategy is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company. To this end, key objectives of the Company's reward framework are to ensure that remuneration practices are aligned to the Company's business strategy, offer competitive remuneration benchmarked against the external market, provide strong linkage between individual and Group performance and rewards and align the interests of executives with shareholders. Where relevant, the remuneration framework incorporates at risk components through STI and LTI arrangements tailored to the particular executive by reference to both financial and other metrics which generate value for shareholders.

In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

The Board assumes full responsibility for compensation policies and packages applicable to Directors and senior executives of the Company. The broad compensation policy is to ensure the compensation package appropriately reflects the person's duties and responsibilities, and that compensation levels are competitive in attracting, retaining and motivating people who possess the requisite level of skill and experience. Employees may receive at-risk incentive payments remunerated as cash or share options based on the achievement of specific goals related to the performance of the individual and the Company (as determined by the Directors). Incentives are provided to senior executives and employees for the achievement of individual and strategic objectives with the broader view of creating value for shareholders.

Components of total compensation are 'at risk' (variable compensation) and dependent on meeting pre-determined performance benchmarks including Key Performance Indicators (KPIs). The inclusion of appropriate challenging performance hurdles in relation to variable compensation is designed to align employee performance with the creation of shareholder value and wealth. KPIs are agreed and set each year for KMP with the specific objective of influencing both short and long-term performance and the generation of shareholder wealth.

Variable or performance-linked compensation comprises cash bonus and/or share based payments.

Fixed Compensation

Fixed compensation consists of a base salary and employer superannuation contributions. Fixed compensation levels are set so as to provide a base level of compensation which is both appropriate to the position and is competitive in the market.

Fixed compensation is reviewed at least annually by the Remuneration and Nomination Committee and the process consists of a review of the Company's performance, relevant comparative compensation in the market and, where appropriate, external advice on policies and practices. Employees receive their fixed compensation in cash. The Board's policy is to ensure that fixed remuneration is market competitive having regard to industry peers and companies of similar financial size. Given the Company's size the Company generally undertakes its own review of these matters, which it does on an ongoing basis, but does from time to time engage remuneration consultants where considered necessary.

KPIs are individually tailored by the Board, based on recommendations and input from the Remuneration & Nomination Committee in advance for each employee each year, and reflect an assessment of how that employee can fulfil his or her particular responsibilities in a way that best contributes to Company performance and shareholder wealth in that year with close alignment to the role and responsibility within the organisation and in conjunction with the strategic objectives of the Company.

Performance Linked Compensation

All employees are potentially eligible to receive at-risk incentive payments and/or securities (shares or options) based on the achievement of specific goals related to (i) performance against individual KPI's and/or (ii) the performance of the Company as a whole as determined by the Board based on a range of factors, both financial and non-financial. These factors include traditional financial considerations such as operating performance, cash consumption and deals concluded and also industry-specific factors. The purpose of these payments is to reward employees for their contribution to the Company.

Employment contracts for staff other than the CEO provide for variable compensation of up to 10% of their total fixed compensation package (although higher variable compensation payments may be made at the Board's discretion).

The Remuneration & Nomination Committee makes a recommendation annually to the Board in respect of incentive compensation for employees and executives. The Board at its sole discretion determines the total amount of variable compensation payable as a percentage of the total annualised salaries for all employees employed as at the end of the financial year (with pro rata reductions to the annualised salary made for any employee not employed for the entire financial year).

The CEO has the discretion to recommend the offer of rights or options to acquire ordinary shares or the direct issue of shares to any member of staff in recognition of exemplary performance. Such securities may be fully vested upon issue given that they are issued as a reward for past performance rather than as a long-term incentive. Any issue of rights or options proposed as incentive compensation requires approval by the Board and is subject to any limitations imposed by the Corporations Act and the ASX Listing Rules. The Board considers that the performance linked compensation structure is operating effectively.

At, or as soon as practicable after, the beginning of the financial year, individual and team performance for the previous year is assessed for every employee by their manager and new objectives set for the forthcoming year. These objectives include department and project specific objectives together with individual stretch objectives, challenging, realistic and personal development objectives tailored to the employee's role within the organisation. Measurement, management support, target dates and training course requirements are all set. Progress against the objectives is reviewed during the year and percentage achievement concluded at the end of the year, whereupon the cycle recommences. The outputs of this process form the basis of the assessment of the individual's personal incentive compensation.

The Board has discretion to reduce, cancel or clawback any unvested performance-based remuneration in the event of serious misconduct or a material misstatement in the Group's financial statements.

Variable Compensation – Short-term Incentive (STI)

The Company does not operate a formal STI program other than in respect of the CEO. The CEO is eligible to receive a cash bonus subject to the attainment of defined KPIs. The STI is based on the achievement of financial and non-financial objectives. The actual STI payment awarded to the CEO will depend on the extent to which specific targets set at the beginning of the year are met but potentially could be an amount of up to 25% of the CEO's base remuneration package. Financial performance targets include net sales target and net profit before tax and non-financial performance targets include individual objectives which are aligned to the Group's strategy. The Company has predetermined financial performance benchmarks which must be met in order to trigger payments under the STI plan and these are varied on a yearly basis in line with annual budgeting process.

A summary of the measures and weightings are set out below.

An amount of $86,748 (2016: $24,107) has been recognised in the 2017 financial year by way of share based payment expense. This is in respect of performance rights (unvested) issued.

Service Contracts

Remuneration arrangements for executives are formalised in employment agreements. The following outlines the details of contracts with executives.

Chief Executive Officer

The CEO, Andrew McLellan, is employed under an ongoing employment contract which can be terminated with notice by either party.

The key terms of the contract are as follows:

- Annual base Salary of $275,000 including superannuation;
- Short-term Incentive of cash being up to 25% of Andrew McLellan's annual base salary, payable on the achievement of agreed performance targets;
- Long-term Incentive being the grant of 1,500,000 performance rights each entitling Andrew McLellan to acquire one fully paid share in the Company for a nil exercise price (Performance Rights Plan 2015). Vesting of the Performance Rights are subject to achievement of performance conditions relating to TSR and agreed financial targets over the measurement period (27 January 2015 to 27 January 2018)
- Treatment of entitlements upon termination of employment are as follows:

	Notice Period	Payment in Lieu of Notice	Treatment of Short-term incentives	Treatment of Long-term Incentives
Termination by Company (death, disablement, redundancy etc)	3 months	3 months	Any STI payments are at Board discretion	At the discretion of the Board
Termination for Cause	None	None	Any STI payments are at Board discretion	Unvested awards forfeited Vested and unexercised awards forfeited
Resignation by Employee	3 months	None	Any STI payments are at Board discretion	Unvested awards forfeited.

All other KMP are or were employed under contracts with the following common terms and conditions:

- combination of twelve (12) months fixed terms and/or no fixed term and no termination payment prescribed;
- terminable by either party on the giving of one (1) month notice in writing; and
- the Company may terminate any contract for cause (as defined).

Variable Compensation – Long-term Incentive (LTI)

The Remuneration and Nomination Committee also reviews and approves the issue of share based payments to staff and KMP as a means of providing a LTI for performance and loyalty.

LTI awards to executives are made under the executive Performance Rights Plan and are delivered in the form of performance rights or zero exercise price options. The performance rights will vest over a period of up to three years subject to meeting performance measures, The Company's Performance Rights Plan in issue are as follow:

(1) Performance Rights Plan 2015

The Company uses a combination of absolute total shareholder return (TSR) and commercial targets (CS Targets) as the performance measure for Performance Rights Plan 2015. The details of the relevant performance measures are as follow:

A total of 1,500,000 Performance Rights have been granted to Andrew McLellan in 2015. The Performance Rights have been issued in two tranches of 750,000 each (i.e. a total of 1,500,000 Performance Rights) and were approved by shareholders at the 2015 AGM.

	Tranche 1	Tranche 2
Grant Date	27 April 2015	27 April 2015
Vesting Date	27 January 2017 (subject to achievement of Performance Targets)	27 January 2018 (subject to achievement of Performance Targets)
Performance Period	27 January 2015 to 27 January 2017	27 January 2015 to 27 January 2018
Expiry Date	27 April 2020	27 April 2020
Performance Targets	• 50% of the Tranche 1 Performance Rights will vest based on achievement of CS Targets • The balance of the Tranche 1 Performance Rights will vest based on the TSR of Bluechiip shares over the Performance Period having regard to a starting value of $0.08 per share as at 27 January 2015 (TSR-1)	• 50% of the Tranche 2 Performance Rights will vest based on achievement of CS Targets • The balance of the Tranche 2 Performance Rights will vest based on the TSR of Bluechiip shares over the Performance Period having regard to a starting value of $0.08 per share as at 27 January 2018 (TSR-2)

The respective vesting schedule for Tranche 1 and Tranche 2 are as follows:

Tranche 1	Percentage of Performance Rights Vesting
Less than 150%	0%
150% or more but less than or equal to 250%	Vest progressively on a straight-line from 50% to 100%
Greater than 250%	100%

Tranche 2	Percentage of Performance Rights Vesting
Less than 250%	0%
250% or more but less than or equal to 375%	Vest progressively on a straight-line from 50% to 100%
Greater than 375%	100%

(2) Performance Rights Plan 2016

The number of performance rights that will vest will be determined by the TSR performance relative to the movement in the ASX All Ordinaries Accumulation Index (AORD). During the financial year, a total of 3,000,000 performance rights were granted to Andrew McLellan and 4,000,000 performance rights were granted to employees of the Company. The performance rights have been issued in three tranches.

	Tranche 1	Tranche 2	Tranche 3
Grant Date	1 July 2016	1 July 2016	1 July 2016
No. of performance rights granted to CEO	1,000,000	1,000,000	1.000,000
No. of performance rights granted to employees	1,333,333	1,333,333	1,333,333
Vesting Date	30 August 2017	30 August 2018	30 August 2019
Performance Period	1 July 2016 – 30 June 2017	1 July 2016 – 30 June 2018	1 July 2016 – 30 June 2019
Expiry Date	31 December 2017	31 December 2018	31 December 2019

If an employee ceases to be employed by Bluechiip before vesting date, those unvested Performance Rights will be dealt as follows:

Termination Circumstance	Unvested Performance Rights
Termination for cause (eg. summary dismissal)	All Unvested Performance Rights lapse
Resignation	All Unvested Performance Rights lapse
Retirement, Death, Redundancy, Incapacity	All Unvested Performance Rights will be able to be exercised in accordance with their terms and expire 5 days after the relevant measurement period for the Performance Rights

The performance conditions and the vesting schedule are as follow:

Performance Condition	No. of Performance Rights Vesting
Below 100% of the proportionate change in the AORD index over the relevant measurement period	No Performance Rights are capable of exercise
At 100% of the proportionate change in the AORD index over the relevant measurement period	50% of Performance Rights are exercisable
Between 100% and 110% of the proportionate change in the AORD index over the relevant	50% of the Performance Rights as at 100%, plus an additional 5% of the performance rights will vest for each additional percentage point that the company's TSR exceeds 100% of the change in the AORD index

Upon the satisfaction of the vesting conditions, each performance right will convert to 1 new ordinary share in the Company.

2017

3,000,000 performance rights (zero exercise price options) were issued to the CEO on 1 July 2016 on the terms specified above. No other performance rights or options were issued to Directors or KMP in the financial year ended 30 June 2017.

2016

No options were issued to Directors or KMP in the financial year ended 30 June 2016.

Non-Executive Director Compensation

The Constitution and the ASX Listing Rules specify that the aggregate compensation of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount approved by shareholders is then divided between the Directors as agreed by the Board. An amount of $500,000 was approved at the Company's Annual General Meeting held on 10 November 2011.

Non-Executive Directors do not receive performance related compensation and the structure of Non-Executive Director and senior management compensation is separate and distinct. Non-Executive Directors do not have contracts of employment but are required to evidence their understanding and compliance with the Board policies of Bluechiip Limited. These Board policies do not prescribe how compensation levels for Non-Executive Directors are modified from year to year.

Compensation levels are to be reviewed by the Board each year taking into account cost of living changes, changes to the scope of the roles of the Directors, and any changes required to meet the principles of the overall Board policies.

The remuneration of Non-Executive Directors' for the years ended 30 June 2017 and 30 June 2016 is detailed in the table below under 'Remuneration of Key Management Personnel'.

Directors' and Executive Officers' Compensation Tables

Details of the nature and amount of each major element of the compensation of each KMP including Directors of the Company are disclosed in accordance with Accounting Standard AASB 124 Related Party Disclosures and with the Corporations Act 2001 in the following tables.

No options or performance rights held by persons in the following compensation tables were exercised during the 2017 and 2016 financial years.

In the following tables, the fair value of the performance rights granted to executive officers has been calculated based on the value at the date of grant using a hybrid trinomial option pricing model which uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations. The value as disclosed is the portion of the fair value of the performance rights allocated to this reporting year. Refer to the next sections of this report for full details of the performance rights valuations.

Loan

There were no loans to any Directors or KMPs during the financial year.

Other Transactions and Balances With KMP

Iain Kirkwood committed to subscribe for 8,928,571 ordinary shares for a total subscription price of $250,000 as part of the placement of shortfall shares in conjunction with the Rights Issue completed in July 2017. The placement to Iain Kirkwood is subject to shareholder approval, which will be sought at the 2017 AGM.

Remuneration of Key Management Personnel

2017

	Short-term Benefits			Post-Employment	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits## $	Bonuses/ Incentives $	Superannuation Contributions $	Long Service Leave $	Shares $	Options Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Prformance Based %
Directors										
Non-executive										
Iain Kirkwood#	70,000	-	-	-	-	-	-	-	70,000	-
Michael Ohanessian#	40,000	-	-	-	-	-	-	-	40,000	-
Andrew Cox[i]	-	-	-	-	-	-	-	-	-	-
Blair Healy[ii]	-	-	-	-	-	-	-	-	-	-
Executive										
Andrew McLellan*	235,145	##15,996	**31,393	30,106	4,084	**34,375	52,480	-	403,579	29.3%
Total Director and Key Management Personnel Compensation	**345,145**	**15,996**	**31,393**	**30,106**	**4,084**	**34,375**	**52,480**	**-**	**513,579**	**23.0%**

i Appointed 26 July 2017.

ii Appointed 23 Augusty 2017.

\# Included in the salary and fees are Director's fee owing as at 30 June 2017 to Iain Kirkwood and Michael Ohanessian of $1,167 and $6,666 respectively.

\## This relates to monthly novated lease payment made on behalf of Andrew McLellan.

* 4,500,000 performance rights (zero exercise price options) were granted to Andrew McLellan as part of his Long-term Incentive. An amount of $52,480 has been recognised in 2017 by way of share based payment expense in respect of the performance rights. Further details of the performance rights and the terms are set out in the Variable Compensation - LTI section.

** During the year, the Company issued to the CEO, Andrew McLellan $34,375 in shares at an issue price of $0.022 per share being part of 2016 performance bonus of $65,768. The shares issued in lieu of bonus were approved by shareholders at the Company's 2016 AGM.

Remuneration of Key Management Personnel

2016

	Short-term Benefits			Post-Employment:	Long-term Benefits	Share-based Payments				
	Salary and Fees $	Non-cash Benefits## $	Bonuses/ Incentives $	Superannuation Contributions $	Long Service Leave $	Shares $	Options Performance Rights $	Termination/ Resignation payment $	Total Compensation $	% of Remuneration Paid as Performance Based %
Directors										
Non-executive										
Iain Kirkwood#	70,000	-	-	-	-	-	-	-	70,000	-
Michael Ohanessian#	40,000	-	-	-	-	-	-	-	40,000	-
Matthew Morgan[i]	24,795	-	-	-	-	-	-	-	24,795	-
Executive										
Andrew McLellan*	234,610	##16,532	-	23,858	4,596	-	24,107	-	303,703	7.9%
Total Director and Key Management Personnel Compensation	**369,405**	**16,532**	**-**	**23,858**	**4,596**	**-**	**24,107**	**-**	**438,498**	**5.5%**

i Resigned 17 March 2016.

Included in the salary and fees are Director's fee owing as at 30 June 2016 to Iain Kirkwood and Michael Ohanessian of $25,667 and $13,333 respectively.

This relates to monthly novated lease payment made on behalf of Andrew McLellan.

* 1,500,000 performance rights (zero exercise price options) were granted to Andrew McLellan as part of the Long-term Incentive. An amount of $24,107 has been recognised in 2015 by way of share based payment expense in respect of the performance rights. Further details of the performance rights and the terms are set out in the Variable Compensation – LTI section.

Grants, Modifications and Exercise of Options and Rights Over Equity Instruments Granted as Compensation

Shares Issued on Exercise of Options

Since the end of the financial year up to the date of this report no options have been exercised.

Additional Disclosures Relating to Options and Shares

The number of ordinary shares in Bluechiip Limited held by or controlled by each KMP of the Group during the financial year is as follows.

	Balance at 1 July 2016	Granted as Remuneration	Purchased During the Year	On Exercise of Options/ Performance Rights	Net Change Other	Balance at 30 June 2017
I Kirkwood	14,353,307	-	5,534,425	-	-	19,887,732
A McLellan	458,000	1,562,500	152,666	-	-	2,173,166
M Ohanessian	2,037,427	-	4,467,019	-	-	6,504,446
A Cox[i]	-	-	-	-	-	-
B Healy[ii]	-	-	-	-	-	-
Total	**16,848,734**	**1,562,500**	**10,154,110**	**-**	**-**	**28,565,344**

i Appointed 26 July 2017.

ii Appointed 23 August 2017.

Additional disclosures relating to options and shares

The number of performance rights over ordinary shares in Bluechiip Limited held by each KMP during the financial year is as follows:

							Vested at 30 June 2017		
	Balance at 1 July 2016	Granted as Remuneration	Net Change Other	Options Exercised	Options Expired#	Balance at 30 June 2017	Vesting Date	Exercisable	Non Exercisable
I Kirkwood	-	-	-	-	-	-	-	-	-
A McLellan	1,500,000	3,000,000	-	-	375,000	4,125,000		-	-
Performance Rights Plan 2015									
Tranche 1	750,000	-	-	-	-	375,000	27 Jan 17	-	-
Tranche 2	750,000	-	-	-	-	750,000	27 Jan 18	-	-
Performance Rights Plan 2017									
Tranche 1	-	1,000,000	-	-	-	1,000,000	30 Aug 17	-	-
Tranche 2	-	1,000,000	-	-	-	1,000,000	30 Aug 18	-	-
Tranche 3	-	1,000,000	-	-	-	1,000,000	30 Aug 19	-	-
M Ohanessian	-	-	-	-	-	-	-	-	-
A Cox[i]	-	-	-	-	-	-	-	-	-
Total	**1,500,000**	**3,000,000**	**-**	**-**	**375,000**	**4,125,000**		**-**	**-**

(i) Appointed 26 July 2017.

(ii) Appointed 23 August 2017.

* 375,000 of the Tranche 1 Performance Rights were to be vested on 27 January 2017 based on the TSR of Bluechiip shares over the Performance Period with regard to a starting value of $0.08 per share as at 27 January 2015. The Performance Rights were not vested as it did not meet the achievement of Performance Targets. Accounting expense has not been adjusted during the financial year as it is a market condition.

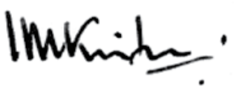
Consequences of the Company's Performance on Shareholder Wealth

The following table summarises the Company's performance in the current financial year and the previous four years since the Company was listed in June 2011.

	30 June 2013 $	30 June 2014 $	30 June 2015 $	30 June 2016 $	30 June 2017 $
Measures					
Closing share price at 30 June	0.17	0.04	0.05	0.022	0.028
Basic Earnings Per Share (cents)	(3.8)	(2.3)	(1.3)	(0.9)	(0.7)
Dividends	None	None	None	None	None
Loss before income tax	**3,586,138**	**2,555,961**	**1,911,688**	**1,676,983**	**2,018,633**

In considering the Company's performance and how best to generate shareholder value, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the technical progress on the Company's products and, where applicable, relationship building with technical institutions, projects introduced, internal innovation etc. The Board has some but not absolute regard to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure and does not contemplate consideration of any dividends in the short to medium term given that all efforts are currently being devoted to obtaining value for the Company's assets and building the business to establish self-sustaining revenue streams. For this reason, adverse movements in the share price do not necessarily reflect the performance of the CEO and that of other employees.

Signed in accordance with a resolution of the Board of Directors.



Iain Kirkwood
Chairman

29 August 2017

Corporate Governance

The board of Directors of Bluechiip Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines (3rd edition) as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of Bluechiip Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

An overview of the Company's corporate governance structures and practices is published on the Company's website at **bluechiip.com/about-us/corporate-governance**.

Consolidated Statement of Financial Position

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	11	972,767	487,934
Trade and other receivables	12	803,171	725,764
Other current assets	13	141,023	173,553
Inventory	14	361,700	381,911
Total Current Assets		**2,278,661**	**1,769,162**
Non-Current Assets			
Term Deposit	11	26,540	-
Property, plant and equipment	15	78,550	88,149
Total Non-Current Assets		**105,090**	**88,149**
Total Assets		**2,383,751**	**1,857,311**
Current Liabilities			
Trade and other payables	16	1,066,835	234,057
Interest-bearing loans and borrowings	17	619,469	503,879
Employee benefits	18	59,626	49,918
Total Current Liabilities		**1,745,930**	**787,854**
Non-Current Liabilities			
Employee benefits	18	40,681	23,628
Total Non-Current Liabilities		**40,681**	**23,628**
Total Liabilities		**1,786,611**	**811,482**
Net Assets		**597,140**	**1,045,829**
Equity			
Issued capital	19	22,856,944	21,373,748
Reserves		4,805,107	4,718,359
Accumulated losses		(27,064,911)	(25,046,278)
Total Equity		**597,140**	**1,045,829**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2017 $	2016 $
Current Assets			
Revenue from operating activities	6	237,773	155,718
Cost of sales		(67,201)	(25,581)
Other income	7	779,990	682,911
Employee benefits expense		(1,173,209)	(1,066,028)
Superannuation		(97,520)	(84,220)
Share based payment expense		(86,748)	(24,107)
Business development		(176,274)	(122,337)
Depreciation and amortisation	8 (b)	(19,358)	(24,534)
Research and Development		(585,001)	(315,422)
Patent costs		(88,375)	(66,031)
Consultancy fees		(37,091)	(86,715)
Travel and accommodation		(63,520)	(93,797)
Occupancy costs		(62,253)	(57,210)
Legal and professional fees		(229,408)	(257,847)
Finance costs	8 (a)	(66,666)	(41,138)
Other expenses	8 (c)	(283,772)	(250,645)
Loss Before Income Tax		**(2,018,633)**	**(1,676,983)**
Income tax	9	-	-
Net Loss After Income Tax		**(2,018,633)**	**(1,676,983)**
Other comprehensive income		-	-
Total Comprehensive Loss for The Year		**(2,018,633)**	**(1,676,983)**
Earnings Per Share			
Basic losses per share (cents)	10	(0.73)	(0.83)
Diluted losses per share (cents)	10	(0.73)	(0.83)

Consolidated Statement of Changes in Equity

	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2016		21,373,748	4,718,359	(25,046,278)	1,045,829
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	1,555,552	-	-	1,555,552
Transaction costs on share issue	19(a)	(72,356)	-	-	(72,356)
Share-based payment expense		-	86,748	-	86,748
		1,483,196	**86,748**	**-**	**1,569,944**
Comprehensive income					
Loss for the year		-	-	(2,018,633)	(2,018,633)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to members of the entity		**-**	**-**	**(2,018,633)**	**(2,018,633)**
At 30 June 2017		**22,856,944**	**4,805,107**	**(27,064,911)**	**597,140**

	Note	Ordinary Shares $	Employee Equity Benefits Reserve $	Accumulated Losses $	Total $
At 1 July 2015		20,344,230	4,694,252	(23,369,295)	1,669,187
Transactions with owners in their capacity as owners					
Shares issued during the year	19(a)	1,076,525	-	-	1,076,525
Transaction costs on share issue	19(a)	(47,007)	-	-	(47,007)
Share-based payment expense		-	24,107	-	24,107
		1,029,518	**24,107**	**-**	**1,053,625**
Comprehensive income					
Loss for the year		-	-	(1,676,983)	(1,676,983)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to members of the entity		**-**	**-**	**(1,676,983)**	**(1,676,983)**
At 30 June 2016		**21,373,748**	**4,718,359**	**(25,046,278)**	**1,045,829**

Consolidated Statement of Cash Flows

	Note	2017 $	2016 $
Cash Flows From Operating Activities			
Receipts from customers		262,190	107,207
Payments to suppliers and employees		(2,572,949)	(2,445,338)
Interest received		5,313	4,974
Interest paid		(51,342)	(11,665)
R&D tax concession received		674,677	680,336
Net Cash Flows Used in Operating Activities	**20**	**(1,682,111)**	**(1,664,486)**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(4,214)	(2,999)
Net cash flows used in investing activities		**(4,214)**	**(2,999)**
Cash Flow from Financing Activities			
Proceeds from issue of ordinary shares		1,488,296	995,030
Proceeds from share subscription		646,919	-
Transaction costs on share issue		(35,317)	(47,414)
Transaction costs on borrowings		(2,200)	(35,000)
Placement of term deposit as security for credit facility	11	(26,540)	-
Proceeds from borrowings		600,000	1,100,000
Repayment of borrowings		(500,000)	(600,000)
Net cash flows from financing activities		**2,171,158**	**1,412,616**
Net increase/ (decrease) in cash held		484,833	(254,869)
Cash and cash equivalents at beginning of financial year		487,934	742,803
Cash and Cash Equivalents at End of Financial Year	**11**	**972,767**	**487,934**

Notes to the Consolidated Financial Statements

Note 1 Corporate Information

The consolidated financial report of Bluechiip Limited for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 29 August 2017.

Bluechiip Limited (the Parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group during the year was the development and commercialisation of a wireless tracking solution for the healthcare and life science, security, defence and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification).

Note 2 Summary of Significant Accounting Policies

Basis of Preparation

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

Going Concern

The financial report has been prepared on a going concern basis which takes account of the Group's assets and liabilities and assumes continuity of normal activities and they include:

- sales revenue anticipated to be generated over the next twelve months;
- grants from the Australian state and federal governments, and from overseas sources which the Group continues to actively pursue;
- receipts from the Federal R&D tax incentive programme on the basis that the Group continues to qualify for these receipts;
- up-front license fees, milestone payments, co-development or collaboration funding from third party joint ventures may be generated within the next twelve months; and
- the completion of capital raised via the Rights Issue and private placement in July 2017

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

(b) New Accounting Standards and Interpretations

i. **Changes in accounting policy and disclosures.**

The accounting policies adopted are consistent with those of the previous financial year, except as follows:

The Group has adopted the following amended Australian Accounting Standards and AASB interpretations as at 1 July 2016. The adoption of these standards did not have a material impact on the annual consolidated financial statements of the Group.

- AASB 1057 Application of Australian Accounting Standards and AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

ii. **Accounting Standards and Interpretations issued but not yet effective.**

As at the date of the Financial Report, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/Amendment	Effective for Annual Reporting Periods Beginning on or After
AASB 9 Financial Instruments	1 January 2018
AASB 15 Revenue from Contracts with Customers, 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15, 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018
AASB 16 Leases	1 January 2019
AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2018
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)	1 January 2017
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions 1 January 2018	1 January 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2013 to include the new requirements or general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

IFRS 9 is expected to change the value of the impairment losses recognised on Accounts Receivable from an incurred to expected loss model. The value of the expected increase in provisions has yet to be quantified.

IFRS 15 Revenue from Contracts With Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the International Accounting Standards Board (IASB) issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance. IFRS 15 may have an impact of timing of revenue recognition and is likely to have the largest impact on contracts where revenue is recognised on the basis of completion. The impact of the standard has yet to be quantified.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 30 June 2017, the Group has begun to assess the potential impact however has yet to quantify the effect of these changes as at the date of this report. IFRS 16 will bring the operating leases on balance sheet. The Group has a lease rental related to its office with remaining 5 months to expiry and an option to renew for another 12 months. The impact of the standard has yet to be quantified.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Bluechiip Limited and its subsidiaries (the Group) (as outlined in Note 28) as at and for the year ended 30 June 2017.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(d) Foreign Currency Translation

i. Functional and presentation currency

Both the functional and presentation currency of Bluechiip Limited and its subsidiaries are Australian dollars ($).

ii. Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(e) Cash and Cash Equivalents (Ref Note 11)

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(f) Trade and Other Receivables (Ref Notes 12 and 13)

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. Loan and receivables relate largely to the R&D tax incentive and the term deposit.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset has been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Collectability of trade and other receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Amounts paid to manufacturer as advances are recorded as Other Current Assets on the Statement of Financial Position.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(g) Inventories (Ref Note 14)

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(h) Non-current assets (Ref Note 15)

i. **Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

Depreciation is calculated on a diminishing value method basis over the estimated useful life of the specific assets as follows:

Computer & Office Equipment – 10% to 66.67%
Furniture, Fixtures and Fittings – 10% to 20%
Technical Equipment and Tools – 10% to 66.67%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

ii. **Software**

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of two and a half years and is amortised using the straight line method at 40% per annum.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year. Leased assets are depreciated on a reducing balance basis over the shorter of their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Operating lease payments are recognised as an operating expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in profit or loss. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(j) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Bluechiip Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(k) Research and Development Costs

Research and development costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. No development costs have been capitalised to date.

(l) Financial Liability (Ref Notes 16 and 17)

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid between 30 days and 60 days of recognition.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(n) Employee Benefits (Ref Note 18)

i. **Short-term Benefits**

Liabilities for wages and salaries, including non-monetary benefits and certain annual leave benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Annual leave balances that are expected to be settled after 12 months are measured at present value. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. **Long-term benefits**

The liability for long service leave and certain annual leave benefits are recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted at rates using market yield on high quality Corporate Bonds at the reporting date.

(o) Share-based Payment Transactions (Ref Note 23)

Equity-settled Transactions

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

There is currently a Performance Rights Plan in place as part of the LTI, for the issue of share based payments to staff and KMP as a reward for performance and loyalty. LTI awards to executives are made under the executive Performance Rights Plan and are delivered in the form of performance rights or zero exercise price options. The performance rights will vest over a period of up to three years subject to meeting performance measures, The Company uses a combination of absolute total shareholder return (TSR) and commercial targets as the performance measure for the LTI plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the performance rights granted to executive officers has been calculated based on the value at the date of grant using a hybrid trinomial option pricing model which uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group or Company receives the services that entitle the employees to receive payment in equity or cash; and
- Conditions that are linked to the price of the shares of Bluechiip Limited (market conditions).

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

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Profit or Loss and Other Comprehensive Income is the product of:

a. The grant date fair value of the award;
b. The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
c. The expired portion of the vesting period.

The charge to the Statement of Profit or Loss and Other Comprehensive Income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding entry to equity.

If a non-vesting condition is within the control of the Group, Company or employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

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. An additional 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.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 10).

(p) Contributed equity (Ref Note 19)

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

(q) Revenue recognition (Ref Note 6)

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. **Sales Revenue**

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of services and products to purchasers external to the Group.

Sales of Goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- stage of completion of labour hours (time) incurred to date as a percentage of total labour hours (total time) that has elapsed during the reporting period;
- revenue from time and material contracts is recognised at the contractual rates as labour hours; and
- direct expenses are incurred.

License income

License income is recognised depending on the substance of the underlying agreement. Depending on the terms of agreement, licence income is either recognised immediately if the substance is a sale or over the life of the agreement to the extent there are service conditions attached.

ii. **Interest Revenue**

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 year 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. All revenue is stated net of the amount of goods and services tax (GST).

(r) Income Tax and Other Taxes (Ref Note 9)

No taxation has been provided for and no deferred tax assets have been recognised in view of losses incurred.

Deferred tax assets are only brought to account where it is probable that future tax profits will be available against which deductible temporary differences can be utilised. In view of the Group just commenced generating revenues, deferred tax assets are not recognised in respect of the assessed and estimated tax losses to be carried forward on the basis that recoupment is not probable at 30 June 2017.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other Taxes

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

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

(s) Government Grants (Ref Note 7)

Government grants are recognised in the Statement of Profit or Loss and Other Comprehensive Income as other income when the grant is received.

The R&D tax offset is brought to account only when the amount receivable has been quantified, based on eligible development spend and supported by appropriate claim documentation.

(t) Earnings per share (Ref Note 10)

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- Costs of servicing equity; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

As the Group incurred a loss during the year, the impact of options and performance rights was anti-dilutive and as such, basic and diluted EPS are the same amount.

(u) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value. After initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method, or cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant year and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

ii. **Held to maturity**

Term deposits with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale financial assets are included in non-current assets.

iii. **Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(v) Comparative Figures

When required by Accounting Standards, comparative figures will be adjusted to conform to changes in presentation. No comparative adjustment has occured in the current year.

Note 3 Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and interest-bearing liabilities.

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

	Note	2017 $	2016 $
Financial Assets			
Cash and cash equivalents	11	972,767	487,934
Term deposit	11	26,540	-
Trade and other receivables	12	803,171	725,764
Total Financial Assets		**1,802,478**	**1,213,698**
Financial Liabilities			
Trade and other payables	16	1,066,835	234,057
Interest-bearing liabilities	17	619,469	503,879
Total Financial Liabilities		**1,686,304**	**737,936**

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. The Group is also exposed to a certain degree of foreign currency risk as some of its transactions with suppliers and customers are denominated in foreign currencies.

(a) Credit Risk

Credit risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating. Credit risk is in relation to receivables held as at year end.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There were no guarantees given at the balance date.

Trade and other receivables that are neither past due or impaired are of high credit quality. Aggregates of such amounts are as detailed at Note 12.

Credit risk related to balances with banks and other financial institutions is managed by management in accordance with the approved Board policy.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised 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 reflects the earliest contractual settlement dates.

		Less Than 6 Months		6 to 12 Months		1 Year to 5 years		Over 5 Years		Total Contractual Cash Flow	
	Notes	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Financial assets – Cash Flows Realisable											
Financial assets – cash flows realisable	11	972,767	487,934	-	-	-	-	-	-	972,767	487,934
Term deposits	11	-	-	-	-	26,540	-	-	-	26,540	-
Cash and cash equivalents	12	803,171	725,764	-	-	-	-	-	-	803,171	725,764
Total		**1,775,938**	**1,213,698**	**-**	**-**	**26,540**	**-**	**-**	**-**	**1,802,478**	**1,213,698**
Financial Liabilities Due for Payment											
Trade and other payables	16	1,066,835	234,057	-	-	-	-	-	-	1,066,835	234,057
Interest-bearing liabilities	17	619,469	503,879	-	-	-	-	-	-	619,469	503,879
Total		1,686,304	737,936	-	-	-	-	-	-	1,686,304	737,936
Net inflow/(Outflow) on Financial Instruments		**89,634**	**475,762**	**-**	**-**	**26,540**	**-**	**-**	**-**	**116,174**	**475,762**

(c) Market Risk

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Borrowings (see Note 17) are negotiated at fixed rates to assist in managing the risk and that in determining the interest rates, reference is made to bank lending or borrowing rates at the time the loan is entered into.

ii. Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year Ended 30 June 2017		
+1% in interest rates	9,993	-
-1% in interest rates	(9,993)	-
Year Ended 30 June 2016		
+1% in interest rates	4,879	-
-1% in interest rates	(4,879)	-

The above sensitivities calculation assumption is based on cash and cash equivalent and financial assets reported at balance date. Interest on borrowings are fixed.

Note 4 Significant Accounting judgements, Estimates and Assumptions

The preparation of the financial statements requires the Directors to evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Employee Benefits

In calculating the present value of future cash flows in respect of provision for long service leave, Directors have used their judgement in determining the probability of retention of the employees.

Income from R&D Tax Incentive

In computing the income from R&D tax incentive receivable, the Company has used some judgment to decide on the basis of deriving at the eligible and qualifying R&D expenditure.

Note 5 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and Managing Director (the chief operating decision maker or CODM) in assessing performance and in determining the allocation of resources. The CODM only reviews consolidated financial information and as such, it has been determined that there is only one segment at the present time. Furthermore, the Group's business activities are not organised on the basis of differences in related products and services or differences in geographical areas of operations. Given the Group's stage of development, the Directors consider this to be appropriate.

Note 6 Revenue from Operating Activities

	2017 $	2016 $
Gross Revenue From Sale of Product and Licence income		
Sale of product	140,439	57,349
Licence income	116,755	100,000
	257,194	**157,349**
Less Trade discount	(19,421)	(1,631)
Revenue From Operating Activities	**237,773**	**155,718**

Note 7 Other Income

	2017 $	2016 $
Other Revenue		
Interest income	5,313	4,911
R&D tax incentive/concession	774,677	674,600
Insurance recoverable	-	3,400
Total Other Income	**779,990**	**682,911**

Note 8 Expenses

	2017 $	2016 $
Finance Costs		
Interest expense	52,666	18,138
Debt establishment fee (refer Note 17 for further detail)	12,000	23,000
Quarterly service fee for R&D Advance Facility	2,000	-
Total Finance Costs	**66,666**	**41,138**
Depreciation		
Depreciation of property, plant and equipment	19,358	24,534
	19,358	**24,534**
Other Expenses		
Share registry, administration and secretarial	66,902	86,218
Insurance	37,974	37,130
Advertising and Branding	80,380	15,599
Conference and seminar	-	2,125
Telecommunications	17,356	18,705
Membership and subscriptions	3,729	8,355
Others	77,431	82,513
Total Other Expenses	**283,772**	**250,645**

Note 9 Income Tax Expense

No taxation has been provided in view of the losses incurred for the year (2016: Nil). Tax losses for the 2017 financial year are $976,685 (2016:$916,145). The amount available of carried forward tax losses for offset against future taxable income is $11,367,180 (2016:$10,390,494). The deferred tax asset of $3,410,155 (2016: $3,117,149) associated with carried forward tax losses as well as deferred tax assets arising from temporary differences of $135,872 (2016:$110,237) have not been recorded on the basis that its recovery is not probable at this time. There are no deferred tax liabilities arising from temporary differences on assets.

On the basis that compliance with the continuity of ownership test and/or the same business test have not yet been determined and are required to be assessed at the time the losses are utilised rather than now, there remains uncertainty as to the availability of the carried forward tax losses to be offset against future taxable income.

The prima facie tax on the loss from ordinary activities is reconciled to the income tax credit shown in the Statement of Profit or Loss and Other Comprehensive Income as follows:

	2017 $	2016 $
Prima facie tax on loss from ordinary activities before income tax at 30% (2015: 30%)		
Consolidated entity	(605,590)	(503,095)
	(605,590)	**(503,095)**
Add/(Deduct): Tax Effect of		
Non-deductible expenses	19,960	15,144
Research and development tax effect	302,989	247,353
Deferred tax assets arising not brought to account as at balance sheet date because realisation is not considered probable	282,641	240,598
Income Tax Credit Attributable to the Consolidated Entity	**-**	**-**

Note 10 Earnings Per Share

	2017 $	2016 $
Prima Facie Tax on Loss From Ordinary Activities Before Income Tax at 30% (2015: 30%)		
Earnings/(loss) used to calculate basic and dilutive EPS	(2,018,633)	(1,676,983)
For Basic and Diluted EPS Tax Effect of		
Weighted average number of ordinary shares outstanding during the year – No. used in calculating basic EPS	276,627,524	202,580,450

As the Group incurred a loss during the year, the impacts of options were anti-dilutive and as such, basic and diluted EPS are the same amount.

Note 11 Cash and Cash Equivalents and Term Deposit

	2017 $	2016 $
Current Assets – Cash and Cash Equivalents		
Cash at bank[a]	972,767	462,136
Term Deposit	-	25,798
	972,767	**487,934**
Non-current Assets		
Term Deposit[b]	**26,540**	**-**

a Cash at bank at end of financial year includes application money held in trust which relates to subscription money from the Rights Issue and Placement launched in June 2017 pending completion and new ordinary shares in the Company to be issued. Please refer to Note 16 for further details.

b Term Deposit with a bank held as security for a credit card facility.

Note 12 Current Assets – Trade and Other Receivables

	2017 $	2016 $
Current Assets – Cash and Cash Equivalents		
Trade receivables	28,171	50,764
R&D tax off-set receivable	775,000	675,000
	803,171	**725,764**
The ageing analysis of receivables is 0-30 days[a]		
0-30 days	798,853	706,370
31-60 days	589	17,141
61-90 days (past due not impaired)	-	-
91+ days (past due not impaired)	3,729	2,253
Total Trade and Other Receivables	**803,171**	**725,764**

Debts over 90 days are individually assessed for impairment. As at the date of this report, the Group deems these individually recoverable.

Note 13 Other Current Assets

	2017 $	2016 $
Prepayment	24,373	25,416
Term Deposit[a]	-	25,798
	141,023	**173,553**

a The deposit represents the balance of a supplier payment for the purchase of raw materials to manufacture the Company's Matchbox™ readers.

Note 14 Inventory

	2017 $	2016 $
Raw materials	235,278	241,788
Finished goods	188,013	201,714
Provision of net realisable value - Finished Goods	(61,591)	(61,591)
Total Inventory	**361,700**	**381,911**

Management has to exercise significant judgement in estimating the net realisable value of inventory which includes estimating future sales quantities and selling prices. These estimates are based on the current contracts in place by the Company and given the application of the technology is deemed reasonable. Management assess the classification of inventory based on forward sales growth and expect to realise the inventory in the next twelve months.

Note 15 Non-current Assets - Property, Plant and Equipment

	2017 $	2016 $
Technical equipment and tools at cost	235,060	229,060
Accumulated depreciation	(170,658)	(156,567)
Total technical equipment and tools	**64,402**	**72,493**
Furniture, fixtures and fittings at cost	18,876	18,156
Accumulated depreciation	(12,090)	(11,069)
Total Furniture, Fixtures and Fittings	**6,786**	**7,087**
Computer and office equipment at cost	109,719	106,680
Accumulated depreciation	(102,357)	(98,111)
Total Computer and Office Equipment	**7,362**	**8,569**
Software, at cost	56,368	56,368
Accumulated amortisation	(56,368)	(56,368)
Total software	**-**	**-**
Total Property, Plant and Equipment	**78,550**	**88,149**

(a) Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated	Technical Equipment and Tools $	Furniture, Fixtures and Fittings $	Computer and Office Equipment $	Software $	Total $
Balance at 30 June 2017					
Balance at the beginning of year	72,493	7,087	8,569	-	88,149
Additions	6,000	720	3,039	-	9,759
Depreciation	**(14,091)**	**(1,021)**	**(4,246)**	**-**	**(19,358)**
Carrying Amount at End 30 June 2017	**64,402**	**6,786**	**7,362**	**-**	**78,550**

Consolidated	Technical Equipment and Tools $	Furniture, Fixtures and Fittings $	Computer and Office Equipment $	Software $	Total $
Balance at 30 June 2016					
Balance at the beginning of year	90,232	8,060	11,392	-	109,684
Additions	-	-	2,999	-	2,999
Depreciation	**(17,739)**	**(973)**	**(5,822)**	**-**	**(24,534)**
Carrying Amount at End 30 June 2016	**72,493**	**7,087**	**8,569**	**-**	**88,149**

Note 16 Current Liabilities – Trade and Other Payables

	2017 $	2016 $
Trade payables (a)	368,131	107,914
Sundry payables and accrued expenses (a)	51,785	126,143
Application money held in trust (b)	646,919	-
Total Current Liabilities	**1,066,835**	**234,057**

Note 17 Interest-bearing Loans and Borrowings

	2017 $	2016 $
Current		
R&D Tax Prepayment Loan[a]	600,000	500,000
Directors and Officers premium funding	19,469	15,879
Deferred borrowing cost[a]	-	(12,000)
Total Interest-bearing Liabilities	**619,469**	**503,879**

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

a Relates to a R&D Advance Facility from R&D Capital Partners Pty Ltd (R&D Capital) secured by R&D tax incentive 2016/2017 to be received. In prior financial year, similar facility was obtained with R&D Capital for a loan facility of $500,000 (Loan Facility). The Loan Facility was secured and fully settled during the current financial year by the R&D tax incentive 2015/2016. No establishment fee was incurred during the financial year (2016: $15,000). An interest rate of 15% (2016:15%) per annum is calculated and payable monthly on the drawn down amount of the R&D Advance Facility.

Note 18 Employee Benefits

	2017 $	2016 $
Current Employee Benefits		
Annual Leave provision	59,626	49,918
Long Service Leave provision	-	-
	59,626	**49,918**
Non Current Employee Benefits		
Long Service Leave provision	**40,681**	**23,628**
Total Provisions	**100,307**	**73,546**

Refer to Note 2(n) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

Note 19 Issued Capital

	2017 $	2016 $
271,810,092 (2016 : 201,377,647) Ordinary shares	24,409,984	22,854,432
Less: Capitalised share issue costs	(1,553,040)	(1,480,684)
	22,856,944	**21,373,748**
A Ordinary shares		
At the beginning of the reporting year	21,373,748	20,344,230
Issue of ordinary shares	1,555,552	1,076,525
Less: Capitalised share issue costs	(72,356)	(47,007)
	22,856,944	**21,373,748**

Shares issued during the year were in relation to the following:

- 30,360,938 shares issued ($667,941) pursuant to 2016 Rights Issue entitlement and shortfall facility
- 32,750,918 shares ($720,520) issued pursuant to shortfall shares placed with professional and sophisticated investors
- 238,686 shares ($5,251) issued as commission in connection with the 2016 Rights Issue.
- 4,537,877 shares ($99,833) issued to non-executive directors as part of the shortfall shares subscribed pursuant to shareholders approval at the 2016 AGM
- 1,562,500 shares ($34,375) issued at $0.022 per share to Andrew McLellan, being 50% of the bonus entitlement of $68,750 as approved by the shareholders at the 2016 AGM
- 550,273 shares ($12,106) issued at $0.022 per share to a supplier in lieu of cash payment
- 431,253 shares ($15,525) issued at $0.022 per share to two (2) employees as part of their bonus entitlement

	2017 No.	2016 No.
B Ordinary Shares		
At the beginning of the reporting year	201,377,647	167,508,269
Shares issued during the year: Issue of ordinary shares	70,432,445	33,869,378
Total Issued and Fully Paid Ordinary Shares	**271,810,092**	**201,377,647**

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

At 30 June 2017, there were no options outstanding (2016: Nil).

A total of 1,500,000 performance rights were granted in 2015 to Andrew McLellan as part of the Variable Compensation – LTI which entitle Andrew McLellan to acquire one fully paid share in the Company for a nil exercise price (Performance Rights) and approved by the shareholders at the 2015 AGM.

A further 3,000,000 and 4,000,000 performance rights were granted in July 2016 to Andrew McLellan and employees respectively as part of the Variable Compensation – LTI which entitle both Andrew McLellan and the employees to acquire one fully paid share in the Company for a nil exercise price (Performance Rights). Further details of the performance rights and the terms are set out in the Variable Compensation – Long-term Incentive section of the remuneration report.

(c) Capital Management

Management controls the capital of the Group in order to ensure that the Company can fund its operations and continue as a going concern. The Group's debt and capital includes share capital and financial liabilities, supported by financial assets. There is no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management.

Note 20 Cash Flow Statement Reconciliation

Reconciliation of Net Loss after Tax to Net Cash Flows used in operating activities

	2017 $	2016 $
Net loss	(2,018,633)	(1,676,983)
Non-cash Flows in Loss		
Depreciation	19,358	24,534
Share based payment expense	86,748	24,107
Shares issue in lieu of cash bonus payment to employees	49,900	-
Shares issue in lieu of payment to supplier	12,106	-
Shares issued in FY16 for proceeds received in FY15	-	81,495
Amortisation of borrowing costs	-	15,000
Changes in Assets and Liabilities		
(Increase)/decrease in trade and other receivables	(77,407)	(42,775)
(Increase)/decrease in other assets	32,530	5,321
(Increase)/decrease in inventory	20,211	(4,044)
(Decrease)/increase in trade, other payables and deferred revenue	166,315	(91,141)
(Decrease)/increase in employee benefits	26,761	-
	(1,682,111)	**(1,664,486)**

Note 21 Related Party Disclosures

(a) Key Management Personnel (KMP)

Details relating to KMP, including remuneration paid, shares issued and options issued under the ESAP and ESOP respectively, are included in Note 22 and the Remuneration Report.

(b) Transactions With Related Parties

Other than shares and options issued to Directors and KMP of the Company disclosed in the Remuneration Report, there were no other transactions with related parties during the year.

Note 22 Key Management Personnel

Compensation for key management personnel

The total remuneration provided and /or paid to key management personnel of the Group during the year are as follows (refer to table in Remuneration Report for further detail):

	2017 $	2016 $
Short-term employee benefits#	392,534	385,937
Post-employment benefits	30,106	23,858
Long-term employee benefits	4,084	4,596
Share-based payments	86,855	24,107
	513,579	**438,498**

The short-term employee benefits paid include Non-Executive Directors fees paid amounting to $110,000 (2016: $134,795)

Note 23 Share-based Payment Plans

(a) Employee Share Acquisition Plan

The Employee Share Acquisition Plan (ESAP) is designed as a plan to permit employees and Directors of Bluechiip Limited to participate, at the invitation of the Board, in the acquisition of shares on terms and conditions determined by the Board. All shares issued under the ESAP are issued at Nil cash consideration. There was no ESAP established during the year.

(b) Expenses Arising From Share-based Payment Transactions

The expense of shares issued under the ESAP has been determined by reference to the share price on grant date. Shares vest immediately under the terms of the ESAP.

The performance rights expense under the Performance Rights Plan 2015 has been determined based on the fair values of the performance rights granted to Directors and officers calculated at grant date using a Black-Scholes-Merton model to value the performance rights with market based performance hurdles, and a Binomial Option Pricing Model to value the performance rights without market based performance hurdles.

The performance rights expense under the Performance Rights Plan 2016 has been determined based on the fair values of the performance rights granted to Directors and officers calculated at grant date using a hybrid trinomial option pricing model with a relative TSR hurdle. The hybrid trinomial option pricing model with TSR hurdle uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations.

	2017 $	2016 $
Performance Rights Plan Expense During the Year		
Performance Rights Plan 2015	18,370	24,107
Performance Rights Plan 2016	68,378	-
	86,748	**24,107**

Fair Value of Performance Rights

The fair value of the performance rights granted to the CEO in the table below has been calculated at grant date using the hybrid trinomial option pricing model with TSR hurdle. The model uses a combination of Monte Carlo Simulation and a trinomial lattice to model the performance of the Company's shares and the individual shares within the selected peer group, taking into account their individual volatilities and correlations.

2017

No options were issued to/or exercised by Directors or other KMP during the financial year ended 30 June 2017.

Number and Recipient of Performance Rights	Grant Date	Vesting Expiry date	Fair Value Per Performance Right	Exercise Price	Price of Shares on Grant Date	Risk Free interest Rate	Estimated Volatility
3,000,000 to Andrew McLellan comprising							
Tranche 1 -1,000,000	1 July 2016	30 Aug 2017/ 31 Dec 2017	$0.0168	Nil	$0.022	1.49%	100%
Tranche 2 -1,000,000	1 July 2016	30 Aug 2018/ 31 Dec 2018	$0.0168	Nil	$0.022	1.46%	100%
Tranche 3 -1,000,000	1 July 2016	30 Aug 2019/ 31 Dec 2019	$0.0168	Nil	$0.022	1.51%	100%
4,000,000 to employees comprising							
Tranche 1 -1,333,333	1 July 2016	30 Aug 2017/ 31 Dec 2017	$0.0168	Nil	$0.022	1.49%	100%
Tranche 2 -1,333,333	1 July 2016	30 Aug 2018/ 31 Dec 2018	$0.01 86	Nil	$0.022	1.46%	100%
Tranche 3 -1,333,333	1 July 2016	30 Aug 2019/ 31 Dec 2019	$0.0201	Nil	$0.022	1.51%	100%

Other than the Performance Rights granted to the CEO, Andrew McLellan and employees as set out above, no options were issued to Directors or other KMP during the financial year ended 30 June 2017.

2016

Number and recipient of Performance Rights	Grant Date	Vesting Expiry Date	Fair Value Per Performance Right	Exercise Price	Price of Shares on Grant Date	Risk Free interest Rate	Estimated Volatility
1,500,000 to Andrew McLellan comprising	27 Apr 2015						
Tranche 1 TSR: 375,000		27 Jan 2017/ 27 Apr 2020	$0.012	Nil	$0.057	1.926%	80%
Tranche 2 TSR: 375,000		27 Jan 2018/ 27 Apr 2020	$0.01 4	Nil	$0.057	1.882%	80%
CS Target 750,000		27 Jan 2019/ 27 Apr 2020	$0.057	Nil	$0.057	Not applicable	80%

Other than the Performance Rights granted to the CEO, Andrew McLellan and employees as set out above, no options were issued to Directors or other KMP during the financial year ended 30 June 2017.

Note 24 Commitments

	2017 $	2016 $
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for:		
Payable - minimum lease payments: not later than 12 months	35,000	27,071
	35,000	**27,071**

The above lease commitments are in respect of office premises rental.

(b) Contractual Commitments

Subsequent to 30 June 2017, the Company has purchase orders made in 2014 with a foreign supplier which remains unfulfilled with purchase cost totalling $249,926 (USD192,423) (2016: $259,121 or USD192,243) for the development and production of chips.

Note 25 Contingencies

The Company has no contingent liabilities or contingent assets as at 30 June 2017.

Note 26 Events After the Balance Sheet Date

In July 2017, the Company announced the completion of a 1 for 3 non-renounceable rights issue at an issue price of $0.028 per ordinary share and its associated top up facility (Rights Issue) together with a private placement. This resulted in a cash inflow of $3.434 million.

On 26 July 2017, Andrew Cox was appointed as a non-executive director of the Company.

On 23 August 2017, Blair Healy was appointed as a non-executive director of the Company.

Except for the above, there were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in future financial years.

Note 27 Auditor's Remuneration

	2017 $	2016 $
The Auditor of Bluechiip Limited is Deloitte Touche Tohmatsu (2016: Ernst & Young).		
Amounts received or due and receivable for Audit or review of the financial report of the entity and any other entity in the consolidated group	60,000	77,750
Other audit review services in relation to the entity and any entity in the consolidated group	2,500	-
Tax compliance services – Deloitte Touche Tohmatsu (2016: Deloitte Touche Tohmatsu)	8,750	5,100
Valuation services – (2016: Deloitte Touche Tohmatsu)	-	5,000
R&D tax incentive review services – Ernst & Young (2016: Ernst & Young)	-	10,750
	71,250	**98,600**

Note 28 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Parent Entity			
Bluechiip Limited	Australia		
Subsidiaries of Parent Entity			
Bluechiip, Inc.[a]	United States	100%	100%
Bluechiip Holdings, Inc. [a]	United States	100%	100%

* Percentage of voting power is in proportion to ownership

a These companies (which are dormant) are in the process of dissolution as the Directors opine that the subsidiaries are not required at this moment.

Note 29 Parent Entity Information

	2017 $	2016 $
Information Relating to Bluechiip Limited		
Current assets	2,278,661	1,769,162
Total Assets	**2,383,751**	**1,857,311**
Current liabilities	1,745,930	787,854
Total Liabilities	**1,786,611**	**811,482**
Issued capital	22,856,944	21,373,748
Reserves	4,805,107	4,718,359
Accumulated losses	(27,064,911)	(25,046,278)
Total shareholder's equity	**597,140**	**1,045,829**
Loss of the Parent Entity	**(2,018,633)**	**(1,676,983)**
Total Comprehensive loss of the parent entity	**(2,018,633)**	**(1,676,983)**

Directors' Declaration

In accordance with a resolution of the Directors of Bluechiip Limited, I state that:

1. In the opinion of the Directors:
   - a The financial statements and notes of Bluechiip Limited for the financial year ended 30 June 2017 are in accordance with the Corporations Act 2001, including:
     - i. Giving a true and fair view of its financial position as at 30 June 2017 and performance for the period ended on that date
     - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
   - b The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a)
   - c There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable as disclosed in Note 2
2. This declaration has been made after receiving declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

On behalf of the Board.

Iain Kirkwood
Chairman

29 August 2017

Independent Auditors Report

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Bluechiip Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bluechiip Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters (continued)

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Net realisable value of inventory	
Refer Note 14 in the financial report	Our procedures included, amongst others:
The Group is in the process of commercialising its products. Inventory held by the Group is sold sporadically during the process of exploring and negotiating new commercial partnerships. Management has to exercise significant judgement in estimating the net realisable value of inventory which includes estimating future sales quantities and selling prices.	• Obtaining an understanding of management's process for recording and managing inventory, including the process to forecast future inventory sales projections as well as identify and monitor inventory selling below cost price; • Making inquiries of management to understand if there have been any changes in the use or sales patterns of current inventory items including understanding and challenging the basis of management's forecasted future sales quantities and selling prices based on existing and prospective partnership discussions; • Selecting inventory items on a sample basis, and viewing recent sales, including subsequent to 30 June 2017, to determine if these items were sold below cost price; • Assessing the adequacy of management's inventory net realisable provision based on inventory items currently being sold below cost price; and • Assessing the adequacy of the disclosures in the financial statements.

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 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

Directors' Responsibilities 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.

Deloitte.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Bluechiip Limited, for the year ended 30 June 2017, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Anneke Du Toit
Partner
Chartered Accountants
Melbourne, 29 August 2017

Additional ASX Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 17 August 2017.

a. Distribution of equity securities

(i) Ordinary shares

385,541,806 (4 October 2016: 264,728,189) fully paid ordinary shares are held by 723 (4 October 2016: 714) individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Unlisted options

Nil (October 2016: Nil) options held by individual option holders.

The number of shareholders, by size of holding, in each class are

Investor Range	Shareholders	Number of Fully Paid Ordinary Shares	% of Issued Share Capital
1 - 1,000	32	3,883	0.00%
1,001 - 5,000	22	71,873	0.02%
5,001 - 10,000	83	668,234	0.17%
10,001 - 100,000	312	14,521,856	3.77%
100,001 and over	274	370,275,960	96.04%
	723	**385,541,806**	**100.00%**
Holding less than a marketable parcel	**180**	**1,328,348**	**0.34%**

b. Substantial shareholders

	Fully Paid Number	Fully Paid Percentage
Pulitano Family Superannuation Pty Ltd and; 3rd Pulitano Pty Ltd	26,624,099	6.91
Dr Stephen Woodford; Dr Stephen Woodford & Patricia Woodford	22,742,067	5.90
Equitas Nominees Pty Limited	22,500,000	5.84
Edward St Consulting Pty Ltd; Iain Kirkwood	21,683,446	5.62
LGC Super Pty Ltd	20,134,081	5.22
	113,683,693	**29.49**

c. Twenty largest holders of quoted equity securities

	Fully Paid Number	Fully Paid Percentage
Equitas Nominees Pty Limited <PB-600686 A/C>	22,500,000	5.84%
LGC Super Pty Ltd <LGC Super Fund A/C>	20,134,081	5.22%
Jencay Capital <Jencay Aust Invest Fund A/C>	19,250,000	4.99%
William Blair Healy & Mary Margaret Healy <Healy Family Superfund A/C>	17,857,143	4.63%
Dr Stephen Frederick Woodford	17,435,703	4.52%
Pulitano Family Superannuation Pty Ltd <Pulitano Family Sf A/C>	17,157,433	4.45%
Planet Innovation Pty Ltd	13,636,363	3.54%
Roshi Blue Pty Ltd <Roshi Blue Super Fund A/C>	12,000,000	3.11%
Mr Iain Macgregor Crawford Kirkwood	9,610,663	2.49%
Pulitano Family Superannuation Pty Ltd <Pulitano Family S/F A/C>	9,466,666	2.46%
Australian Executor Trustees Limited <No 1 Account>	9,369,364	2.43%
Edward St Consulting Pty Ltd <Kirkwood Family S/Fund A/C>	8,320,037	2.16%
Carrier International Pty Ltd <Carrier Int Super Ap A/C>	8,107,603	2.10%
Dr Stephen Frederick Woodford & Dr Patricia Alison Woodford <Belladonna Super Fund A/C>	5,206,364	1.35%
Jasper Superannuation Pty Ltd <The Jasper Super Fund A/C>	5,000,000	1.30%
Mr Michael Bernard Ohanessian	4,729,163	1.23%
JMN Services Pty Ltd	4,500,000	1.17%
Zalpere Pty Ltd <R & D Zmood Super Fund A/C>	4,263,648	1.11%
Just Greenery Pty Ltd <Green Family Super Fund A/C>	4,000,000	1.04%
Mr Michael Ohanessian & Mrs Candace Ohanessian <M & C Ohanessian S/F A/C>	3,943,432	1.02%
	216,487,663	**56.15%**

Corporate Information

Corporate Information

Directors

Mr Iain Kirkwood	Non-Executive Chairman
Mr Andrew McLellan	CEO/Managing Director
Mr Michael Ohanessian	Non-Executive Director
Mr Andrew Cox	Non-Executive Director Appointed on 26 July 2017
Mr Blair Healy	Non-Executive Director Appointed on 23 August 2017

Company Secretary

Mr Lee Mitchell

Registered Office

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Caribbean Business Park
Scoresby VIC 3179

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Principal Place of Business

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Scoresby VIC 3179

Phone +613 9763 9763

Share Registry

Automic Registry Services
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Phone +612 9698 5414 (international)
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Bluechiip Limited shares are listed on the Australian Stock Exchange (ASX: BCT).

Bankers

National Australia Bank Limited
Melbourne VIC 3000

Auditors

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne, VIC 3001

Website

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